MULTITUDE

ANNUAL REPORT 2024

CONTENTS

Multitude AG in Brief

Multitude is a listed European FinTech company offering digital lending and online banking services to consumers, small and medium-sized enterprises (SMEs), and other FinTechs overlooked by traditional banks. With over 400,000 customers, we serve individuals and businesses that may not meet the stringent criteria of conventional banks or struggle to access financial services due to gaps in risk assessment tools. Many traditional financial providers, whether legacy banks or emerging neo-banks, lack the experience and technology to effectively assess these underserved segments. As a result, these individuals and businesses face significant challenges in accessing essential financial services. At Multitude, we bridge this gap by offering innovative, inclusive financial products that meet the unique needs of our customers. Through a robust combination of advanced credit risk scoring and a fully digital, customer-centric approach, Multitude is uniquely positioned to provide accessible and life-changing financial solutions.

COMPANY FACTS

ferratum | CapitalBox | MULTITUDE BANK

We provide our services through our three business units operating in Consumer Banking (under the Ferratum brand, SME Banking (under the CapitalBox brand) and Wholesale Banking (under the Multitude Bank brand).

Full European banking licence	Founded in Finland in 2005	BÖRSE FRANKFURT Listed on the Frankfurt Stock Exchange

Multitude AG is listed on the Prime Standard segment of the Frankfurt Stock Exchange under the ticker symbol “MULT”. This follows the ultimate parent company’s relocation to Switzerland, after previously being listed as “E4I” while domiciled in Malta and “FRU” when based in Finland.

€263.7m	400K+	700+	17
Group Revenue	Customers	Employees	Countries

Our Group employs over 700 people and provides services in 17 countries. The Group comprises Multitude Bank p.l.c., a fully licensed subsidiary regulated by the Malta Financial Services Authority (MFSA). This license empowers us to offer a comprehensive suite of financial products and services to customers throughout the European Economic Area (EEA), enabling us to effectively serve a broad and varied market.

2024 KEY HIGHLIGHTS

Interest income	EBIT*	Net profit	Earnings per share
+13.3%	+48.5%	+23.1%	0.65
€261.1m	€67.6m	€20.2m	EUR 0.51 in 2023
EUR 230.5 million in 2023	EUR 45.6 million in 2023	EUR 16.4 million in 2023	

*This year concludes our EBIT Guidance framework established in 2021, which we have successfully surpassed each year. Going forward, our guidance will be based on Net Income estimates.

Year 2024 in brief - Significant events

New Group CEO Appointment

Antti Kumpulainen, CEO of Multitude Bank p.l.c., has been appointed as the new Group CEO, effective 1 January 2025. This leadership transition marks a significant milestone in the company's continued growth and strategic direction.

Relocation of the Parent Company

The relocation of our ultimate parent company to Switzerland was successfully completed on 30 December 2024, reflecting our commitment to serve our shareholders.

Share Buyback and Employee Ownership

We launched three share buyback programmes, alongside an all-employee shareholder programme, aimed at strengthening employee ownership and further enhancing shareholder value. These initiatives demonstrate our confidence in the company's future and our commitment to delivering long-term value to both shareholders and employees.

Financial Guidance

We have provided new guidance for the next two years, forecasting net profit of EUR 23 million in 2025 and EUR 30 million in 2026. This outlook underscores our confidence in the company's strategic initiatives and future performance.

Business Units' reorganisation

Wholesale Banking, has been established as an independent business unit. It incorporates parts of the former SweepBank business unit, which has now been dissolved. This restructuring is designed to streamline operations and better position the company for future growth.

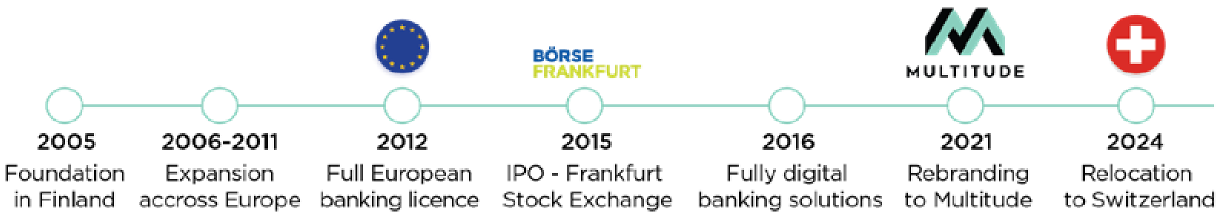
Dividend Proposal

The Board of Directors proposes to the Annual General Meeting 2025 the distribution of a dividend of EUR 0.44 per share, reflecting our commitment to rewarding shareholders while maintaining a strong financial position.

Multitude's History

Our journey to positive impact

In 2005, our Founder, Jorma Jokela, drew inspiration from an article about the Grameen Bank in Bangladesh, a pioneering institution serving microloans to underserved populations. This visionary concept led him to realise the transformative potential of merging finance with mobile technology, an unexplored frontier in the Western world at the time. Through digital distribution of financial services, he could effectively address the needs of Europe's underserved people. Ferratum, a pioneering digital consumer lender, was born. Some years later, we broadened the consumer offering with banking and applied the same approach of serving the underserved to businesses through our SME Banking business unit under CapitalBox brand. In 2024, we extended it further to other FinTechs through the Wholesale Banking business unit, operating under Multitude Bank brand.



Significant milestones in our history

Founded in 2005 in Finland, Multitude was originally named Ferratum. From our inception, we focused on fast, easy, and entirely digital consumer loans.

In 2012, we were granted a banking licence, enabling further EU expansion. This strategic milestone led to significant growth opportunities, one of the biggest being in Germany. In addition, it gave us a significant competitive edge and capital efficiency by allowing us to fund growth through deposit funding.

In 2015, while completing our Initial Public Offering on the Frankfurt Stock Exchange's Prime Standard which allowed us to raise substantial capital, we began our expansion into SME lending by offering businesses rapid digital working capital financing.

In 2021, we rebranded from Ferratum to Multitude and introduced a dynamic, agile approach to working while unveiling a transformative business strategy of being a growth platform that nurtures our business units.

In November 2023, Multitude announced the launch of a new wholesale banking business unit, managed by Multitude Bank. The Wholesale Banking business unit, which serves a diverse institutional client base, became independent in January 2024.

In January 2024, we also unveiled the possibility of potentially relocating to Switzerland to facilitate global access to our shares. This project came to fruition on 30 December 2024 with the relocation of our ultimate parent company to Zug.

Our Strategy

To achieve our ambitions and mission, we have developed a growth strategy centered around three key pillars: organic development, partnerships, and acquisitions.

Organic development is driven by enhanced customer centricity, a more direct approach, and ongoing expansion of our product and country portfolio. For organic growth, Multitude aims to significantly enhance AI applications, further automate processes, and broaden product offerings for customers. This approach improves services and helps manage costs more effectively. The Wholesale Banking business unit will play a key role in driving organic growth.

The partnerships pillar will focus on establishing sales alliances to offer additional services in collaboration with our business units. Partnerships are equally vital, enabling the Group to expand its product range through new distribution channels and enhanced offerings, such as embedded finance solutions.

Acquisitions will help Multitude enter new countries, introduce new products, enhance its current offerings in existing markets, and attract new segments into the growth platform.

Multitude growth platform

Our growth platform is the core driver of our ambition, supporting scalability through cloud-native infrastructure, automated processes, and real-time monitoring. Developed by our internal team and select partners, it provides a solid foundation for growth and innovation.

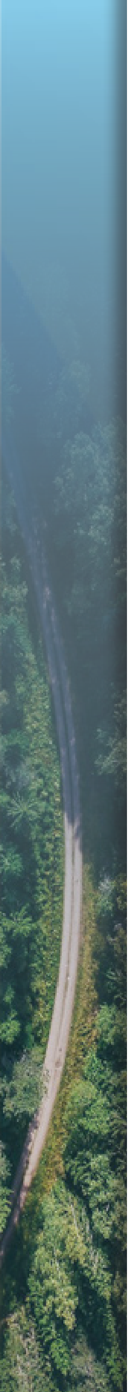
We've created proprietary data and credit scoring algorithms that enable instant, digital credit decisions. Combined with extensive global regulatory experience, our technology offers a significant competitive advantage, enabling risk-assessed scoring at unmatched scale.


MULTITUDE

Letters to Shareholders

Jorma Jokela

Multitude Founder



Dear Shareholders,

When we founded Multitude twenty years ago in Helsinki, Finland, we identified a significant gap in the European financial sector, one that left millions of people and small businesses underserved. Traditional banks overlook so many customer segments due to their outdated, slow, and rigid processes that fail to meet customer needs. This realisation became the foundation of our purpose and continues to drive us today.

Our vision is bold: to become the most valued financial platform for those overlooked by traditional banks. Our mission is to reshape the financial industry by making it faster, more accessible, and more sustainable. With a digital-first approach, cloud-based technology, advanced AI capabilities, and a strong commitment to customer experience, we have built a financial platform designed for the modern customer.

Multitude is not just a financial services company. It's a technology company revolutionising finance. Every decision we make is driven by the belief that financial services should empower consumers and small businesses, not exclude them. We move fast, adapt quickly, and continuously improve, because our customers deserve nothing less.

The year 2024 was another remarkable one, with financial performance unfolding exactly as planned. It marked the fourth consecutive year in which we delivered on our EBIT guidance, achieving a 50% year-on-year increase. This is a truly strong performance, especially considering that we also achieved over 13% revenue growth. What makes this even more significant is that growth came from all three of our business units, including our newly launched institutional customer segment within the Wholesale Banking division.

When we set our four-year EBIT guidance in 2021, aiming for a 50% annual increase through 2024, we were confident that our strategic shifts, such as adopting an agile operating model, expanding our product and customer segment portfolio, and enhancing customer experience, would deliver lasting results. These changes will continue to support us in the years ahead, and I firmly believe that today, Multitude is stronger than ever before.

Consumer Banking continues to be at the core of our success, remaining our largest business unit and the main profit driver at the Group level. The business unit's profit before tax grew from 22.9 MEUR to 32.8 MEUR, representing an increase of 43.5%, while revenue increased from EUR 201.8 million to EUR 216.5 million in

2024, all driven by organic growth within our existing product and country portfolio.

We also made strong progress in expanding our partnership channel. By year end, we successfully re-launched the Polish market in collaboration with a local partner. Operating under the Ferratum brand in 17 countries, Consumer Banking continues to evolve. To support this evolution, the technology and products of our former SweepBank business unit were integrated into Consumer Banking, enabling an expanded range of services.

At the end of the year, to further align with our strategic objectives, our subsidiary Multitude Bank p.l.c. acquired an 18.6% stake in Lea Bank, a Sweden-based, fully digital consumer lending bank with a strong presence across Scandinavia. Lea Bank operates with exceptional efficiency and complements our Consumer Banking business unit's product offering. With this stake acquisition, we see strong long-term synergies that will further strengthen our consumer banking business and decided to increase our ownership to over 20% at the beginning of 2025.

Our SME Banking business unit delivered strong growth in both revenue and lending portfolio levels throughout 2024. Revenue increased from EUR 23.7 million to EUR 33.6 million, while profitability remained negative, reflecting our strategic decision to prioritise investment in growth over a faster track to profitability. Operating under the CapitalBox brand, the SME Banking business unit continues to strengthen our position across five countries.

A key milestone for SME Banking this year was the acquisition of Omniveta's digital factoring business, a Denmark-based operation with a highly skilled team and advanced technology that perfectly aligns with CapitalBox business unit's product portfolio. Additionally, SME Banking has started integrating the mobile banking technology from our former SweepBank business unit into its future offerings, further enhancing its digital capabilities and unlocking new growth.

The Wholesale Banking business unit had a strong first year in 2024, successfully launching its services for institutional customers overlooked by traditional banks. As with any new business, we embraced a learning-by-doing approach, working closely with our customers to shape our offerings. This approach paid off, as customers highly valued our solutions, and we gained valuable insights into their evolving needs.

Our lending and investment portfolio grew significantly, from EUR 62.4 million to EUR 132.8 million, an outstanding 112.8% increase. At the same time, our second product, a payment platform designed for fintechs, e-money institutions, and smaller banks, gained momentum. We successfully onboarded two new customers and see strong demand for further expansion. Seeing our solution scale into new customer segments reinforces our confidence in the business model, and we are excited about the growth opportunities ahead.

At the corporate level, we achieved several remarkable milestones over the past year. One of them was the transfer of our registered seat from Finland to Switzerland, an important step in our long-term strategy to bring Multitude closer to our shareholders and investors. While our legal domicile has changed, our values and roots remain firmly in Finland and Scandinavia, where our group management continues to operate.

On the technology front, we further strengthened our cloud-based data hosting, microservice architecture, and data science and AI teams to accelerate the adoption of AI-based language models across various business use cases. Our AI team collaborated with business units and teams across marketing, risk, and operations to enhance customer experience, improve efficiency, and drive sales growth initiatives. These efforts contributed in 2024 to a reduction in our cost-income ratio from 47% to 45% and an increase in customer satisfaction (NPS) from 60 to 62.

Credit losses continued to decline from 14% to 12.6% at the portfolio level, despite simultaneous business growth across all units. This improvement was driven by multiple factors, including strong risk management, advanced data science applications, enhanced collection operations, and continuous optimisation by our tech and marketing teams. Collectively, these efforts demonstrate our ability to scale efficiently.

Throughout the year, we maintained a strong liquidity position, strategically reducing excess cash buffers and diversifying our deposit intake portfolio to lower funding costs. In June 2024, we successfully refinanced our EUR 50 million 2022-2025 bond, six months ahead of schedule, issuing a new bond of initially EUR 80 million, listed in Frankfurt and Stockholm.

We believe our strong track record of meeting external guidance from 2021 to 2024 and our valuation compared to peers are not yet fully recognised by the market. Our management and team members remain highly confident in our future plans, as reflected in the equity market activity throughout the year. Our employee matching share programmes were successfully executed, with 139 employees participating. Moreover, we launched an all-employees shareholder programme, distributing 50 free shares over 500 employees, strengthening employee ownership and dedication to the company. In addition, the leadership team members collectively purchased 737,017 shares over the year. This is more than in any previous year, increasing their total ownership to 5.25% of Multitude AG. At the company level, we also took proactive steps, launching two share buyback programmes successfully, investing over EUR 585,000.

As I transition the CEO role to Antti Kumpulainen on January 1, 2025, after 20 incredible years of leading this exceptional team and driving financial industry innovation, I remain deeply committed to our mission. In my new role, I will continue to support our strategic projects, partnerships, and potential acquisitions. I have great confidence that this leadership transition will bring substantial value to Multitude. With Antti's expertise in operations and process development, combined with our many years of collaboration, we are ensuring a smooth and effective transformation for the company

This is the last CEO letter I will write, and I want to express my deepest gratitude to all our shareholders, stakeholders, and our incredible team for being part of this remarkable journey. It has been an honor to build Multitude together with you, and I am excited for what lies ahead.

"Let's continue exploring and push boundaries even further. The best is yet to come."

Jorma Jokela

CEO until December 31, 2024

Antti Kumpulainen

Multitude CEO

Dear Shareholders,

It is an honor to address you as the new CEO of Multitude, a position I have held since January 1, 2025. I am privileged to continue the remarkable work of Mr. Jorma Jokela, whose vision and leadership as founder have positioned Multitude as a pioneering force in our industry. Together, we aim to propel Multitude toward our ambitious target of becoming a EUR 1 billion-valued company.

My journey as CEO begins at an exciting time for the company. With 9 years at Multitude, including 5 as CEO of Multitude Bank, I have developed a deep understanding of our business, employees, and operations. The company is built on a solid foundation, and my focus will be on strengthening this success by driving further innovation, enhancing operational efficiency, and creating value for all stakeholders. To achieve this, I have identified four key focus areas for our way forward:

Leading by Data
Leveraging data-driven insights will be at the core of our decision-making processes. By harnessing the power of advanced analytics, we aim to optimise our operations, better understand our customers, and make informed strategic choices that drive profitable growth.

Accelerating Digitalisation
The digital landscape is ever-evolving, and staying ahead requires us to further develop our cutting-edge technologies and continue working with agile methodologies. By accelerating our digital transformation, we will enhance our ability to adapt to market changes, deliver superior products, and remain competitive in an increasingly digital world.

Enhancing Customer Experience
Our customers remain at the heart of everything we do. By prioritising customer-centric innovation and continuously improving our service offerings, we will foster deeper relationships and loyalty. A seamless and rewarding customer experience will be key to achieving our growth aspirations.

Improving Efficiency
Efficiency is fundamental to sustainable success. By streamlining our operations, increasing the adoption of AI-driven solutions, and focusing on our cost-to-income ratio, we will ensure that Multitude remains financially robust while delivering consistent value to our shareholders.

The road ahead is both inspiring and challenging. I am confident that with our dedicated team, clear strategic focus, and unwavering commitment to our mission, Multitude is well-positioned to achieve its goals. I look forward to working closely with all of you as we embark on this exciting journey together.

“Thank you for your continued trust and support.”

Antti Kumpulainen

CEO as of January 1, 2025

ESG REPORT 2024

1. About the ESG Report 2024

This is the fourth ESG report since we adopted our new name and strategy as Multitude Group, with our growth platform and mission to democratise financial services through digitalisation, making them fast, easy, and green.

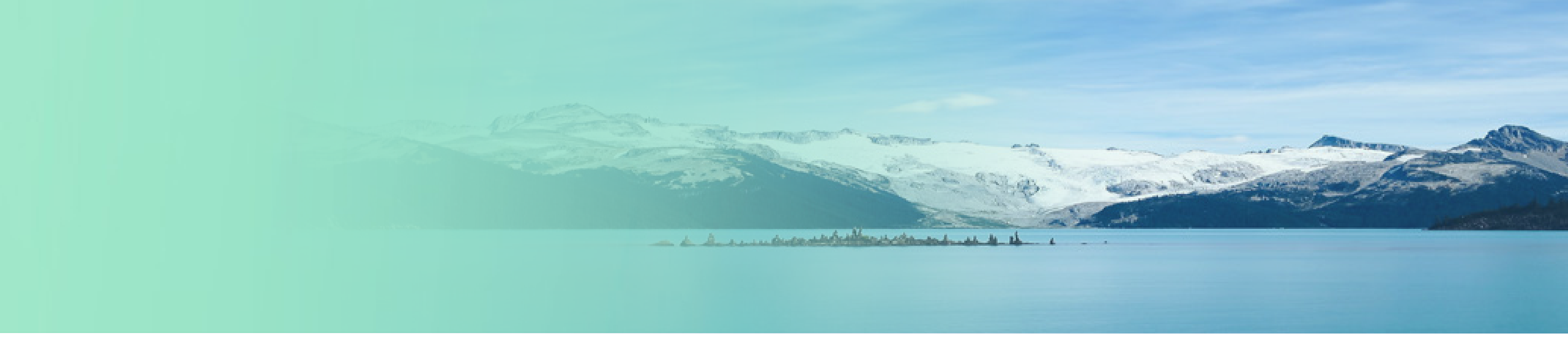
In this report, our ultimate parent company Multitude AG provides information on a group consolidated basis in accordance with articles 964a-c of the Swiss Code of Obligations as well as sections 289b-e of the German Commercial Code (HGB) which adopts the European Union Directive 2014/95/EU "Non-financial Reporting Directive" (NFRD) through "CSR-Richtlinie-Umsetzungsgesetz" (CSR-RUG). The report also includes disclosures required by Article 8 of the EU Regulation 2020/852 and its related delegated acts (EU Taxonomy or Taxonomy) within the Environmental Matters section. However, the report does not disclose information on the transition plans as per Swiss Ordinance on Climate Disclosures because the targets are under revision as explained in the Environmental Matters section.

The report was prepared by following the European Commission's guidelines on non-financial reporting (2017/C 215/01) and supplement on reporting climate-related information (2019/C 209/01). Additionally, the report follows the GHG Protocol Corporate Accounting and Reporting Standard while disclosing greenhouse gas emissions (GHG).

The report, along with the figures and performance indicators it contains, refers (unless otherwise stated) to the 2024 financial year (1 January to 31 December 2024). The consolidation scope of the ESG report is the same as that of the financial statements for FY2024 as presented in Section 5.1 of the consolidated financial statements (unless specified otherwise). The ESG report addresses environmental matters, including CO2 emissions, social and employee-related matters, including respect for human rights, and anti-corruption and bribery matters. It contains the information required to understand Multitude's development, performance, and position, as well as the material risks and impacts of the Group's activities on these non-financial matters.

Throughout 2024, Multitude took steps to prepare for reporting under the EU Directive 2022/2464 "Corporate Sustainability Reporting Directive" (CSRD) which supersedes the NFRD. The CSRD requires the EU member states to adopt it into their national laws for it to be enforceable. However, as of December 31, 2024, Germany, Multitude AG's home member state under the EU Transparency Directive (Directive 2004/109/EC), had not implemented the CSRD yet. Nonetheless, we continue to monitor regulatory developments and enhance measures to fulfil regulatory expectations as sustainability reporting standards evolve.

The ESG report for 2024 was approved by the Board of Directors of Multitude AG on 16 April 2025 and will be submitted for approval by Annual General Meeting.



2. About Multitude Group

Backed by 20 years of solid track record in building and scaling financial technology, Multitude Group's ambition is to become the most valuable financial platform for overlooked customers. Multitude's mission is to democratise financial services through digitalisation, making them fast, easy, and green.

Our mission drives an approach that enables financial and social inclusion, supports global climate ambitions, and limits potential carbon emissions through the absence of a physical branch network. This broader access to finance and our ability to generate a positive impact are rooted in our diverse skills, technological expertise, strong partnerships, and commitment to responsible lending. These value drivers, along with our product and service offerings and ESG priorities, enable us to serve overlooked customers responsibly while contributing to local economic growth.

We aim to be a responsible financial services provider by offering a robust, fair, and transparent customer selection process tracked by our Responsible Lending Index. To us, responsible financial services mean deploying technologies that support businesses in transitioning to greener, more socially sustainable practices with lower carbon emissions. We therefore offer digital, paperless, and cardless banking and services, utilising cloud technology and a hybrid working model.

Our ESG priorities

At the inception of our ESG programme, we outlined three goals for 2025 that would guide our development:

E – Understand and reduce the Group's environmental footprint

S – Monitor, report on, and improve stakeholder wellbeing

G – Embed ESG-conscious practices

Environmental matters continue to shape our business environment, and more importantly, that of our SME Banking and Wholesale Banking clients. Despite increasing uncertainties in the regulatory field, the Competitiveness Compass, published by the European Commission on January 29, 2025, defines decarbonisation as one of the three transformational imperatives to strengthen the EU's competitiveness. In 2024, we further enhanced the quality of our greenhouse gas (GHG) emissions measurements, including financed emissions under Scope 3. With more reliable data now available, we are preparing to move from understanding our footprint to designing actions towards decarbonisation.

The wellbeing of our customers and employees remains a central pillar in our approach to ESG. It is a key area where our commitment to being a responsible financial services provider is clearly demonstrated. Our efforts include enabling socially inclusive products and services and protecting vulnerable customers through responsible lending and customer education. Our largest business unit, Consumer Banking, uses the Responsible Lending Index to monitor customer protection as part of our focus on social responsibility. We also benefit from the diversity of skill sets, nationalities, genders, and ages of our employees and continuously invest in their wellbeing and development. Multitude can only achieve its environmental and social objectives through good governance. Since 2021, Multitude's ESG Steering Committee, comprising Leadership Team members, has driven the integration and enhancement of the ESG practices across the Group. This commitment from top management lays a strong foundation for an ESG-conscious way of doing business.

3. Governance

Multitude's ESG Steering Committee is the main forum for regular updates and decision-making on ESG matters at the management level. Chaired by the Group CEO and Group ESG Officer, the Committee includes the Chief Financial Officer (CFO), Chief Risk Officer (CRO), and Chief Legal and Compliance Officer (CLCO). The Committee's duties include:

1) Overseeing material ESG impacts, risks, and opportunities
2) Defining ESG priorities, objectives, and strategy
3) Managing and monitoring ESG performance
4) Reporting to the Board of Directors of Multitude AG

The Committee's activities are periodically reported to the Group's Board of Directors, which oversees the monitoring of material ESG matters and strategy development and approves ESG policies. The Board of Directors has three permanent committees: the Audit Committee, People and Culture Committee and Risk Committee, each addressing ESG matters within their respective focus areas.

The Group Risk Committee reports to the Board of Multitude AG on risk matters, including ESG risks. The Group Audit Committee monitors and assesses the efficiency of Multitude's internal controls, internal audit, and risk management systems. It also reviews Multitude's corporate governance statement and non-financial report, as well as the ESG reporting process. The People and Culture Committee is tasked with ensuring the proper functioning of corporate governance and efficient preparation of matters related to the performance review and remuneration of the Members of the Board, the CEO, other executives, and the remuneration schemes for the personnel. Additionally, the Committee oversees human resource matters, including diversity.

4. Risk Management

The Group recognises the importance of ESG risks and their potential impacts on business strategy, performance, and objectives. A Risk Committee of Multitude AG oversees the Group's risk management, covering a range of risks including credit, market, liquidity, operational, and ESG risks. At the functional level, the Group Chief Risk Officer (CRO) is responsible for risk management and monitoring the risk profile.

Multitude Bank p.l.c. (the Bank) plays a crucial role in the development of the Group, with most of the Group's income and assets associated with the Bank. Consequently, risk management within the Bank, including ESG matters, is handled with utmost care. The Bank has its own Risk

Management Framework, with the Bank's Risk Committee overseeing risk policies and frameworks. This Committee ensures that risk controls across the Bank meet regulatory requirements and best practices and advises the Board of Multitude Bank p.l.c. on the coordination and prioritisation of risk management issues.

The management of ESG risks at both the Group and Bank levels is a collaborative effort. The CROs of the Group and Bank are supported by the ESG team in identifying, assessing, and managing ESG risks.

Integration of ESG risks

Multitude has integrated ESG risks and impacts into its general risk management framework assessing their impacts over short, medium, and long-term horizons. This includes Climate and Environmental (C&E) risks and accounts for both physical and transition facets. We continuously enhance the integration of the ESG risks into the existing processes to achieve a holistic approach and alignment with Multitude's overall risk management strategy.

The following outlines the specific ways in which we manage ESG risks, including climate risks:

- **Risk Appetite Statement –** In Risk Appetite Statements, the Board and management formally establish a 'tone at the top' to be followed by the Bank's three lines of defence. The Bank expresses a low appetite for ESG risks, Human Rights risks and Climate Transition risks.

- **Underwriting Process –** Since 2023, the Bank has integrated an ESG risk assessment into the analysis of Wholesale Banking clients as part of the Secured Debt and loan origination process. The assessment covers environmental and social matters, including human rights topics. The assessment methodology is continuously enhanced to account for evolving best practices as well as for stakeholder and regulatory expectations.

  The assessment follows a five-pillar approach covering country, sector, incidents, policy and counterparty assessment. Each pillar is evaluated across environmental and human rights dimensions, utilising external data and methodologies for country and sector assessments. The counterparty assessment is based on a questionnaire and the client's policies on the management of ESG issues.

- **Business Continuity Planning –** The Bank integrates ESG matters into its operational risk management through its Business Continuity Plan, which evaluates a scenario of natural disasters causing operational disruptions and outlines a response should the scenario occur.

- **Expected Credit Losses –** Since 2024, climate risk factors have been incorporated in the estimation of Expected Credit Losses (ECL) for consumer and SME lending activities. The model uses climate scenarios provided by Oxford Economics. As of December 2024, three scenarios were used in the ECL calculations: Net Zero, Low Demand and Climate Distress.

  - **Net Zero:** Aligned with NGFS narratives, this scenario achieves net zero CO_2 emissions by 2050 through early policy action, technological advances, and global coordination. Global warming is limited to around 1.6ºC before falling to 1.5ºC by 2100. The economic impact is modest, with higher investment helping to offset carbon taxes.

  - **Low Demand:** In this scenario, governments impose strict climate policies in response to rising physical risks. However, the failure to advance supply-side transformation forces the world to reduce energy demand to meet climate goals. Increased government action helps reduce energy demand and enhance energy efficiency.

- **Climate Distress:** This scenario features governments' failure to meet their policy pledges, leading to intensified greenhouse gas concentrations. Global temperatures rise by 2.1ºC by 2050, resulting in severe physical damages that accelerate over time.

- **Vendor Onboarding Process –** The Group conducts an ESG assessment of any vendor arrangement with a total annual spend greater than EUR 50,000, or if outsourcing, regardless of the value. This comprehensive evaluation includes screening for human rights and environmental incidents throughout the vendors' value chains. Furthermore, it involves a thorough evaluation of the counterparties' policies on the management of ESG issues, including human rights.

- **New Product Approval –** Since 2022, ESG has become an integral part of the Bank's New Product Approval Policy (NPAP) which is in line with European Banking Authority Guidelines on Internal Governance. Incorporating ESG considerations into the NPAP process ensures compliance with an appropriate risk approach and effective impact management regarding ESG issues during the early stages of new product development or market entry.

The inclusion of C&E risks within our risk management framework is an ongoing effort. Multitude is committed to continuously enhancing its processes to better address these risks, ensuring that our approach remains robust and aligned with evolving best practices and regulatory expectations.

5. Reporting on Material Topics

Environmental matters

The 2024 World Economic Forum's Global Risks Report reveals the critical environmental challenges faced globally over the next decade, emphasising the transition of extreme weather events, biodiversity loss, and ecosystem collapse from long-term concerns into an imminent reality. As a financial sector actor, Multitude acknowledges the impacts stemming from its financial activities and its exposure to climate- and environment-related risks potentially affecting Multitude's capacity to serve its customers and stakeholders.

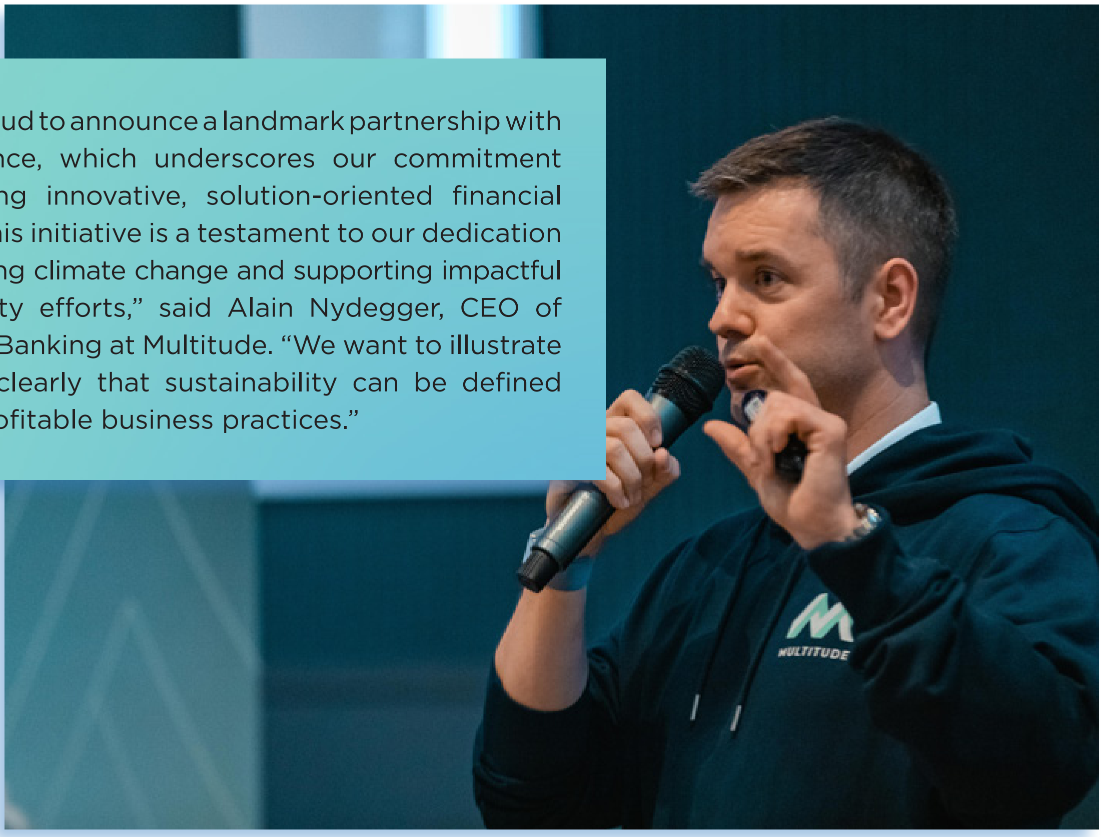
Although Multitude does not operate in carbon-intensive sectors, it is nevertheless exposed to climate risks due to financing provided to SMEs operating in these sectors. Climate change exposes European consumers, SMEs, and corporates to physical risks on a systemic level. This entails potential low-likelihood but severe regional natural hazard events, which can negatively affect a wide range of Multitude's customer base. The exposure to credit risk in the medium and long term driven by physical and transition climate risks is deemed material. Recognising this, Multitude has taken a number of initiatives to mitigate the risks as detailed in Section 4 Risk management. Although Multitude's exclusion policy prohibits the financing of power generation using coal and the trade of coal, the share of SME clients operating in the construction, manufacturing, and transportation sectors remains materially important for the business.

With the evolving regulatory landscape aimed at achieving the EU Green Deal's Net Zero Target by 2050, SMEs' growth and performance may be impacted by the costly transition to low-carbon and energy-efficient technologies, which could adversely affect their business model and financial performance. On the other hand, the transition presents an opportunity for Multitude to support these changes by offering bespoke financial solutions tailored to the needs of a low-carbon economy.

Our Double Materiality Assessment (DMA) also revealed material negative impacts on biodiversity and circular economy topics. These impacts occur indirectly through our business relationships with our service providers and clients. This conclusion was derived from a holistic assessment approach using the United Nations Environment Programme - Finance Initiative (UNEP FI) Impact Analysis suite rather than an individual assessment of clients. We expect a more precise assessment of impacts across downstream and upstream value chains as more data becomes available from our counterparty ESG evaluations described in Section 4 Risk management.

Case study – Supporting Sustainable Agriculture

In December 2024, Multitude Bank p.l.c. entered a partnership with climate technology company, HeavyFinance. Through a debt-asset securitisation deal, the Bank committed to investing EUR 14 million in loans to small and medium-sized agricultural businesses. This investment aims to support their transition to sustainable practices and is secured by a first-of-its-kind portfolio guarantee of up to EUR 10.5 million provided by the European Investment Fund (EIF). The funds will be distributed among more than 500 European agricultural businesses, enabling them to adopt and expand sustainable practices.



"We are proud to announce a landmark partnership with HeavyFinance, which underscores our commitment to delivering innovative, solution-oriented financial services. This initiative is a testament to our dedication to addressing climate change and supporting impactful sustainability efforts," said Alain Nydegger, CEO of Wholesale Banking at Multitude. "We want to illustrate here very clearly that sustainability can be defined through profitable business practices."

Multitude Bank p.l.c. began investing in loans originated by HeavyFinance in December 2024, with full deployment of EUR 14 million expected by the end of 2025.

"We are honoured to partner with HeavyFinance, a purpose-driven climate tech company dedicated to transforming agriculture and achieving their ambitious goal of removing one gigaton of CO_2 emissions by 2050. This collaboration not only furthers HeavyFinance's growth in customer base and geographic reach but also amplifies awareness of ESG priorities," said Antti Kumpulainen, CEO of Multitude Bank p.l.c.

Our carbon emissions

Emissions category (tCO2eq)	2024	2023
Scope 1 GHG emissions	N/A	N/A
Scope 2 GHG emissions		
Gross location-based Scope 2 emissions	168.6	164.2
Gross market-based Scope 2 emissions	184.3	253.6
Scope 3 GHG emissions		
1 Purchased goods and services	6,891	5,395
2 Capital goods[1]	95.5	N/A
3 Fuel and energy-related activities	40.9	34.7
6 Business travel	108.3	103.2
7 Employee commuting	511.6	1,787
15 Investments[2]	98,740.2	83,419.9
Total GHG emissions		
Total GHG emissions (location-based)	106,556.1	90,904.0
Total GHG emissions (market-based)	106,571.8	90,993.4
Financed emissions intensity (tCO2eq/M.EUR outstanding)[3]	275.6	496.5

1. We are reporting Scope 3 Category 2 Capital Goods for the first time in 2024.
2. In 2024, we revised our input data used in estimating the financed emissions to better align with PCAF's methodology. Therefore, we are restating the results for 2023. Both in 2024 and 2023 the average PCAF data quality score weighted by gross outstanding value was 4.1.
3. The intensity results cover only assets included in the financed emissions estimations.

In previous iterations of the ESG report, we communicated our targets to reduce our carbon footprint across Scope 2 and 3 GHG emissions. While we remain committed to mitigating our impact on climate change, we decided to revise our targets for two reasons. First, we aim to better align our ESG targets with growth targets to account for the evolving business environment. Second, improvements in GHG emissions measurement have enabled us to understand better our impact and thereby issues where taking action matters the most.

GHG emissions accounting

Multitude AG uses an operational control approach to account for and report on consolidated GHG emissions.

Scope 1

Mobile combustion

Emissions under this category arise from the combustion of fuels in company-owned or controlled vehicles. In total, Multitude leases two vehicles at its Finland office, which are categorised as 'right-of-use' assets according to IFRS 16. Hence, it is reasonable to estimate that emissions from mobile combustion are minimal. While data to calculate this category is not available yet, we aim to improve our systems to enable calculation in the future.

Stationary combustion

This category includes emissions from the generation of electricity, heat, or steam as a result of fuel combustion sources such as boilers, furnaces and turbines. Multitude's global offices and co-working spaces are leased from third-party property management, but none of them generate energy from stationary combustion sources.

Fugitive combustion
This category includes emissions from intentional or unintentional releases such as equipment leakages. Multitude does not own or operate any industrial equipment or mining operations which would give rise to emissions from fugitive combustion.

Scope 2

Electricity, heating, and cooling
Scope 2 accounts for emissions generated from purchased electricity, heating, and cooling. Data quality for Scope 2 estimation varies from office to office. Thus, we follow a data quality hierarchy to facilitate calculations (from most to least accurate):

1. Emissions information provided directly by utility suppliers
2. Energy consumption per invoice
3. Energy cost per invoice
4. Area of facility

The energy sources (e.g., renewable and fossil fuels) are also factored into the estimations when direct information from suppliers is not available. Multitude applies both location- and market-based approaches to account for Scope 2 as guided by the GHG Protocol. District heating statistics and the UK Department for Energy Security and Net Zero (DESNZ) inform the emission factors for heating. For electricity, emission factors are derived from various sources including the International Energy Agency (IEA), Association of Issuing Bodies (AIB), Environmental Protection Agency (EPA), and Ember.

Scope 3

The table below describes the applicability of each Scope 3 category and our approach to the estimation of relevant categories.

Scope 3 category	Applicability	Underlying data
1. Purchased goods and services Upstream emissions from the production of purchased tangible and intangible products.	Applicable – Multitude purchases goods and services from various external vendors.	Emissions are estimated by collecting data on the economic value of purchased goods and services derived from internal accounting records. Cradle-to-gate emission factors of the purchased goods and services are extracted from Exiobase.
2. Capital goods Upstream emissions from the production of capital goods purchased in the reporting year.	Applicable – Multitude purchases finished physical products that have an extended life for various external vendors. Multitude reports the emissions from this category for the first time in 2024.	Emissions are estimated by collecting data on the economic value of capital goods purchased derived from internal accounting records. Cradle-to-gate emission factors of the purchased capital goods are extracted from Exiobase and Ecoinvent.
3. Fuel- and Energy-related activities not included in Scope 1 or Scope 2 Emissions associated with the production of fuel and energy purchased that are not already included in Scope 1 or Scope 2.	Applicable – Multitude purchases energy for its offices.	Upstream emissions from purchased electricity are calculated on the basis of transmission and distribution losses using emission factors from IEA and DESNZ. Upstream emissions from district heating and natural gas are calculated using emission factors from DESNZ.
4. Upstream Transportation and Distribution (T&D) Emissions related to the transportation and distribution of products purchased between a company's tier 1 suppliers and its own operation, in vehicles not owned by the reporting company.	Applicable – Multitude procures goods delivered by suppliers or third parties.	T&D expenses are generally included in the costs of purchased goods and services. Therefore, they are accounted for under Category 1.
5. Waste Generated in Operations Emissions arising from third-party disposal and the treatment of waste generated in company's owned or controlled operations.	Applicable – Office waste produced as part of daily activities.	Data is not available to estimate the emissions from this category.
6. Business travel Emissions related to the transportation of employees for business-related activities in vehicles owned by third parties.	Applicable – Multitude employees travel for business purposes.	Emissions are estimated using a spend-based method, whereby employees' cost of travel is collected from internal accounting records. Spend-based emission factors are compiled from Exiobase and DESNZ.
7. Employee Commuting Emissions related to the transportation of employees between their homes and their worksites.	Applicable – Multitude employees commute regularly to local offices using their own or public transportation.	Emissions are estimated using a distance-based method. Data on commuting habits is collected directly from employees via annual commuting surveys. Emission factors for passenger travel are derived from Defra.

Scope 3 category	Applicability	Underlying data
8. Upstream Leased Assets Emissions from the operation of assets that are leased by the company.	Not Applicable – Assets leased by Multitude are recognised as right-of-use assets and thus accounted for under Scope 2.	-
9. Downstream Transportation and Distribution Emissions that occur from the transportation and distribution of sold products.	Not Applicable – Multitude does not produce or sell any physical products.	-
10. Processing of Sold Products Emissions from processing sold intermediate products by third parties subsequent to sale by the company.	Not Applicable – Multitude does not produce or sell any physical products.	-
11. Use of Sold Products Emissions related to the use of goods and services sold by the reporting company in the reporting year.	Not Applicable – Multitude does not produce or sell any physical products.	-
12. End-of-Life Treatment of Sold Products Includes emissions from the waste disposal and treatment of products sold by the company at the end of the products' life.	Not Applicable – Multitude does not produce or sell any physical products.	-
13: Downstream Leased Assets Emissions from the operation of assets that are owned by the company and leased to other entities.	Not Applicable – Multitude does not lease any assets to other entities.	-
14: Franchises Emissions from the operation of franchises.	Not Applicable – Multitude does not own or operate any franchises.	-
15: Investments Emissions associated with the company's Investments.	Applicable – Emissions from Multitude's debt and equity investments.	Financed emissions are accounted for using the Partnership for Carbon Accounting Financials (PCAF) methodology. **Loans and debt securities** Emissions from lending activities are calculated based on Multitude's loan and debt securities portfolio at the year-end. Calculations do not include terminated loans or loans in closed markets due to inactivity. The loans by the Consumer Lending business unit are not included because they cannot be classified into asset types covered by the PCAF methodology. Regional sectoral average emission factors are derived from Exiobase Revenue and Exiobase Assets databases and adjusted for inflation. **Equity investments** Emissions from equity investment in associate companies are calculated using the year-end data. Regional sectoral average emission factors are derived from Exiobase Revenue database and adjusted for inflation.

EU Taxonomy Disclosures

General overview

As outlined in Section 1.1, Multitude Group is subject to the EU Taxonomy and must comply with disclosure obligations at the consolidated level.

Our ultimate parent company, Multitude AG, is a publicly listed European FinTech company that provides digital lending and online banking services to consumers, small and medium-sized businesses, and other FinTechs often overlooked by traditional banks. Multitude Bank p.l.c., a credit institution licensed by the Malta Financial Services Authority (MFSA) and wholly owned by Multitude AG, plays a central role in delivering our services across the European Economic Area (EEA).

The EU Taxonomy distinguishes between non-financial and financial undertakings, including credit institutions. Even though the Group's parent entity is not a financial undertaking within the definitions of the EU Taxonomy, a significant portion of the Group's activities is represented by the Bank. Given the nature of the operations and the significant portion of the income and assets associated with banking, we report according to the requirements for credit institutions. We believe this approach offers more meaningful information to the users of the report and enables comparison with our financial statements that are prepared following the format for credit institutions. The EU Taxonomy report discloses KPIs for the 2024 reporting period and comparative figures for 2023.

EU Taxonomy requirements

The Taxonomy Regulation, essential for understanding the environmental impact of companies, centres around two main concepts

- Taxonomy-eligible economic activities: A specific set of activities outlined in the Climate and Environmental Delegated Acts.

- Taxonomy-aligned economic activities: These activities meet the standards set in Article 3 of the Taxonomy Regulation, including making a substantial contribution to one of the environmental objectives, not significantly harming any other environmental objectives, adhering to minimum safeguards, and satisfying technical screening criteria.

The Taxonomy Regulation mandates that credit institutions report their Green Asset Ratio (GAR) as a key performance indicator. The GAR shows the proportion of the credit institution's financial assets that finance and are invested in taxonomy-aligned economic sectors in relation to total covered assets, excluding exposures to central governments, central banks and supranational issuers, as well as trading book exposures.

For this reporting period, the disclosed assets included on- and off-balance sheet exposures. Future reports, starting January 1, 2026, as directed by Article 10 of the Commission Delegated Regulation (EU) 2021/2178, will also cover KPIs related to the trading book and fees and commissions for the reporting period of 2025.

Methodology

Consumer Banking business unit
Through the Ferratum brand, Multitude offers digital unsecured loans for consumers' daily needs, categorised into instalment loans and revolving loans. These loans are not collateralised by residential immovable property, nor are they granted specifically for house renovation or the acquisition of motor vehicles. Consequently, the Group does not finance taxonomy-eligible activities related to households.

SME Banking business unit
Multitude provides essential financial solutions to SMEs through Credit Lines, Instalment Loans, Purchase Finance, and Invoice Purchasing under the CapitalBox brand. We have screened our SME portfolio but did not identify any companies that are subject to sustainability reporting under NFRD or CSRD. Accordingly, we excluded our SME portfolio from calculations of the GAR numerator, following the criteria set out in Annex V of the Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178).

Wholesale Banking business unit
The Wholesale Banking business unit focuses on delivering high-impact, institutional-grade solutions through two primary offerings: Secured Debt and Payment Solutions. This unit caters to a diverse institutional client base, including corporations, FinTechs, and other financial institutions. Secured Debt Solutions focus on originating and executing sophisticated, tailored transactions, that target niche opportunities. These solutions provide capital against diversified loan portfolios or other form of collateral. Payment Solutions offers institutional clients a seamless and secure infrastructure for transactional processing and financial operations.

Similarly to our SME portfolio, we have reviewed our Wholesale Banking portfolio but did not identify any companies that are subject to sustainability reporting under NFRD or CSRD. Our Wholesale Banking portfolio includes bonds with known use of proceeds; however, none adhere to sustainable or green bond standards and thus were not included in the numerator as per Article 7(4) of the Disclosure Delegated Act.

Equity investments
In April 2023, Multitude acquired a 19.97% stake in Sortter Oy, a FinTech company based in Finland that specialises in comparing and ranking financial services provided by third parties. As part of this transaction, Multitude also secured an option to purchase the remaining shares from other shareholders. Additionally, the Bank provided a corporate loan to support Sortter's operational activities. The partnership between Multitude Group and Sortter Oy includes the provision of leads and the introduction of new clients.

In October 2024, Multitude Bank p.l.c. acquired a stake in the Swedish-based Lea Bank ASA and as at 31 December 2024, the ownership share was 9.9%.

Neither Sortter nor Lea Bank is subject to NFRD or CSRD. Consequently, Multitude has no GAR-eligible exposures to investments in undertakings that are required to comply with sustainability reporting under these regulations.

Other disclosure notes
Overall, due to the GAR exclusion criteria, Multitude does not possess financial assets that qualify for further eligibility and alignment assessment. Therefore, the numerator of the GAR is zero. Since

there are no exposures requiring additional assessment of eligibility or alignment, this disclosure includes only a summary of KPIs and the assets used for calculating the GAR, as detailed in Tables 0 and 1 of Annex VI of the Disclosure Delegated Act.

Since there are no eligible or aligned exposures, there is no distinction between CapEx-based and turnover-based KPIs. Therefore, presenting two versions of the tables (i.e., turnover-based and CapEx-based GAR) does not yield any meaningful information to the users of the report. Hence, we disclose only one version which is the same for both methods.

Following the same reasoning, we do not report tables for GAR KPI Stock, GAR KPI Flow, or GAR Sector Information because Multitude Group does not have assets to report in the numerator.

Multitude does not provide financial guarantees and does not have assets under management. Therefore, the template for KPI off-balance sheet exposures is not included, as it would not provide any meaningful information or value to the disclosure.

Lastly, the Group does not hold a trading book and has no exposure to nuclear and fossil gas-related activities. As a result, all questions from Template 1 of Annex XII of the Disclosure Delegated Act have been answered with a 'no,' and the subsequent templates are not filled in either.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		2024			
		Total environmentally sustainable assets	**KPI[4]**	**KPI[5]**	**% coverage (over total assets)[3]**
Main KPI	**Green asset ratio (GAR) stock**	-	-	-	-
		Total environmentally sustainable activities	**KPI**	**KPI**	**% coverage (over total assets)**
Additional KPIs	*GAR (flow)*	-	-	-	
	Trading book[1]				
	Financial guarantees				
	Assets under management				
	Fees and commissions income[2]				

1. For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
2. Fees and commissions income from services other than lending and AuM
3. Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
4. % of assets covered by the KPI over banks´ total assets
5. Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

		2023			
		Total environmentally sustainable assets	**KPI[4]**	**KPI[5]**	**% coverage (over total assets)[3]**
Main KPI	**Green asset ratio (GAR) stock**	-	-	-	-
		Total environmentally sustainable activities	**KPI**	**KPI**	**% coverage (over total assets)**
Additional KPIs	*GAR (flow)*	-	-	-	
	Trading book[1]				
	Financial guarantees				
	Assets under management				
	Fees and commissions income[2]				

1. For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR
2. Fees and commissions income from services other than lending and AuM
3. Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
4. % of assets covered by the KPI over banks´ total assets
5. Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

1.Assets for the calculation of GAR 2024

		a	b	c	d	e	f	g	h	i	k	k	l	m	n
		2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	Thousands of EUR				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-		-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-				-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
24	**Households**	-	-	-	-	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-	-								
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing		-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing		-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,130,118**	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	**910,690**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	908,994													
35	Loans and advances	786,832													
36	of which loans collateralised by commercial immovable property	19,827													
37	of which building renovation loans	-													
38	Debt securities	112,953													
39	Equity instruments	9,209													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,696													
41	Loans and advances	1,696													
42	Debt securities, including UoP	-													
43	Equity instruments	-													
44	**Derivatives**	**53**													
45	**On demand interbank loans**	**141,788**													
46	**Cash and cash-related assets**	**-**													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**77,587**													
48	**Total GAR assets**														
49	**Assets not covered for GAR calculation**	**107,670**													
50	**Central governments and Supranational issuers**	**-**													
51	**Central banks exposure**	**107,670**													
52	**Trading book**	**-**													
53	**Total assets**	**1,237,788**	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Thousands of EUR	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		2024 (continued)																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
24	**Households**	-	-	-	-									-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-									-	-	-	-	-
26	of which building renovation loans	-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans													-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	
37	of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations																	
41	Loans and advances																	
42	Debt securities, including UoP																	
43	Equity instruments																	
44	**Derivatives**																	
45	**On demand interbank loans**																	
46	**Cash and cash-related assets**																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																	
48	**Total GAR assets**																	
49	**Assets not covered for GAR calculation**																	
50	**Central governments and Supranational issuers**																	
51	**Central banks exposure**																	
52	**Trading book**																	
53	**Total assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1.Assets for the calculation of GAR 2023

Thousands of EUR		a	b	c	d	e	f	g	h	i	k	k	l	m	n
			2023												
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-		-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-				-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
24	**Households**	-	-	-	-	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-	-								
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing		-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing		-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	**895,598**	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	**753,786**													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	753,385													
35	Loans and advances	690,216													
36	of which loans collateralised by commercial immovable property	-													
37	of which building renovation loans	-													
38	Debt securities	62,147													
39	Equity instruments	1,022													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	401													
41	Loans and advances	401													
42	Debt securities, including UoP	-													
43	Equity instruments	-													
44	**Derivatives**	**299**													
45	**On demand interbank loans**	**73,682**													
46	**Cash and cash-related assets**	**-**													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**67,832**													
48	**Total GAR assets**														
49	Assets not covered for GAR calculation	**210,030**													
50	**Central governments and Supranational issuers**	**-**													
51	**Central banks exposure**	**210,030**													
52	**Trading book**	**-**													
53	**Total assets**	**1,105,628**	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Thousands of EUR	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		2023 (continued)																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-	-	-		-	-
24	**Households**	-	-	-	-									-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-									-	-	-	-	-
26	of which building renovation loans	-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans													-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																	
35	Loans and advances																	
36	of which loans collateralised by commercial immovable property																	
37	of which building renovation loans																	
38	Debt securities																	
39	Equity instruments																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations																	
41	Loans and advances																	
42	Debt securities, including UoP																	
43	Equity instruments																	
44	**Derivatives**																	
45	**On demand interbank loans**																	
46	**Cash and cash-related assets**																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																	
48	**Total GAR assets**																	
49	Assets not covered for GAR calculation																	
50	**Central governments and Supranational issuers**																	
51	**Central banks exposure**																	
52	**Trading book**																	
53	**Total assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Reconciliation to Financial Reporting 31.12.2024:

Gross carrying Amounts	1,237,788
Risk Provisions	**-139,057**
Total Assets IFRS consolidated financial statements 2024	1,098,731

Note:
Loans to households were allocated to the following positions as a separate line item:

to pos. 35 EUR 604.5 million Customer loans to households (EU countires)

to pos. 41 EUR 1.7 million Customer loans to households (non-EU countires)

Reconciliation to Financial Reporting 31.12.2023:

Gross carrying Amounts	1,105,628
Risk Provisions	**-114,750**
Total Assets IFRS consolidated financial statements 2024	990,878

Note:
Loans to households were allocated to the following positions as a separate line item:

to pos. 35 EUR 572,6 million Customer loans to households (EU countires)

to pos. 41 EUR 0.4 million Customer loans to households (non-EU countires)

Nuclear and fossil gas related activities in 2024

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Nuclear and fossil gas related activities in 2023

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Social matters

Our employees

As a FinTech operating in an era of evolving work dynamics and strong competition for skilled talent, our approach to people development is a key driver of long-term sustainability. Our employees are at the core of our vision to build the most valuable financial platform for overlooked customers. Guided by our values of candour, entrepreneurial spirit, respect, and winning teams, we foster a culture where individuals and teams thrive.

We are deeply committed to creating a workplace where our employees find their work meaningful, advance their careers, and contribute to our collective achievements. Our agile and hybrid work environment, combined with collaborative teams and career development tools, ensures that every voice is heard, and every talent is nurtured.

Diversity is a core strength that fuels our innovation and enhances our ability to effectively serve customers. With over 40 nationalities, we embrace a multitude of perspectives and experiences that strengthen our value proposition. Our recruitment strategy is a strong example of our reflects our commitment to inclusivity – we seek out the best talent regardless of location, ensuring access to top skills globally.

Beyond our organisation, our employees play a critical role in driving positive societal impact. Through their work, they contribute to creating financial opportunities and supporting communities, reinforcing our responsibility as a sustainable business.

Engaging our employees

Employee engagement is a cornerstone of our culture. We foster an open and transparent culture where employees are encouraged to engage with leaders and colleagues in alignment with our values. Engagement is a two-way process—we empower every individual to share their voice, ensuring a workplace that is supportive, inclusive, and fair.

To cultivate this culture of engagement, we provide regular opportunities for dialogue between employees and leadership. Our Leadership Team holds monthly All-Staff meetings to share updates on organisational developments, address key topics, and answer employee questions in a dedicated Q&A segment. These sessions also serve as a platform for learning, featuring training opportunities, insights into employee social impact initiatives, and benefits.

To further support professional development, we introduced Masterclass training, designed to equip employees with relevant skills and knowledge to navigate an evolving business landscape. These sessions cover a range of topics, from leadership and strategy to technical expertise and personal growth.

In addition, we have launched weekly OKR updates, where each domain shares progress on their objectives and key results (OKRs) with key stakeholders. This ensures alignment, transparency, and a collective focus on strategic priorities.

By maintaining open lines of communication, fostering continuous learning, and enhancing transparency, we strengthen connections across the organisation and ensure our employees remain informed, engaged, and empowered.

Driving employee happiness – navigating change to achieve excellence

Since 2020, we have measured employee happiness and satisfaction through the Employee Net Promoter Score (eNPS) as part of our commitment to monitoring well-being. In 2024, our eNPS reached 27, reflecting our ongoing efforts to create a thriving work environment.

We conduct a bi-annual eNPS survey to gain insights into employee sentiment, identify areas for improvement, and enhance overall engagement. Over the years, our eNPS has steadily improved, mirroring our transition to an agile working model—moving from a norming phase to a performance-driven and highly engaged workforce.

With a target eNPS of 25 by 2025, we successfully achieved this milestone ahead of schedule in 2023. This achievement underscores our commitment to continuously enhancing the employee experience through proactive engagement, leadership training, and greater transparency.

The survey results have provided valuable insights into what our employees appreciate most about working at Multitude. Employees highlight our hybrid working model, flexibility, growth opportunities, autonomy, and a thriving culture grounded in shared values, vision, and mission. These elements remain central to our ongoing efforts to drive employee satisfaction and performance excellence.

Investing in learning and growth

At Multitude, we are committed to equipping our employees with the skills and knowledge needed to thrive in an evolving financial landscape. In 2024, we made significant strides in harnessing AI and investing in the reskilling of our workforce, ensuring we remain at the forefront of innovation in the financial sector. Recognising the growing importance of AI-driven efficiencies, we dedicated 4,000 training hours to enhance our employees' AI capabilities, aligning our teams with the technological demands of the future.

Expanding leadership development

In 2024, we also introduced several leadership programmes designed to strengthen both soft leadership skills and technical expertise:

Bespoke Foundation Leadership Programme – Tailored specifically for Multitude, this programme equipped first-level leaders with foundational leadership skills and technical knowledge relevant to our organisation, enhancing their ability to lead effectively in a dynamic environment.

Next-Level Leadership Programme (Intermediate Level) – Building on the foundation model launched in 2023, this programme blends soft skills with technical expertise, providing a well-rounded approach to leadership development. The 30-hour programme, attended by over 60 participants, is designed to help leaders advance their capabilities in decision-making, strategic thinking, and technical acumen.

High Potential Programme – A highly selective initiative where over 100 employees applied, and 11 were chosen based on talent, potential, and engagement. Structured into four-week blocks, starting in Malta (2024) and continuing in Slovakia, Germany, and Lithuania (2025). It provides future leaders with deep exposure to our ways of working and prepares them for key leadership roles within the Group.

Leaders' Annual Meetup

Following the success of our 2023 Leaders' Meetup in Jūrmala, Latvia, we recognised the immense value of bringing our key leaders together for a dedicated week of collaboration, alignment, and development. As a result, in 2024, we hosted the event once again, reinforcing our commitment to strengthening leadership, fostering innovation, and ensuring strategic alignment across the organisation.

This year's gathering continued to build on the strong foundation set in 2023, offering in-depth discussions, leadership workshops, and knowledge-sharing sessions tailored to the needs of our business. We focused on adaptive leadership in a dynamic FinTech environment, equipping leaders with tools needed to navigate change, drive performance, and enhance cross-functional collaboration.

As we move forward, this annual meetup remains a key initiative, ensuring our leadership team stays connected, aligned, and empowered to drive Multitude's success. The event has proven to be a valuable investment in fostering a high-performing leadership culture, and we are committed to continuing this tradition in the years ahead.

Online learning

At Multitude, we provide unlimited access to online learning opportunities, enabling our employees to continuously develop their skills and expertise. Our employees have access to the LinkedIn Learning platform, which offers over 16,000 courses across a wide range of topics. In addition to LinkedIn Learning, employees in technical roles leverage Udemy to gain additional technical depth, staying at the forefront of industry advancements and enhancing their expertise in specialised areas. We regularly highlight relevant courses, while leaders actively support their teams in developing personalised learning pathways to enhance role-specific competencies.

A recent survey on learning and development needs revealed an increased demand for online learning platforms, prompting us to further expand our offerings. We also utilise a dedicated online training platform focused on compliance, ethics, and ESG-related learning. This platform provides engaging and relevant training on internal policies, including cybersecurity, anti-bribery, and corruption prevention. Additionally, we offer company-tailored training sessions led by subject matter experts, ensuring that learning remains relevant and impactful.

By continuously evolving our online learning ecosystem, we empower our employees to expand their skills, stay informed, and drive innovation in an ever-changing business environment.

Onboarding training

At Multitude, our commitment to employee development begins from day one. Every new joiner undergoes a comprehensive onboarding process, delivered both in-person and online, ensuring a seamless integration into our organisation.

This dual-phased onboarding covers essential topics, including employee benefits, agile working, cybersecurity awareness, and data protection. Beyond operational knowledge, we emphasise fostering a strong organisational culture. Our group onboarding sessions provide an immersive introduction to our culture, values, ways of working, rich history, and future direction. These sessions ensure that every employee is aligned with our mission and well-equipped to thrive within our community.

To support continuous learning, our internal learning platform grants employees ongoing access to onboarding materials even after the initial phase. This allows them to revisit key topics, reinforce their understanding, and stay engaged in their development journey.

By integrating structured onboarding with ongoing learning resources, we ensure that new employees not only gain the knowledge they need to succeed but also feel connected to Multitude's vision from the very start.

Knowledge-sharing platforms

We foster a culture of continuous learning and collaboration through structured knowledge-sharing initiatives. Our teams regularly participate in knowledge-sharing sessions, allowing employees to complement their specialised skills with insights from across the organisation.

To enhance cross-functional learning and awareness, we utlise our internal platform to circulate key information on various topics, including data protection, financial education, and industry best practices. These resources, developed by subject matter experts, ensure, that employees stay informed about critical areas impacting our business.

In 2024, we further strengthened our knowledge-sharing ecosystem by launching Masterclass sessions—interactive training events where employees can learn directly from their colleagues on key business topics, emerging trends, and best practices. These sessions provide a unique opportunity for employees across all functions to engage, share expertise, and broaden their knowledge base.

By prioritising knowledge sharing, we empower our employees to stay ahead in a rapidly evolving industry, foster innovation, and build a strong foundation of collective expertise within Multitude.

Competency-based performance discussions

At Multitude, we prioritise continuous growth and development through bi-annual competency-based performance discussions and career development reviews. These sessions provide employees with valuable feedback, ongoing coaching, and clear alignment on goals, challenges, and career advancement opportunities.

As part of our strategic HR framework, in 2023, we took a significant step forward by collaboratively developing core competencies with our high-performing individuals and leadership competencies.

These competencies serve as the foundation of our culture and performance expectations, providing clear benchmarks for measuring success in every role. They also act as guiding principles for investment in our employees and help us monitor organisational performance effectively.

To support employees in acquiring and developing these competencies, we embedded training into key leadership programmes. The Core Competencies Training and Awareness Programme, launched in 2023, introduced employees to our performance benchmarks. The Next-Level Leadership Programme builds on this foundation, blending competency development with leadership training. The High Potential Programme strengthens leadership and strategic thinking skills, preparing employees for future key roles.

We use a variety of learning formats, including videos, blogs, podcasts, and interactive online Q&A sessions with the HR team, ensuring employees have diverse resources to enhance their skills. By integrating competency-based performance discussions with structured training, we equip our employees with the tools and guidance needed to grow and succeed at Multitude.

Workforce diversity and inclusion

We are proud of our diverse workforce, spanning more than 40 nationalities and representing a broad mix of skills, gender, age, and backgrounds. Our diversity reflects the customers we serve, enabling us to better understand and address their unique needs across 17 markets.

We cultivate a culture where every individual is valued, empowered to make an impact, and provided with opportunities for meaningful growth. Strengthening diversity and inclusion is an ongoing commitment, embedded in our learning and development programmes, leadership initiatives, and company policies.

Our workforce is currently 51% male and 49% female, and we are actively working toward our 2025 diversity targets of 38% female representation at both the Board of Multitude AG and management levels. As of 31 December 2024, we have achieved 34% female representation in management and 50% at the Board level, demonstrating strong progress toward our goals.

We embrace differences and maintain a zero-tolerance policy for discrimination based on gender, gender identity, race, age, sexual orientation, ethnicity, nationality, country of origin, religion/non-religion, skills, work experience, socio-economic background, family structure, or marital status. Our Hybrid Working Policy further supports diversity and inclusion, providing employees with flexibility and freedom to work in ways that best suit their needs.

In 2024, we proudly launched our Workation Policy, allowing employees to work from different countries for up to 60 days per year. This initiative reflects the trust we place in our employees and has been highly valued, with over 3,489 days utilised since its launch in June 2024.

Our Group Diversity and Inclusion Statement outlines our commitment to fair remuneration practices, career development for women, and support for working parents, including maternity leave. Additionally, our Equal Opportunities Policy, Code of Business Conduct and Ethics, and Anti-Harassment Policies ensure a fair, inclusive, and harassment-free workplace for all.

At Multitude, we remain committed to building a diverse, inclusive, and equitable work environment, ensuring that every employee can thrive and contribute to our collective success

Multitude Diversity and Inclusion Week

Following the success of our 2023 Diversity and Inclusion (D&I) programme, we continued our commitment in 2024, further embedding diversity and inclusion into our company culture. Originally launched during EU Diversity Month, this initiative sparked meaningful conversations about what diversity and inclusion mean to our employees and how we can collectively foster a more inclusive workplace.

Building on this foundation, we once again hosted Multitude Diversity and Inclusion Week, dedicating time to raising awareness, addressing bias, and highlighting practical actions that drive inclusivity in everyday work. Employees engaged in discussions on how diversity fuels innovation, strengthens collaboration, and enhances customer experiences.

A key highlight of the week was the release of an updated online course on diversity and inclusion, designed to provide employees with actionable strategies for promoting inclusivity, improving customer engagement, and driving innovation in product development.

To measure progress, we conducted a D&I survey, gathering insights on how employees perceive inclusivity within Multitude. The results showed strong confidence in our approach, with over 80% agreeing that Multitude values a diverse and inclusive environment. These insights help shape future initiatives, ensuring that our diversity efforts continue to evolve in alignment with employee expectations.

By continuing our D&I programme in 2024, we reaffirm our commitment to creating a workplace where every employee feels valued, heard, and empowered to thrive.

Protecting our employees

Our employees are our greatest asset, and their health, safety, and well-being are fundamental to our success. We are committed to fostering a thriving and supportive work environment where employees feel safe, valued, and empowered.

We encourage our teams to be mindful of their own well-being and that of their colleagues, acting responsibly to prevent harm and adapting to challenges as needed. Our hybrid working model further supports flexibility, allowing employees to balance their work and well-being effectively.

Multitude upholds employee rights in line with the International Labour Organisation (ILO) Fundamental Principles and Rights at Work and ensures compliance with local employment laws. We continuously monitor and enhance our well-being frameworks, ensuring that our policies remain relevant and effective.

Our approach to health and safety is holistic, encompassing both physical and mental well-being. We foster an open culture around mental health, offering specialised support in our larger hubs and Group-wide initiatives, including workshops to raise awareness and encourage open conversations. We are committed to maintaining a safe, respectful, and dignified work environment, free from harassment, intimidation, and exploitation, reinforced by our zero-tolerance policy on harassment.

To safeguard employee privacy and human rights, we have procedures in place that comply with local laws. Our whistleblowing mechanism allows employees to anonymously report violations, ensuring confidentiality and protection for those who speak up.

At Multitude, protecting our employees is more than a policy—it is a core value that shapes our workplace and drives our long-term success.

Work-life balance and hybrid work

We recognise that a supportive and flexible work environment is essential for attracting and retaining top talent while ensuring their well-being. Through employee surveys and roundtable discussions, we confirmed that our hybrid work model aligns with both our values and employees' needs. As a result, in 2022, we formally adopted our Hybrid Working Policy, offering employees greater flexibility in managing their work while maintaining strong collaboration.

As part of our commitment to flexibility, in 2024, we launched the Workation Policy, allowing employees to work from different countries for up to 60 days per year. This initiative reflects the trust we place in our employees and provides them with the freedom to balance work and personal experiences without compromising productivity. The response has been overwhelmingly positive, with employees utilising over 3,489 workation days since the policy's launch in June 2024.

Matching Share Plan and Employee Shareholder Programme

To foster shared success, we introduced the Matching Share Plan in 2021, enabling employees in the EEA, Switzerland, the UK, and Canada to invest up to 10% of their annual gross salary in company shares. After a two-year holding period, Multitude matches these shares 1:1, fostering a long-term commitment to collective growth.

The response has been exceptional, with employees collectively investing over EUR 1.2 million in Multitude shares. Since the start of the programme, employees have already received over 150,000 gross matching shares for free, further strengthening their stake in our company's success.

Building on this momentum, in February 2024, we launched the Multitude Employee Shareholder Programme to expand ownership opportunities for all employees, where each employee received 50 free shares. Following its success, we continued this initiative in February 2025 , granting an additional 50 free shares to all employees, reinforcing our commitment to shared value creation and deeper alignment with our employees. The goal is simple: to ensure that every employee can become a shareholder and directly benefit from Multitude's long-term success.

By offering flexible work arrangements, employee ownership opportunities, and meaningful benefits, we continue to prioritise our employees, ensuring they thrive both professionally and personally.

Employee statistics

Gender:

As at December 31, 2024	Female	Male	Other	TOTAL
# of employees	346	367	1	714
# of permanent employees	334	349	1	684
# of temporary employees	12	18	0	30
# of full-time employees	332	352	1	685
# of part-time employees	14	15	0	29

Location:

As at December 31, 2024	Europe	America	Asia	TOTAL
# of employees	632	5	77	714
# of permanent employees	605	4	75	684
# of temporary employees	27	1	2	30
# of full-time employees	603	5	77	685
# of part-time employees	29	0	0	29

Age:

	Under 30		Between 30 and 50		Over 50	
Gender	#	%	#	%	#	%
Male	77	11%	261	37%	29	4%
Female	93	13%	240	34%	13	2%
Other	1	0%	0	0%	0	0%

New hires during 2024:

By gender	Male	Female	Other	Total
#	92	103	0	195
By region	Europe	America	Asia	Total
#	144	1	50	195
By age group	Under 30	Between 30 and 50	Over 50	Total
#	83	105	7	195

The overall employee turnover rate in 2024 was 19.6%.

Our customers

Following our mission as a digital financial services provider for consumers and businesses, we seek to enable wider access to banking and finance. Our simplified and faster access to financing and banking services benefits customers who are not adequately served by traditional banking. SMEs can access one-stop, uncomplicated access to finance, and individuals can access a financial safety net and easy inclusive banking services. Access to finance extends to companies through investments and loans through our Wholesale Banking unit, further supporting local economic growth.

We seek to act responsibly by providing products and services through our business units, protecting customers, and minimising potential negative impacts on society. Ensuring that we employ a cautious approach to customer selection and prevent over-indebtedness in our communities is key to our long-term sustainability. Lending responsibly and managing potential impacts and risks is a daily process within Multitude.

We recognise the potential impacts of providing digital-only financial products and services related to protecting customer information and ensuring that customers have sufficient information to support informed decision-making. We are committed to transparent communication about our products and services, ensuring that terms and conditions are clearly presented.

Multitude operates in a highly regulated sector and places utmost priority on adhering to responsible marketing and lending practices. We believe that marketing responsibly fosters trust and credibility with our customers and hence can lead to long-term customer loyalty and satisfaction. As Multitude operates entirely in a digital environment, it resolutely pursues cybersecurity and the protection of customers' privacy. We are aware of the potential risks and negative impacts on customers in the case of sensitive data leaks and thus prioritise robust defence systems against any potential cyber incidents (see Cybersecurity and Data Protection for more information).

Responsible lending

Multitude implements protective procedures against irresponsible lending practices and promotes protection against negative impacts on vulnerable customers. Customers go through a screening process where the following responsible lending principles are checked:

- Only lending to customers who can repay the loan in full and on time
- Providing all legal documentation in a clear and transparent way to support informed decision-making, including information on risks associated with products
- Abiding by applicable consumer protection laws
- Ensuring a non-discriminatory customer selection process
- Preventing cycles of debt by granting only one loan to a customer at a time and adhering to a one-day "cooling off" period after repayment
- Not allowing loan roll-overs or granting advances to finance a customer's unpaid interest or fees until the customer has paid the outstanding loan

Multitude launched its Responsible Lending Index in 2022 to monitor its performance in lending practices, specifically tailored for Consumer Banking's credit customers. The index comprises three elements: customers' gender balance, trustworthiness, and loan performance. A high score signals the benefits that customers receive from our Consumer Banking business unit's commitment to fair lending practices and transparent product pricing. The average score in 2024 was 4.4 with our target being 4.5 out of 5.0 by 2025.

Responsible marketing

Multitude's marketing strategy is informed by strict marketing guidelines which cover the obligations against advertising in a false or deceptive manner. The guidelines establish that any misleading claims should be avoided and that all marketing materials clearly communicate up-to-date information on the products and services. Legal and compliance functions review new marketing campaigns and new products to ensure compliance with guidelines as set by the Malta Financial Services Authority and other local standards.

Grievance mechanisms

We make customer complaints procedures available on the website for each country where we provide products and services. The customer relations team handles the complaints via email, telephone, or social media platforms according to specific internal guidelines. The team undergoes extensive training for dealing with customers and responding to grievances. It is also responsible for monitoring the resolution of complaints and reporting them to the Leadership Team. Customers can also file grievances with competent authorities.

Customer education

Multitude recognises the importance of providing useful guidance and informational resources to support customers' informed decision-making when it comes to selecting the most suitable products that fit their needs. Multitude's Consumer Banking business unit addresses financial literacy through its online content development. It aims for over 50% of its online content to be educational* by 2025 and has achieved a 45% mark in 2024.

Customer Net Promoter Score (NPS)

Multitude provides a seamless and transparent customer experience and highly values customers' feedback for any improvement opportunities. We engage with customers via multiple platforms including surveys, review aggregators, social media, and dedicated grievance mechanisms.

Customer feedback is reviewed periodically within the customer experience function and any concerns are raised to relevant stakeholders. Multitude ensures effective, empathetic, and customer-centric engagement through:

1. Trained customer relations staff capable of providing adequate support to customers in need;
2. Transparent procedures that facilitate customers' full understanding of the products' terms and conditions, and any relevant implications.

Multitude's customer experience team conducts post-transaction surveys on a rolling basis to assess customer satisfaction. We engage all active customers regularly throughout the customer journey via ratings and open-ended questions. The results from these engagements feed into the Group's Net Promoter Score which is updated and monitored monthly. As of 2024 year-end, the Group achieved a Net Promoter Score of 62 (60 in 2023).

Ferratum Insights

Each year, our Consumer Banking business unit conducts, under the Ferratum brand, a wide Insights Survey to gauge consumer behaviour, trends, and patterns across 13 European markets. We are delighted to share our key findings from the 2024's iteration of the survey.

---

*Educational topics are defined as those containing information on financial product use non-specific to the Ferratum brand and contributing to financial education in the communities we operate in.

Ferratum Insights 2024

Participants	**14,700** participants from **13** countries
Media coverage	51 articles published in different media outlets about Ferratum Insights 2024
Key findings	**Spending shifts**: Less cutting back on essentials (food, housing) but continued reductions in travel and entertainment. **Housing & loans**: Over 60% spend more than 20% of income on housing; loan repayments remain a significant burden for many. **Financial outlook**: Most expect improvement, driven by salary raises and better money management—though extra expenses still pose a challenge. **Financial resilience**: Financial literacy and budgeting help drive positive outcomes; savings rates vary widely between countries. **Wage growth**: Around 60% have seen salary increases, reflecting broad wage trends but also highlighting ongoing cost-of-living pressures.

Cybersecurity and Data Protection

Preventing cybercrime

As a digital financial platform, we are potentially vulnerable to cyber security threats in the context of rising cybercrime within global financial systems. We manage this risk within our broader risk management framework to ensure robust measures to combat cyber-attacks. In addition, preventing adverse impacts from cybersecurity threats to our stakeholders is a key element of managing negative potential societal impacts associated with our business operations and product and service offerings.

Preventing cybercrime is crucial to maintaining customers' trust and mitigating reputational risks. Our efforts aim beyond compliance to align with best practices and frameworks. We have implemented operational controls to monitor cyber risks to critical infrastructure supported by governance mechanisms across the organisation. Our controls' design and implementation utilise a "plan-for-failure" approach to ensure that, should one control level fail, systems, networks, or data are not at risk.

The Information Security function oversees the management of information and communication technology risks and reports to the CTO and CEO. Multitude has additionally strengthened the existing controls to meet the requirements of the DORA, Digital Operational Resilience Act (Regulation (EU) 2022/2554).

Through comprehensive capacity building and training, we want to foster a culture of awareness for employees at all levels. We equip employees with skills and tools to report and, over time, improve their knowledge of cybercrime risks through dedicated exercises, self-monitoring of score progression, and team metrics.

We use multiple methods to address diverse training and engagement needs, including interactive games and audio-visuals with mandatory tests for each online course. We also regularly conduct phishing tests to monitor employee risk scores. The Group encourages employees to take responsibility for their learning with optional training available for employees who want to upskill themselves in addition to regular mandatory training.

As part of monitoring our success in embedding a strong culture of security awareness, we conduct a Security Culture Awareness Survey. As a fundamental element of our security awareness programme, this survey helps us assess and understand our employees' opinions regarding security within our organisation. It delves into the psychological and social aspects that drive our collective behaviour regarding security.

The survey measures seven essential topics of our security culture:

1. Attitude	Employees' feelings and beliefs regarding security protocols and issues
2. Behaviour	Actions and activities that impact the security of our organisation, directly or indirectly
3. Cognition	Employees' understanding, knowledge, and awareness of security issues and activities
4. Communication	The quality of communication channels for discussing security-related events, fostering a sense of belonging, and supporting incident reporting
5. Compliance	The extent to which employees are aware of and adhere to written security policies
6. Norms	Unwritten expectations about appropriate behaviours related to the use of information technology within the organisation
7. Responsibility	How employees perceive their role as critical in sustaining or endangering the organisation's security

An appointed Security Tester and a third-party provider conduct regular penetration testing throughout the year as part of our cybersecurity monitoring. In addition, we conduct regular vulnerability assessments utilising industry-leading systems. Systems such as Threat Intelligence monitoring solutions, advanced malware detection systems (Endpoint Detection and Response (EDR), and Extended detection and response (XDR)), Data Loss Prevention Systems (DLPS) and Security Information and Event Management (SIEM) systems, and Information Sharing arrangement systems set up to meet the requirement of DORA Art. 45.

The Information Security function enforced the NIST400 40r4 framework for enterprise patching throughout the Group and our bank. Patching refers to system and software updates addressing vulnerabilities. This framework helps identify, prioritise, acquire, install, and verify installing patches, updates, and upgrades throughout the organisation.

In the reporting period, there have been no incidents related to breach of security or any other related cybersecurity incidents. In total, three third-party penetration tests were conducted, and all findings were addressed.

Information security pillars

Confidentiality
Ensuring information is only accessible to authorised individuals, systems, or processes

Authentication
Verification of the identity of users, systems, or processes

Authorisation
Granting or denying of access to specific resources based on authenticated identities and defined permissions

Integrity
Ensuring the accuracy, and consistency of information and systems

Non-repudiation
Ensuring that an action cannot be denied by the actor

Security awareness and training

Availability
Ensuring information and systems are accessible and usable when needed

Incident response and recovery policies and procedures

Cybercrime prevention training

	2024	2023
Total training hours	2,920	4,512
% of employees who received training in cybercrime prevention	98%	91%
Phishing simulation tests	8,490	-
Phishing simulation click rates	8% click rate of phishing simulation test, a further reduction of 20% compared to 2023	Increase of 28% compared to 2022 due to the new phishing test complexity levels, from basic to advanced, and the frequency with which such phishing test format changes throughout the month
Total number of employees and contractors trained	853	795

Our commitment to data protection

Multitude has established policies aligned with the European Union's General Data Protection Regulation 2016/679 (GDPR) to ensure compliance with applicable data protection laws and best practices for safeguarding customer data. The Procedure for Personal Data Protection defines the purposes, principles, procedures, and obligations related to the processing of personal data within Multitude. The Procedure for Managing Personal Data Infringements and Breaches sets out the general principles and responsibilities for handling personal data infringements and breaches within the organisation. Additionally, the Procedure for Handling Personal Data Requests governs the receipt and processing of requests from Multitude's customers and other individuals, ensuring the proper execution of their rights and requests.

Our approach to protecting personal data is built on the following key principles:

- Transparency and Communication: We provide clear, timely, and accessible information about how personal data is collected, used, and protected. Data subjects can access detailed information about how their data is handled through our privacy notices, onboarding materials, or corporate website.

- Lawful and Purpose-Limited Processing: Personal data is collected and processed lawfully, fairly, and transparently. We ensure that personal data processing aligns with regulatory requirements and is stored only for specified, explicit, and legitimate purposes, in line with applicable regulations.

- Accountability of Data Processors: We engage only carefully selected data processors who adhere to the highest standards of data protection, security, and compliance. Our relationships with data processors are based on transparency, accountability, and ongoing monitoring of their adherence to contractual and regulatory obligations.

- Safeguarding Data Subject Rights: We implement robust measures to uphold individuals' rights, including the right to access, rectify, erase, and restrict the processing of their personal data.

- Security and Risk Mitigation: We apply strong technical and organisational measures to protect personal data, including pseudonymisation, anonymisation, encryption, and access controls to prevent unauthorised access or breaches.

- Ongoing Compliance and Training: We regularly assess our data protection practices through internal reviews to ensure compliance with policies and regulations. Employees receive mandatory data protection training, with additional specialised training for those who process personal data regularly.

In 2024, there we no substantiated complaints* concerning personal data breaches.

*written statement by a regulatory or other official body addressed to the organisation that identifies breaches of customer privacy, or a complaint lodged with the organisation that has been recognised as legitimate by the organisation

Business conduct and human rights matters

Multitude acknowledges how its action as a financial actor can potentially create both positive and negative impacts on its stakeholders, society, and the environment. It has zero tolerance for corruption and bribery and uses established procedures to prevent and detect any potential cases of corruption. Multitude safeguards whistleblowers and follows clear procedures to encourage transparent communication on potential violations. Additionally, Multitude places its relationship with its suppliers in high esteem and believes in the importance of cultivating a long-term relationship with our vendors and service providers.

Integrity and transparency are fundamental to Multitude's delivery of financial products and services while ensuring the protection of our stakeholders. Our corporate culture serves as the driving force behind providing positive impacts to our stakeholders and society. Our mission to democratise financial services enhances customers' access to financing. Our leadership style, values, and beliefs empower our employees to perform their best through our hybrid work model and strong emphasis on the strength of our diverse workforce.

Code of conduct and business ethics

Policies on responsible practices guide Multitude's approach to its business conduct and help foster a strong corporate culture across the organisation. Multitude implements a zero-tolerance approach to bribery and corruption. Our Code of Business Conduct and Ethics defines bribery as the offer, promise, transfer, request or acceptance of anything of value, whether directly or indirectly, to or from any person, with the intent to induce improper performance of their duties or to gain a business advantage. Corruption is further defined as the misuse of entrusted power or public office for private gain. Employees are expected to conduct an appropriate level of due diligence regarding suppliers and, where necessary, include clauses relating to anti-bribery and corruption in agreements to uphold ethical business practices.

We conduct regular training on anti-bribery, anti-corruption, and the Code of Business Conduct and Ethics. We share information about policies through staff calls and provide training online for all employees. All related policies are available internally and selected policies are published on Multitude's website.

Whistleblowing

Multitude is committed to fostering a culture of transparency and integrity. Our whistleblowing mechanism provides a secure and confidential channel for individuals to report concerns internally about suspected misconduct or regulatory violations. The Whistleblowing Policy aligns with the Whistleblowing Directive (EU) 2019/1937, ensuring compliance with requirements for internal reporting systems and the protection of whistleblowers. The policy covers the reporting of improper practices, including but not limited to:

- Criminal offences, miscarriage of justice, corrupt practice, bribery, or unethical conduct that has occurred, is occurring, or is likely to occur;
- Violations or suspected violations of laws, regulations or internal policies;
- Deliberate concealment of any of the above-noted matters;
- Human rights violations.

Multitude has designated a Whistleblowing Reporting Officer to handle internal reports. A secure and confidential reporting channel is in place to protect both the whistleblower's identity and any third parties mentioned in the report. All reports made in good faith, where the whistleblower reasonably believes the disclosed information to be true, are protected against any form of retaliation, discrimination, or other detrimental actions. The identity of the whistleblower remains confidential and can only be disclosed with their written consent or if legally required under applicable laws.

Multitude's Whistleblowing Policy also allows reports to be submitted directly to competent external authorities in accordance with their established procedures.

Lobbying and trade association membership

Multitude does not engage in direct lobbying or make donations to political organisations. Lobbying is limited to contributions to and engagement with trade associations. Our involvement in trade associations supports activities that benefit our customers and strategic objectives. We do not endorse industry association positions and consider each issue case-by-case. Any contributions made are registered in the EU Transparency Register. In 2024, the total fees spent for trade association membership were EUR 337,505.

Managing relationships with suppliers

Multitude Bank p.l.c., a wholly owned subsidiary of Multitude, has implemented two board-approved policies on its procurement activities. The Bank Procurement and Vendor Management Policy provides a framework for managing vendor relationships throughout the procurement lifecycle.

To manage its risks from third-party outsourcing, the Bank also developed its Outsourcing Policy meeting the requirements of the Malta Financial Services Authority's Banking Rule BR/14 governing outsourcing by credit institutions authorised under the Banking Act 1994. As part of its vendor compliance and onboarding process guided by this policy, Multitude piloted its first human rights and environmental assessment tool in June 2024.

Protection of human rights

As a multicultural and multilingual financial technology platform providing financial solutions to customers across many countries, the Group recognises the importance of prioritising the protection of human rights. Therefore, we have issued a Human Rights Statement that emphasises our commitment to abiding by the Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

In practice, this commitment manifests in our daily work and approach to our customers, employees, and business partners. Our responsible lending procedures ensure fair and discrimination-free assessment of our retail customers. Meanwhile, each potential Wholesale Banking client is subject to screening for involvement in human rights violation incidents. We also assess their policies and procedures with respect to human rights protection. These procedures are also applied within our vendor onboarding process.

Tax governance

We seek to demonstrate the highest ethical conduct regarding tax matters, meeting the expectations of our stakeholders, including investors, customers, and society. Our tax team oversees the tax strategy, reviews it annually and when material changes to the tax environment occur. Transparency is a central value to our approach and commitment to responsibility in dealing with tax matters in the jurisdictions in which we operate. This means:

- Meeting all statutory and regulatory tax obligations
- Acting with reasonable care in relation to all tax filings and payments
- Disclosing all relevant facts and circumstances to the tax authorities
- Resolving ongoing matters in a collaborative, courteous and timely manner
- Actively engaging with tax authorities on a real-time basis to minimise tax risk as part of our effective tax management.

Due to the complexity of the tax system in which we operate, our long-term tax goals align with our mission and relate to minimising tax risks and making tax payments at the currently required level. We continuously monitor and analyse, taking into account our historical data, external data including court rulings and tax interpretations, reports and advice received from tax experts, tax advisors, legal advisors, or auditors into account to avoid these risks. We operate under the principle that the acceptable level of tax risk for achieving our financial or strategic goals is low. Consequently, we opt for conservative solutions that mitigate risk whenever uncertainty arises. When tax law issues require deeper analysis, our staff reports these needs to our tax team, which then decides whether to engage external advisors. This collaborative approach helps us address potential legal issues that could impact our tax obligations.

Legal and Regulatory Environment

General overview

From an international perspective, 2024 continued to be characterised by an heightened geopolitical instability. The ongoing conflict in Ukraine, the military activity in the Middle East, and a slowdown in economic activity in several EU member states, among others, have contributed to economic uncertainties that directly or indirectly impacted many businesses within the European Economic Area. Our Group Legal and Compliance function has remained vigilant throughout the year in monitoring international developments and their impact on the European Union, the United Nations and the national sanctions, which is just one aspect that impacts the work of the different lines of defence within our Group.

Beyond geopolitical and macro-economic developments and their impact, the Legal and Compliance function remains instrumental in assessing and addressing the evolving regulatory landscape in a manner that fosters stability, identifies new opportunities and ensures the long-term sustainability of the Group's business. With these objectives in mind, we strengthened the resources of the Legal and Compliance function throughout 2024, both to support our business plans more effectively and reduce our compliance risk.

Relocation and conversion

Multitude AG, originally established in Finland, transferred its registered seat to Malta on 30 June 2024 as approved by the Extraordinary Shareholders' General Meeting on 21 March 2024. The conversion of Multitude SE from a societas europea to a public limited liability company in accordance with Council Regulation (EC) No. 2571/2011, as amended, was completed with effect from 3 September 2024.

The transfer of the registered seat to Malta was the first (interim) phase in Multitude AG's relocation to Switzerland, which took effect on 30 December 2024, following the approval of such transfer at the Extraordinary Shareholders' General Meeting on 5 September 2024.

The transfer of the registered seat and the conversion do not affect the listing of Multitude AG's shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, nor does it impact its management seat, which remains in Finland.

Furthermore, its LEI number (74370078YLPFWHE33716) has remained unchanged throughout the process.

Legal changes

As in previous years, in 2024, we closely monitored legal changes and developments impacting our business lines and the markets in which we are active. Significant legal changes tracked over the past year included the following:

Consumer Credit Directive

The European Parliament approved the Consumer Credit Directive 2 ("CCD2") on 12 September 2023 and published it in the EU's Official Journal on 18 October 2023. EU Member States are, therefore, obliged to implement the CCD2 provisions into their national legal systems by November 2025. In addition, the new regulations transposing the CCD2 provisions must enter into force and be applied by November 2026 at the latest. Among other matters, this Directive requires Member States to cap APRs, interest rates, or total costs. It also prohibits marketing that creates false expectations, regulates specific information requirements (including changes to pre-contractual information), and imposes several obligations related to creditworthiness assessments.

Artificial Intelligence Act

The Artificial Intelligence ("AI") AI Act entered into force on 1 August 2024, and will be applicable on 2 August 2026, with some exceptions:

- prohibitions and AI literacy obligations entered into application from 2 February 2025
- the governance rules and the obligations for general-purpose AI models will be applicable as from 2 August 2025
- the rules for high-risk AI systems - embedded into regulated products - have an extended transition period until 2 August 2027.

The European AI Office, established in February 2024 within the European Commission, oversees the AI Act's enforcement and implementation in the EU Member States. It will also be responsible to supervise the most powerful AI models, so-called general-purpose AI models. EU Member States supervise the rules for AI systems and are due to establish supervisory authorities by 2 August 2025.

The AI Act (Regulation (EU) 2024/1689 laying down harmonised rules on artificial intelligence) is intended to create a comprehensive legal framework on AI, with one of its aims being the fostering of trustworthy AI in Europe. The Act sets out a clear set of risk-based rules for AI developers and deployers regarding specific uses of AI and is part of a wider package of policy measures to support the development of trustworthy AI, which also includes the AI Innovation Package, the launch of AI Factories and the Coordinated Plan on AI. These measures are collectively designed to guarantee safety, fundamental rights and human-centric AI, while encouraging investment and innovation in AI across the EU. Our Legal and Compliance function continues to monitor developments in this field very closely to identify both opportunities and obligations that must be adhered to.

Proposal for a Regulation on Instant Payments

A proposal for a regulation on Instant Payments (IPs) was published on 26 October 2022 and adopted by the European Parliament and the Council on 13 March 2024. Some of the rules are applicable as from 9 January 2025, while others will become applicable as from 9 October 2025. This regulation obliges payment service providers (PSPs) that provide credit transfers in euro to offer the service of sending and receiving instant payments in euro. A number of technical specifications are laid down for this service, including the requirement to receive payment orders and be reachable for instant payments 24 hours a day, 365 days a year, without any possibility to set up cut-off times or limit the processing of instant payments to business days only.

Distance selling in financial services

The EU has adopted a directive amending Directive 2011/83/EU regarding distance selling in financial services, which entered into force in December 2023. The adopted directive repeals the 2002 rules and introduces a new chapter in the Consumer Rights Directive on distance financial services contracts, including provisions aimed at giving consumers the right to request human intervention as well as making it easier for consumers to exercise their withdrawal rights. The CCD and CCD2 take priority in case of matters regulated by both acts. EU member states must implement the Directive by December 2025 and apply it by June 2026.

Accessibility Directive

Directive 2019/882 on accessibility requirements for products and services sets out the accessibility information requirements including those related to the provision of consumer banking services. It is mandatory for banks to disclose how they are complying with the accessibility requirements outlined in Annex V of the Directive. The Directive will apply from June 2025 with a transitory period during which service providers may continue to provide their services using products which were lawfully used by them to provide similar services before that date. The same transitory period applies for service contracts entered into before June 2025.

Banking package

The CRD VI Package was published in the Official Journal on 19 June 2024 and introduced changes to the CRD[1] (through a Directive (Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 (CRD VI)), and the CRR[2] (through a Regulation (Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR III)). The CRD VI Package also introduced changes to the CRR and BRRD in the area of resolution (Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 (the so-called Daisy Chain Regulation), which was published in the Official Journal on 25 October 2022). The CRR III generally became applicable from 1 January 2025, with some exceptions in respect of provisions that became applicable as of 9 July 2024 and other transitional arrangements delaying the application of other provisions to January 2025. The deadline imposed on Member States to transpose the provisions of the CRD VI is 10 January 2026 and measures transposing such provisions into national law will become applicable from 11 January 2026.

The CRD VI Package revisions aim to implement the remaining elements of the BCBS international standards, while also introducing additional regulatory changes applicable to EU banks beyond the BCBS standards. These revisions are designed to enhance the resilience of EU banks to potential future economic shocks. The CRD VI Package introduces key adjustments to the current standardised approach for credit risk, ensuring it is sufficiently risk-sensitive in several

1 Capital Requirements Directive (Directive 2013/36/EU).

2 Capital Requirements Regulation (Regulation No (EU) 2013/575).

areas. It also includes the fundamental review of the trading book for market risk, introduces a new standardised measurement approach for minimum capital requirements for operational risk, and enhances legislative provisions related to environmental, social, and governance (ESG) requirements.

Regulation to repeal Regulation (EU) No 524/2013

Directive 2019/882 on accessibility requirements for products and services sets out the accessibility information requirements including those related to the provision of consumer banking services. It is mandatory for banks to disclose how they are complying with the accessibility requirements outlined in Annex V of the Directive. The Directive will apply from June 2025 with a transitory period during which service providers may continue to provide their services using products which were lawfully used by them to provide similar services before that date. The same transitory period applies for service contracts entered into before June 2025.

Digital Operational Resilience Act (DORA)

The Regulation entered into force on 16 January 2023 and became applicable from 17 January 2025. It aims to consolidate and upgrade ICT risk requirements as part of the operational risk requirements, which had been fragmented across different European Union Acts. DORA implements rules aimed at strengthening the IT security of financial entities, including credit institutions, and ensuring that the financial sector in Europe remains resilient in the event of severe disruption.

Anti Money Laundering (AML) and Countering of Financing of Terrorism (CFT)

The new AML Regulation, the 6th AML Directive and the Regulation establishing the new EU AML Authority were formally adopted and were published in the EU's Official Journal on 19 June 2024.

These form part of the new EU AML CFT Legislative Package that will replace the current existing AML CFT framework.

AML CFT Regulation

The purpose of this regulation is to develop a single rulebook with direct applicability, in an effort to strengthen the mitigation of money laundering and terrorist financing ('ML/TF') risks and detect the misuse of the EU's financial system for criminal purposes. A Regulation was drafted instead of a Directive to achieve harmonisation across Member States (since directives are not directly applicable and must be transposed by each Member State).

6th AML CFT Directive

The purpose of the 6th AML Directive is to enhance the rules regarding beneficial ownership information and their recording in Central Registers, replacing the current AMLD4, as amended by the AMLD5. Member States must transpose the AMLD6 in their national legislation by 10 July 2027. There are certain exceptions in place (Article 74, to be transposed into law by 10 July 2026, and Articles 11-13 and 15, to be transposed into law by 10 July 2026).

Regulation establishing a new EU AML Authority ('AMLA')

The purpose of AMLA is to have a single supervisor at EU level, that shall contribute to the harmonisation of AML CFT controls within the EU and enhance and coordinate the exchange of information between Financial Intelligence Units. AMLA shall directly supervise a select number of obliged entities from 2028.

Country-specific legal changes

Croatia

In 2023, Croatia published proposals for amendments to the Consumer Crediting Act ("the Act") aimed to introduce provisions regulating forbearance for customers in payment difficulties, regulate the initiation of enforcement procedures, as well as information to be communicated to customers in case of amendments to the consumer credit agreement. The Act came into force in 2024.

Finland

A new law on a positive information register was adopted in Finland in 2022, in terms of which Multitude Bank p.l.c. started reporting positive credit information in the said register as of the first half of 2024.

Latvia

Guidelines on Creditworthiness Assessment

On 13 February 2024 the Consumer Rights Protection Centre issued amended guidelines on "Consumers' ability to repay credit for assessment of credit providers providing lending services to consumers". The changes include changes in debt service to income (DSTI) workings and have been included in the credit risk policies of the Bank for Latvia

Marketing of Consumer Credit

In October a draft bill was published in Latvia relating to marketing of consumer credit, which largely replicates the Consumer Credit Directive 2 and is expected to come into force on November 20, 2026.

Malta

On 19 February 2024, the Malta Financial Services Authority issued a consultation on a proposed "Conduct of Business Rulebook for Credit Institutions" (the "Conduct Rulebook"), consolidating the prevailing requirements for good conduct of business by credit institutions (including the Mortgage Directive, the Consumer Credit Directive and the Payment Accounts Directive) and introducing certain other requirements, where no conduct of business requirements exist to-date, including in the context of marketing communications. Existing requirements are expected to come into force in the first quarter of 2025, while new requirements laid out in the Conduct Rulebook are expected to come into force after a transitory period.

The Conduct Rulebook address mainly the following matters: Disclosures, Marketing Rules, Product Oversight Requirements, Conflict of Interest, Bank-Client Relationships.

Romania

A draft bill related to the National Bank of Romania (NBR)'s attributions in protecting consumers of financial and banking products and services and amending certain legal provisions was published in 2024.

Through this legislative initiative it is proposed to transfer to the NBR the Consumer Protection Authority powers as national authority responsible for consumer protection of financial and non-banking products and services provided by entities within the National Bank of Romania's area of competence, according to the legal framework in force, without changing the substance of the content or the manner of exercising these powers.

Sweden

In 2023, the Swedish Government commissioned and published a report on lending in Sweden. The report includes a legislative draft proposal that aims to reduce the current caps on lending and apply the caps to products that the current caps do not cover. Among other things, the report proposes introducing a Skri register, a database including information on payment delays, which will enable stricter creditworthiness assessments. The proposal also aims to clarify current provisions on moderation in marketing and proposes provisions which would require lenders to have sound remuneration policies. The provisions relating to the cap on interest were adopted in quarter 4 of 2024 and will come into force in 2025.

Slovenia

In April 2024 the Slovenian National Bank carried out amendments to the SISBON Rules providing for four means of identification of an applicant by a bank for the purpose of accessing the SISBON register in order to carry out a creditworthiness assessment. The rules also lay down an exception to the effect that identification is not required for a member or a connected creditor who has already, as part of an existing business relationship, identified the applicant.

Board of Directors' report 2024

Company structure and business model

In this report, the terms "Multitude", "the Group", "company" and "we" are used interchangeably. Multitude is a listed European FinTech company offering digital lending and online banking services to consumers, small and medium-sized enterprises (SMEs), and other FinTechs overlooked by traditional banks. Overlooked customers include individuals and businesses that traditional financial players may neglect due to unconventional financial profiles or overlooked communities with limited access to financial services.

We provide services to over 400,000 customers* through three independent business units supported by our internal growth platform. Multitude's business units operate in Consumer Banking (under the Ferratum brand), SME Banking (under the CapitalBox brand) and Wholesale Banking (under the Multitude Bank brand). In 2024, Multitude ceased reporting SweepBank as an independent business unit and the secured debt business is now reported under Wholesale Banking.

While the SweepBank brand is no longer used independently, its technology and products remain a core part of our operations, supporting an expanded range of services in Consumer and SME Banking. As a result, these two business units offer an enhanced suite of digital banking services, including credit cards, to better meet customers' evolving needs. Moving forward, the Consumer Banking customers will use the Ferratum app for their banking services, while SME Banking customers will use the CapitalBox app to access additional digital banking features tailored to their needs.

The ultimate parent company, established in 2005 and previously located at Ratamestarinkatu 11 A, Helsinki, Finland, relocated to Switzerland in 2024. The relocation was executed in two stages. Initially, on June 30, 2024, the company registered at ST Business Centre 120, The Strand, Gzira, GZR 1027, Malta, and reformed as Multitude p.l.c. (business identity code C 109441). Subsequently, on December 30, 2024, it moved to Grafenauweg 8, Zug, 6300, Switzerland, and was registered as Multitude AG (registration number CHE-445.352.012). This relocation process is now complete.

As a Group, we employ over 700 people and actively provide services in 17 countries. Our Group includes Multitude Bank p.l.c., licensed by the Malta Financial Services Authority (MFSA), playing a key role in offering financial services and products across the European Economic Area (EEA). The ultimate parent company, Multitude AG, is listed on the Prime Standard segment of the Frankfurt Stock Exchange. Since relocating to Switzerland, our ticker symbol has changed to "MULT," previously "E4I" in Malta and "FRU" in Finland.

*Customers have or have had an active loan balance with at least one of our business units within the past 12 months or are active users of our mobile bank apps.

ferratum

Business unit: Consumer Banking

The Consumer Banking business unit offers three products—Instalment Loans (including Micro Loan, Plus Loan and Prime Loan), Credit Limit, and Credit Card—designed to address diverse and immediate financial needs. These products are tailored to help individuals manage unplanned, short-term expenses arising from unexpected life events. Applying for any of the loans is simple and requires only minimal data entry from the customer. The rest is handled by the business unit's AI-powered scoring algorithms, which are developed in-house. This fully digital, automated process ensures that applications are completed and scored within minutes, with approved loan amounts typically deposited into the customer's bank account in less than 15 minutes.

At the end of 2024, the Consumer Banking business unit operated in 14 markets: Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, Germany, Latvia, the Netherlands, Norway, Poland, Romania, Slovenia, and Sweden.

Instalment loans

Micro Loan
Micro Loans, also known as bullet loans, provide instant, short-term financing with quick repayment. They range from EUR 25 to EUR 1,000, which customers pay back in one instalment within 7 to 60 days.

Plus Loan
A Plus Loan caters to a customer's higher need for instant finance. Loan amounts range from EUR 300 to EUR 4,000, with maturity periods of 2 to 18 months and repayment in equal instalments over the loan term.

Prime Loan

Prime Loans are longer-term instalment loans for consumers that enable higher purchases, like home renovations, cars and other more significant purchases. Loans can amount to EUR 12,000 with loan maturities ranging between 1 and 7 years.

Revolving loans

Credit Limit
Credit Limit, Consumer Banking's most popular product, is a revolving line of credit that offers ongoing financial flexibility. Eligible customers are pre-approved for up to EUR 5,000 and can withdraw money and repay without fixed amounts or timelines.

Credit Card
The Credit Card, a Mastercard® without annual or monthly fees, allows financing purchases of up to EUR 8,000. The card offers free liability coverage for purchases made with it and up to a 60-day interest-free period. Customers can also use the card as a flexible credit facility by withdrawing money from it directly into their bank account, a feature that is growing in popularity among customers.

2024 highlights

As a result of integrating the mobile banking app to Consumer Banking's offering, we are in the process of creating new services for the business unit's customers. Following the successful launch of the Debit Card and Current Account for existing customers in Latvia, the business unit has completed the app integration for customers in Finland. Customers with an existing Ferratum Credit Limit can now view and manage their Credit Limit through the Ferratum app. They can make near-instantaneous withdrawals from their Credit Limit to their Current Account. These funds can then be conveniently used via the Debit Card or for paying invoices, enhancing overall convenience and financial management.

In October 2024, the business unit formed a strategic partnership with Everest Finanse SA, one of Poland's largest lending companies. With the introduction of credit cards, Consumer Banking enters into the Polish market, continuing its commitment to serving overlooked customers. Branded as Pejkarta and powered by MasterCard, the newly launched credit card has already gained significant traction. Multitude Bank will manage licensing, regulatory compliance, and credit underwriting for the initiative. The Group earns commission income from onboarding customers and supporting loan origination to Everest Finanse.

Consumer Banking's financial results have shown steady progress throughout the year. During the reporting period, interest income totalled EUR 214.4 million (EUR 201.7 million in 2023), while impairment losses on loans to customers amounted to EUR 81.8 million (EUR 82.6 million in 2023). Loans to customers increased to EUR 488.9 million at the end of 2024 compared to EUR 471.7 million at the end of 2023.

Outlook

The Consumer Banking business unit will continue focusing on its growth strategy – M&A, partnerships and organic growth. As part of its organic growth strategy, it continues to enhance its user data analysis and digital marketing strategies. This approach will support sustainable growth across the markets. By strategically realigning its lending operations, Consumer Banking focuses on higher-profit countries, expands its product portfolio, and capitalises on emerging opportunities. These actions position the business unit for long-term success and profitability.

Business unit: SME Banking - CapitalBox

The SME Banking business unit provides essential financial solutions to SMEs through its Credit Lines and Instalment Loans under the CapitalBox brand. Its secured and unsecured products support SMEs in every growth stage, from managing working capital to funding investments and expanding their operations.

Funds can be made available to SMEs within minutes after the application approval through a streamlined, fully digitalised process. This speed and efficiency positions SME Banking as the perfect ally for meeting short-term business financing requirements. Powered by advanced technology, experience, and Multitude's internal growth platform resources, the business unit delivers a swift and dependable offering.

SME Banking operates in five markets: Finland, Sweden, Denmark, Lithuania, and the Netherlands, offering five distinct products.

Instalment Loans

One of SME Banking's key offerings is its Instalment Loan, which splits into unsecured (up to EUR 350,000) and secured (up to EUR 3 million) facilities. These loans come with flexible repayment periods spanning from 6 to 48 months. They are tailored to assist SMEs in funding operations such as simple inventory management, marketing efforts, hiring new personnel, investments and acquiring or leasing equipment. On average, businesses borrow around EUR 27,000 (unsecured loans) with a typical duration of 27 months.

Secured Loan

The Secured Loan is designed to support larger investments to drive growth for SMEs, addressing a gap in the industry where smaller FinTech firms might lack capacity, and traditional banks might choose not to provide secured loans. The business unit is one of the only players in the market who can offer loans up to EUR 3 million for SMEs while keeping digital and streamlined processes.

Credit Line

The Credit Line is a dynamic form of financing that grants SMEs access to a credit limit ranging from EUR 2,000 to EUR 150,000. The credit can be given in minutes through a digital application and used by the customer when finances are needed for everyday operations. Additionally, SME Banking collaborates with retail partners to offer financing solutions to their business customers, enabling them to make financed purchases right at the point of sale. The Credit Line is available in all markets in which the business unit operates.

Invoice Purchasing

In 2024, SME Banking acquired Omniveta in Denmark and opened a new, fully digital solution for SMEs to provide financing via the purchase of invoices. Currently, the business unit purchases invoices without recourse to the customer, with a due period ranging from 8 to 120 days and discount rates starting from just 1.45%. It already financed more than EUR 30 million in invoices in 2024 and is expanding this product line to the Netherlands and Finland with the intention of expanding it to other countries where it operates.

Purchase Finance (BNPL)

SME Banking introduced a tailored Purchase Financing or Buy Now, Pay Later (BNPL) product explicitly designed for SMEs. This financial solution provides businesses flexible access to up to EUR 20,000 in funding without collateral for up to 36 months. Currently available in Finland and Sweden, the product is strategically designed to help SMEs manage cash flow effectively, allowing them to invest in growth opportunities and finance purchases without relying on their daily capital or experiencing immediate financial strain.

2024 highlights

In March 2024, as previously described in the Invoice Purchasing product description, SME Banking successfully acquired Omniveta, an invoice-purchasing company dedicated to improving lending liquidity for SMEs across Denmark. This acquisition has not only strengthened the business unit's market position in business loans but also opened new avenues for growth. The integration of Omniveta is now complete and its product offering has been expanded into two new countries, the Netherlands and Finland.

In 2024, SME Banking's loan portfolio expanded by 35.3%, increasing from EUR 104.0 million at the end of 2023 to EUR 140.8 million at the end of 2024. Interest income also saw a rise by 41.9% (EUR 9.9 million), from EUR 23.7 million in 2023 to EUR 33.6 million in 2024, driven by investments in the new loan portfolio.

Impairment losses on loans to customers totalled EUR 13.9 million in 2024 (EUR 6.8 million in 2023). Partly due to strong organic growth, these losses increased substantially during 2024. Additionally, customers in some selected industries saw unfavourable economic conditions which led to higher impairment costs at the beginning of 2024. The business unit took actions to limit the risk through more rigid underwriting, resulting in improved credit loss dynamics starting with Q2 2024.

Outlook

SME Banking continues preparation to launch a comprehensive daily banking offering for SMEs across all its markets. Starting in Sweden, it will introduce current accounts, payment services, and business cards, with plans to expand these offerings throughout the year. Additionally, the rollout of Invoice Purchasing and Secured Lending is ongoing, with plans to expand the offering to all operating countries. The business unit will also focus on improving impairment losses in the coming year. These strategic initiatives will significantly enhance the business unit's value proposition and solidify its position as a leading financial partner for SMEs.

MULTITUDE
BANK

Business unit: Wholesale Banking

Wholesale Banking is a highly adaptable business unit operating within Multitude Bank's broader infrastructure. It focuses on delivering high-impact, institutional-grade solutions through two core offerings: Secured Debt and Payment Solutions. Wholesale Banking addresses more complex financing needs where agility and bespoke structuring set it apart in a competitive market. The business was initially launched in 2023 under the SweepBank unit, with Wholesale Banking becoming a separate business unit in January 2024.

Target customers – Institutions seeking bespoke financial solutions

Wholesale Banking serves a diverse institutional client base, including mid-sized to larger corporations, FinTechs, and payment institutions. These clients seek specialised solutions that address complex secured financing or payment processing needs. The business unit's approach focuses on tailored, high-quality outcomes, ensuring clients can operate and grow with confidence.

Secured Debt Solutions - Tailored financing backed by expertise
Secured Debt Solutions specialise in originating and executing sophisticated, tailored transactions, focusing on niche opportunities that others may hesitate to pursue. Leveraging nearly two decades of expertise and advanced analytics, the unit ensures stringent risk management and reliable growth for institutions looking to capitalise on strategic opportunities. With an emphasis on smart risk rather than volume, this approach fosters high-value partnerships grounded in flexibility and execution. Secured Debt Solutions utilises institutional-grade funding backed by a rigorous underwriting process and advanced risk management tools, providing capital against diversified loan portfolios or other collateral. Continuous asset performance oversight ensures security and flexibility, optimising credit risk while unlocking growth potential. Secured Debt is composed of corporate loans and debt investments (investments in issued bonds).

Payment Solutions – Institutional infrastructure for modern finance
Payment Solutions offer institutional clients a seamless and secure infrastructure for transaction processing and financial operations. With a deep understanding of the evolving payment landscape, the unit provides end-to-end solutions that enable efficient transaction processing and support long-term growth and operational efficiency for financial institutions.

2024 highlights

Wholesale Banking business unit continued to expand both on the Secured Debt and Payment Solutions sides. In 2024, it went from 4 to 20 full-time employees, strategically hiring to focus on further growth.

In December 2024, Wholesale Banking announced its partnership with Lithuanian-based climate technology company HeavyFinance. Through a debt-asset securitisation deal, Multitude Bank p.l.c. will invest EUR 14 million (full deployment expected by the end of 2025) in loans to small and medium-sized agricultural businesses to support their transition to sustainable practices.

For 2024, Wholesale Banking's financial results have shown further growth of portfolio. The combined portfolio of loans to customers and debt investments expanded by 112.9%, growing from EUR 62.4 million at the end of 2023 to EUR 132.8 million at the end of 2024. As a result, interest income showed 158.1% growth (EUR 8.0 million) from EUR 5.1 million in 2023 to EUR 13.1 million in 2024. The increase in assets led to impairment loss of EUR 0.7 million in 2024.

Outlook

The Wholesale Banking business unit continues to expand its offering, targeting high-quality peripheral markets. With a disciplined approach to risk and robust collateral frameworks, it will remain focused on institutional clients and continue to combine innovation with speed to bring solutions to the market faster and with greater adaptability than its peers. In Q1 2025, Wholesale Banking is rolling out cutting-edge tech solutions to make the offering more scalable, significantly reducing time to market by improving efficiency of the underwriting process and further strengthening risk management and monitoring capabilities within the business unit.

Key developments and progress in 2024

Financial overview

Statement of profit or loss:

The Group delivered strong financial performance in 2024, showing consistent improvement over 2023. Key financial metrics, such as net interest income displayed positive trends, showing persistent organic growth and long-term planning.

In 2024, the Group reported a profit of EUR 20.2 million (2023: EUR 16.4 million), reflecting an increase of EUR 3.8 million compared to 2023. This was primarily driven by an increase in net interest income, which was partially offset by higher operating expenses.

Interest income increased to EUR 261.1 million in 2024, up from EUR 230.5 million in the previous year. Loans to customers remained the primary source of interest income, contributing 93.8% of the total in 2024, compared to 97.0% in 2023. Specifically, interest income from loans to customers amounted to EUR 244.9 million in 2024, up from EUR 223.6 million in 2023.

Fee and commission income, the second revenue source, rose to EUR 2.6 million in 2024, driven by brokerage activities conducted on behalf of a partner company. These services are managed by the Consumer Banking business unit, with no credit risk assumed by the Group.

Given the growth of operating assets, impairment losses increased in parallel, rising from EUR 89.3 million in 2023 to EUR 96.4 million in 2024.

In 2024, the Group incurred interest expense which amounted to EUR 40.9 million (2023: EUR 22.2 million), an increase of EUR 18.7 million from the prior year. Both the interest expense on debt securities in issue and on customer deposits contributed to this rise. The interest expense on debt securities in issue and on customer deposits increased by EUR 4.5 million and EUR 14.0 million, respectively. These increases were the results of overall interest rate growth, general portfolio growth, bond redemption costs, and the delayed impact due to renewal of long-term customer deposits.

The Group reported an increase in its personnel expenses which amounted to EUR 37.6 million in 2024 (2023: EUR 34.1 million). Of this total, wages and salaries were the largest component totalling EUR 30.8 million in 2024 and EUR 27.9 million in 2023. This increase was primarily driven by the growing employee count, resulting from the acquisition of the Omniveta business and organic growth of operations in Wholesale Banking business unit.

General and administrative expense also showed an increase, rising from EUR 32.0 million in 2023 to EUR 35.6 million in 2024. Professional fees are the biggest component of this line item, comprising 43.6% of the total amount in 2024 (2023: 35.8%). The main drivers were several strategic projects, external IT services, legal advice, ESG and audit related services.

In 2024, the depreciation and amortisation line item moved in the opposite direction to the aforementioned operating expenses. This line item has reported a decline of EUR 2.5 million as compared to the previous year. This reduction was mainly due to a EUR 2.7 million decrease in the amortisation expense of intangible assets. During the year, several intangible assets were fully amortised which include the system features introduced in 2018 and 2019 for mobile bank app. The software as a whole remains in use and continues to provide economic benefits to the Group.

Selling and marketing expenses recorded a slight decline, decreasing from EUR 14.2 million in 2023 to EUR 13.6 million in 2024. This reduction was primarily driven by a focus on high performance acquisition channels in Consumer Banking which was partially offset by additional marketing activities in SME Banking.

The increase in the profit resulted in a positive impact on basic earnings per share which has increased from EUR 0.51 per share in 2023 to EUR 0.66 per share in 2024.

Statement of financial position:

Assets

Total assets increased by 10.9% (EUR 107.8 million), rising from EUR 990.9 million at the end of 2023 to EUR 1,098.7 million at the end of 2024. This was mainly driven by an increase in the operating assets, although it was partially offset by the decrease in cash and cash equivalents. Specifically, loans to customers grew by EUR 74.0 million while debt investments increased by EUR 50.4 million. The decrease in cash and cash equivalents by EUR 34.3 million was mainly due to the utilisation for investments in income-generating assets.

The Wholesale Banking business unit made an investment (debt-asset securitisation deal) via a bond issued by an unconsolidated special purpose vehicle. This investment is aggregated together with debt investments in the new financial investments line item.

Most notably, the Consumer Banking business unit acquired an equity stake in Lea Bank AB. As result of acquisition of 9.9% of Lea Bank AB by Consumer Banking business unit, the investment in associate line item increased by EUR 8.2 million. The investment was accounted by using the equity method. The Group has also agreed to acquire an additional 8.7%, pending regulatory approval. This is disclosed as a substantial off-balance sheet commitment.

The impaired loan coverage ratio increased by 1.0 percentage point from 16.6% at the end of 2023 to 17.6% at the end of 2024. The increase in loss allowance was largely driven by targeted growth opportunities within the SME segment, along with an anticipated deterioration in client payment behavior, particularly at the beginning of the year.

Liabilities

Total liabilities grew by 12.1% (EUR 97.8 million), from EUR 807.2 million at the end of 2023 to EUR 905.0 million at the end of 2024. This increase was driven by a 9.3% rise in customer deposits (EUR 68.5 million), reaching EUR 800.8 million, and a 60.8% increase in issued debt securities (EUR 29.0 million), totaling EUR 76.9 million, following new bond issuances by Multitude Capital Oyj. Additionally, other financial liabilities increased by 51.8%, from EUR 9.3 million to EUR 14.2 million, driven by received cash collaterals that are related to the Invoice Purchasing business of SME Banking and the Secured Debt of Wholesale Banking.

Equity

Total equity rose by 5.5% (EUR 10.2 million), increasing from EUR 183.6 million at the end of 2023 to EUR 193.8 million at the end of 2024. Dividends for 2023, disbursed in 2024, totalled EUR 4.1 million. The net equity ratio declined by 2.8 percentage points from 26.0% at the end of 2023 to 23.2% at the end of 2024, while the net debt to equity ratio increased from 2.85 to 3.38 over the same period.

Financial key figures and ratios

EUR '000	2024	2023	2022*
Net interest income	220,243	208,222	198,447
Profit before income tax	23,244	18,990	13,590
Net cash flows (used in) / from operating activities	(24,857)	157,776	(34,346)
Net cash flows (used in) investing activities	(21,466)	(11,839)	(10,903)
Net cash flows from / (used in) financing activities	12,152	(15,396)	(100,687)
Net (decrease) / increase in cash and cash equivalents	(34,171)	130,541	(145,936)

*Restated.

EUR '000	31 December 2024	31 December 2023	31 December 2022*
Loans to customers	649,928	575,948	507,075
Debt investments	112,554	62,114	21,107
Deposits from customers	800,805	732,350	503,378
Cash and cash equivalents	249,458	283,712	153,325
Non-current assets	370,461	288,289	176,890
Current assets	728,270	702,589	576,345
Total assets	1,098,731	990,878	753,235
Non-current liabilities	344,364	299,798	132,462
Current liabilities	560,614	507,434	440,807
Total liabilities	904,978	807,232	573,269
Total equity	193,753	183,646	179,966

*Restated.

Alternative performance measures

Pursuant to Article 16 of Regulation 1095 / 2010 / EU, the European Securities and Markets Authority (ESMA) has issued specific guidelines on the presentation criteria for Alternative Performance Measures (APMs) included by European issuers in regulated information, where such measures are not defined or provided for in the rules on financial reporting.

According to the definition provided in the ESMA Guidelines, APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs are typically based on financial statement line items prepared in accordance with applicable financial reporting rules. What sets them apart is that APMs are not defined in the financial reporting framework, yet their use is still widespread, with the role of conveying a view of the Group's performance closer to the Leadership Team's perspective than would be possible using only the defined measures.

To facilitate the understanding of the consolidated statement of profit or loss after a change in the presentation of the consolidated financial statements, Multitude introduced profit before interest expense and taxes (EBIT) as APM in 2023 as compared to prior years where it was directly reported in the consolidated statement of profit or loss. The application of APM matches the profit guidance given by the Board in 2021 to the public on the development of the Group's profitability in the future.

EBIT is calculated by adding back income tax, interest expense, and fair value and foreign exchange gains and losses (net) to profit for the period in the consolidated statement of profit or loss:

EBIT = Profit for the period + Income tax + Interest expense + Fair value and foreign exchange gains and losses (net)

EBIT for the consolidated Group in 2024, 2023 and 2022:

EUR '000	2024	2023	2022*
Profit for the period	20,234	16,438	11,773
Interest expense	40,857	22,237	14,026
Income tax expense	3,010	2,552	1,817
Fair value and foreign exchange gains and losses (net)	3,529	4,328	3,848
Profit before interest expense and taxes (EBIT)	67,630	45,555	31,464

*Restated.

In this regard, the APM presented is complementary to the measures defined within the International Financial Reporting Standards (IFRS) Accounting Standards. The figures and inputs used in the derivation of the said APM are based on presentation and / or disclosure requirements emanating from the IFRS Conceptual Framework and include reconciliation items from such presentation / disclosures of financial statements.

Additional financial ratios

In addition to the main APM, the Group presents several additional financial ratios, including the impaired loan coverage ratio, equity ratio, net equity ratio, and net debt-to-equity ratio. These indicators provide valuable insights into the financial health of the Group beyond the standard IFRS measures. The impaired loan coverage ratio, for instance, is used to assess the Group's ability to cover impaired loans through provisions, reflecting credit risk management efficiency. The net equity ratio is vital in evaluating the capital structure and financial stability of the Group, as well as compliance with bond covenant used in capital management. Meanwhile, the net debt-to-equity ratio offers insight into the Group's leverage and its ability to meet long-term obligations. These additional financial ratios are presented because they provide stakeholders with further clarity on the Group's financial performance, particularly in areas not fully captured by the IFRS metrics alone, enhancing decision-making and comparability over time.

	31 December 2024	31 December 2023	31 December 2022*
Impaired loan coverage ratio, in %**	17.6	16.6	18.2
Equity ratio, in %	17.6	18.5	23.9
Net equity ratio, in %	23.2	26.0	30.0
Net debt to equity ratio	3.38	2.85	2.33

*Restated.
**Note 4.2.7.

Calculation of additional financial ratios:

EUR ‘000			31 December 2024	31 December 2023	31 December 2022*
Impaired loan coverage ratio (%) =	100x	Credit loss allowance	138,600	114,669	112,719
		Gross loans to customers	788,528	690,617	619,794
Equity ratio (%) =	100x	Total equity	193,753	183,646	179,966
		Total assets	1,098,731	990,878	753,235
Net equity ratio (%) =	100x	Total equity + Tier 2	196,753	183,646	179,966
		Total assets – cash and cash equivalents	1,098,731 - 249,458	990,878 - 283,712	753,235 - 153,325
Net debt to equity ratio =		Total liabilities – cash and cash equivalents	904,978 - 249,458	807,232 - 283,712	573,269 - 153,325
		Total equity	193,753	183,646	179,966

*Restated.

Share related key figures and ratios

	2024	2023	2022*
Basic earnings per share**, in EUR	0.66	0.51	0.38
Equity per share, in EUR	8.99	8.50	8.34
Dividend per share, in EUR	0.44	0.19	0.12
Dividend / net profit, in %	46.8	25.0	22.0
Effective dividend yield, in %	9.3	4.3	4.2
Price / Earnings ratio	7.1	8.7	7.6
Share price on 31 December, in EUR	4.75	4.46	2.86
Average share price, in EUR	5.15	3.61	3.20
Lowest share price, in EUR	4.25	2.60	2.20
Highest share price, in EUR	6.50	4.98	4.90
Weighted average number of ordinary shares outstanding during the period, in N ’000	21,616	21,598	21,578
Market capitalisation, in EUR ’000	102,329	96,416	61,713
Volume of the trading with the company’s share, in N ’000	4,470	3,332	2,242
Volume of the trading with the company’s share, in %	20.7	15.4	10.4
Number of shares outstanding on 31 December, in N ’000	21,543	21,618	21,578

*Restated.
**Note 13.

Calculation of share related key ratios:

'000			2024	2023	2022*
Basic earnings per share =		Profit attributable to owners of parent company	14,266	11,052	8,103
		Weighted average number of ordinary shares outstanding during the period	21,616	21,598	21,578
Equity per share =		Total equity	193,753	183,646	179,966
		Number of shares outstanding on 31 December	21,543	21,618	21,578
Dividend per share =		Dividends paid for financial period	9,479	4,116	2,591
		Number of shares outstanding on 31 December	21,543	21,618	21,578
Dividend / net profit, in % =	100x	Dividends paid for financial period	9,479	4,116	2,591
		Profit for financial period	20,234	16,438	11,773
Effective dividend yield, in % =	100x	Dividend per share	0.44	0.19	0.12
		Share price on 31 December	4.75	4.46	2.86
Price / Earnings ratio =		Share price on 31 December	4.75	4.46	2.86
		Earnings per share	0.67	0.51	0.38
Weighted average number of ordinary shares outstanding during the period =		Number of shares at the end of each day	7,889,840	7,883,270	7,875,970
		Number of days in financial period	365	365	365
Market capitalisation =		Number of shares outstanding on 31 December x Share price on 31 December	21,543 x4.75	21,618 x 4.46	21,578 x 2.86

*Restated.

Treasury update

By the end of 2024, Multitude's cash position stood at EUR 249.5 million. A significant portion of this amount is invested in short-term deposits with other banks, hereby generating additional interest income.

The 2024 Annual General Meeting decided to distribute a per share dividend of EUR 0.19 for the financial year 2023 to a total of EUR 4,116,145.56. The dividends were paid on 7 May 2024.

On 15 February 2024, Fitch Ratings improved Multitude AG's and Multitude Bank p.l.c.'s rating outlook from Stable to Positive, maintaining B+ long-term Issuer Default Rating (IDR).

Multitude Capital Oyj, a subsidiary of Multitude AG, launched a EUR 80 million 4-year senior unsecured bond (ISIN: NO0013259747) under a EUR 150 million issuance programme in June 2024. Multitude AG acts as a guarantor in relation to the entire bond issuance programme. This transaction was conducted under a EUR 150 million issuance programme and allows for additional volume increases at a later stage. The proceeds from this bond were used to redeem the EUR 50 million bond of Multitude AG issued in December 2022, including the settlement of the call option premium. The remaining net proceeds from the sale of bonds to investors are used, inter alia, to finance transaction costs and general corporate purposes of the Group.

Multitude AG has exercised its right to redeem all outstanding senior unsecured floating rate bonds maturing in December 2025 (ISIN: NO0012702549) (the "Bonds"), in accordance with Clause 9.3 (Voluntary Total Redemption (call option)) of the terms and conditions of the Bonds.

The redemption date was 8 July 2024 (the "Redemption Date"). The redemption amount for each Bond was the applicable call option amount (being 103.75% of the Nominal Amount), plus accrued and unpaid interest. The redemption amount was paid to the bondholders on 1 July 2024. The redeemed bonds were subsequently delisted from the Frankfurt Stock Exchange and Nasdaq Stockholm on the Redemption date.

On 17 December 2024, Multitude Capital Oyj issued EUR 20 million subsequent senior guaranteed unsecured bonds under the issuer's existing bond framework with maturity in June 2028. Following the issuance of these subsequent bonds, the outstanding amount under the bonds is now EUR 100 million. Multitude Capital Oyj subscribed these bonds in full and the bonds are expected to be sold by the issuer to selected investors at a later stage.

Personnel

In 2024, the average number of employees was 771, compared to 694 in 2023.

The following changes occurred in the Leadership Team:

1. Alain Nydegger appointed as Tribe CEO of Wholesale Banking

Alain Nydegger was appointed as the Tribe CEO of Wholesale Banking on 15 April 2024 and joined Multitude's Leadership Team. Bringing extensive experience from his previous role as CEO of Pala Assets and as co-founder of 21Celsius Ventures and Fashion Vestis, Alain also holds an Executive MBA from IMD Business School and a bachelor's degree from HWZ University of Applied Sciences in Zurich period. His strategic leadership is expected to greatly benefit Wholesale Banking at Multitude.

2. Julie Chatterjee resigns as Chief Commercial Officer

Julie Chatterjee resigned from her position as Chief Commercial Officer of Multitude Bank p.l.c. and stepped down from the Group Leadership Team and Bank Executive Committee, effective 10 May 2024. She was instrumental in building SweepBank and integrating it into the Consumer Banking and SME Banking business units.

Risk factors and risk management

Multitude takes moderate and calculated risks in conducting its business. The prudent management of risks minimises the probability of unexpected losses and threats to our reputation. Therefore, we can enhance profitability and shareholder value.

The Leadership Team and business unit CEOs monitor operations regularly and are responsible for adequate risk management and ensuring that the Group can control and monitor its risks. Each Leadership Team member bears responsibility for identifying and controlling the risks related to their functions in line with instructions from the Board. The Board is ultimately responsible for, among other things, overseeing the Group's risk management through its Risk Committee. We proactively follow all legal regulations, monitor changes that might occur in the countries we operate in, and adjust operations where necessary.

The Group's risk exposures can be divided into three main categories:

1. Credit risks (mainly receivables from customers and debt investments)

1.1 Consumer Banking and SME Banking

Exposure to credit risks arises principally from the Group's lending activities. The credit risk is managed by experienced risk teams from the Risk Management function, which manage the Group's scoring system and credit policies. The Risk Management function is also responsible for measuring the payment behaviour of the credit portfolio on a daily, weekly, and monthly basis. This is done through proprietary risk management tools, which assist Group companies in evaluating the customer's payment behaviour. These tools, which are continuously updated and refined, ensure that only customers with a satisfactory credit profile are accepted.

1.2 Wholesale Banking

The Group is also exposed to credit risk arising from its exposure to debt investments. The debt investments mainly reflect the Group's acquisition of secured bonds. Such bonds are mainly secured either by loan portfolios or real estate, which are pledged in favour of Multitude Bank p.l.c., and are subject to a number of covenants including predetermined ratios of ageing portfolios and advance rates and Loan to Values. Such covenants are monitored regularly by our Leadership Team and the relevant Committees.

2. Market risks (including foreign exchange risks, interest rate risks and other price risks)

Multitude uses foreign currency forward contracts to hedge foreign transaction risk exposures. Market risks arise from open positions in the interest rate and products in foreign currency. They are managed by the Group's Treasury function, in close cooperation with Financial Planning & Analysis (FP&A) team, which is also responsible for the Group's cash flow planning and ensuring the necessary liquidity level for all Group companies.

3. Operational risks (such as IT risks, legal and regulatory risks and other operational risks)

The Group's Legal function manages regulatory and legal risks in close cooperation with the authorities in the respective countries and relevant stakeholders. Potential or foreseeable changes in applicable laws are analysed on an ongoing basis and any necessary modifications to the Group's operations are implemented proactively.

Changes in the Group structure

The Group's organisational structure has been adapted to accommodate the relocation of the parent company to Switzerland. The Group implemented the following changes to its entities in 2024:

- Multitude GmbH, domiciled in Zug, Switzerland, established to support the relocation process until Multitude AG has fully relocated.

- Multitude Capital Oyj, domiciled in Helsinki, Finland, established for the purpose of bond placement and funding of the Group's operations.

- Ultimate parent company (Multitude AG) completed its relocation to Zug, Switzerland. The legal form was changed to AG. The relocation to Switzerland is not expected to cause any adverse tax consequences with respect to the Group's tax management policy and future dividend distribution to Multitude's shareholders.

- Saldo Gestion SL, domiciled in Lleida, Spain, was sold during the year.

Events after the reporting period

Organisational changes

Effective from 1 January 2025, Antti Kumpulainen, who has been the CEO of Multitude Bank p.l.c. since April 2021, transitioned to the role of Multitude Group CEO. He succeeded Jorma Jokela, who has effectively led the company for the past 20 years and will remain on the Board of Directors. In his new full-time role within Multitude, Jorma Jokela will focus on high-impact strategic projects, partnerships, acquisitions, and mentoring key talents. This leadership transition is designed to ensure continuity and stability. Antti Kumpulainen brings nearly a decade of invaluable experience within Multitude and deep expertise in the banking and FinTech sectors. His leadership is instrumental as he oversees the Group's operational business.

Chief Risk Officer Transition - Mr. Clemens Krause, Chief Risk Officer, retired as of 31 March 2025 after serving the company since 2012. Mr. Adam Jezierski joined the Leadership Team as Chief Credit Risk Officer on 3 February 2025 and succeeded Mr. Krause. With extensive expertise in credit risk management, Mr. Jezierski is expected to strengthen the Group's risk oversight capabilities.

Other leadership changes included the stepping down of Mr. Lasse Mäkelä, Chief Strategy and IR Officer, and Mr. Goutam Challagalla, Member of the Board of Directors of Multitude AG.

Furthermore, as part of a restructuring exercise that is subject to the approval of the Malta Financial Services Authority, the Group is working to transfer lending-related and other selected entities under Multitude Bank p.l.c. and simplify the subsidiary structure of Multitude AG. In addition, following the relocation, the Group plans to optimise its structure by reducing the number of entities that are not essential to its future.

Fitch affirms Multitude's positive outlook

On 6 February 2025, Fitch Ratings affirmed Multitude AG's and its fully-owned operating bank Multitude Bank p.l.c.'s Long-Term Issuer Default Ratings (IDRs) at 'B+' with Positive Outlooks. Multitude's senior unsecured notes have been affirmed at 'B+' with a Recovery Rating of 'RR4' and its subordinated hybrid perpetual capital notes at 'B-'/'RR6'.

Shares of the company

Multitude share data	
Market:	Frankfurt Stock Exchange, Prime Standard
ISIN:	CH1398992755
Symbol:	MULT

Largest shareholders of the company as at 31 December 2024

The table below describes the shareholder structure and summarises shareholders with the largest holdings, excluding nominee-registered shares, in Multitude AG as at 31 December 2024. The table shows shareholdings representing at least three percent (3%) ownership in the Group. These numbers are updated based on the latest notifications of change in major holdings.

Shareholders	Shares	% of shares	% of voting rights
Jokela, Jorma*	12,022,991	55.34%	55.81%
Total free float:**	9,520,412	43.83%	44.19%
- Lemanik Holding S.A.	1,129,000	5.20%	5.24%
- Board and Leadership Team***	1,160,006	5.34%	5.38%
- Caceis Bank	473,905	2.18%	2.20%
- Dorwal Asset Management	411,777	1.90%	1.91%
- Tiger Value Fund	290,000	1.33%	1.35%
- Bellevue Asset Management	205,654	0.95%	0.95%
- Other shareholders	5,850,070	26.93%	27.16%
Multitude AG****	180,557	0.83%	-
Total	**21,723,960**	**100.00%**	**100.00%**

All information on the largest shareholdings is based on the latest shareholder notifications received.

* Jorma Jokela holds directly 191,117 shares (0.88%), through Jokela Capital OÜ 5,773,139 shares (26.57%) and through JT Capital Limited 6,058,735 shares (27.89%). The shares held by Jokela Capital OÜ and JT Capital Limited are nominee registered.

** Total free float excludes shares held by Jorma Jokela and treasury shares held by Multitude AG.

*** Excluding Jorma Jokela.

**** Treasury shares held by Multitude AG (no voting right and no dividend paid on treasury shares).

Board of Directors' shareholdings as at 31 December 2024

Name	Position	Shares*	% of shares	% of voting rights
Jokela, Jorma	Member	12,022,991	55.34%	55.81%
Liigus, Lea	Member	255,264	1.18%	1.18%
Tiukkanen, Ari	Chairman	19,143	0.09%	0.09%
Khüny, Marion	Member	-	-	-
Challagalla, Goutam	Member	-	-	-
Leppänen, Kristiina	Member	1,300	0.01%	0.01%
Total		**12,298,698**	**56.62%**	**57.09%**

* Includes shareholdings held directly and indirectly by Members of the Board of Directors of Multitude AG.

Leadership Team shareholdings as at 31 December 2024

Name	Position	Shares*	% of shares	% of voting rights
Jokela, Jorma	Chief Executive Officer	12,022,991	55.34%	55.81%
Liigus, Lea	Chief Legal and Compliance Officer	255,264	1.18%	1.18%
Krause, Clemens	Chief Risk Officer	97,116	0.45%	0.45%
Mäkelä, Lasse	Chief Strategy and IR Officer	63,730	0.29%	0.30%
Egger, Bernd	Chief Financial Officer	142,142	0.65%	0.66%
Kumpulainen, Antti	CEO of Multitude Bank p.l.c.	116,949	0.54%	0.54%
Kajakas, Kristjan	Tribe CEO - Consumer Banking	128,749	0.59%	0.60%
Hansson Tönning, Adam	Chief Financial Planning Analyst	19,572	0.09%	0.09%
Nydegger, Alain	Tribe CEO - Wholesale Banking	100,000	0.46%	0.46%
Kabele, Kornel	Chief Technology Officer	58,631	0.27%	0.27%
Vella, Shaun	Chief HR Officer	64,164	0.30%	0.30%
Štareika, Mantvydas	Tribe CEO - SME Banking	93,246	0.43%	0.43%
Total		**13,162,554**	**60.59%**	**61.09%**

*Includes shareholdings held directly and indirectly by the Leadership Team members.

Annual General Meeting 2024

Multitude's Annual General Meeting was held on 25 April 2024 at 10:00 EEST at the offices of Castren & Snellman Attorneys Ltd, Eteläesplanadi 14, Helsinki, Finland. The meeting was held as a physical meeting. Shareholders could also use their voting rights by voting in advance.

Financial calendar 2025

Date	Publication
03.04.2025	Multitude AG (consolidated): 2024 preliminary results
17.04.2025	Multitude AG (consolidated): full year 2024 results
17.04.2025	Multitude Bank p.l.c.: full year 2024 results
17.04.2025	Multitude Capital Oyj: full year 2024 results
22.05.2025	Multitude AG (consolidated): Q1 2025 results
21.08.2025	Multitude AG (consolidated): H1 2025 results
21.08.2025	Multitude Bank p.l.c.: H1 2025 results
21.08.2025	Multitude Capital Oyj: H1 2025 results
13.11.2025	Multitude AG (consolidated): 9M 2025 results

Distributable equity of parent company

The operations of the Group's parent company, Multitude AG, for the year ended 31 December 2024 amounted to a profit of EUR 46.6 million (2023 - EUR 6.2 million, profit), which resulted in distributable equity amounting to EUR 97.0 million as at 31 December 2024 (31 December 2023 - EUR 54.2 million). The prior year's financial results and position of the Group's parent company were converted in accordance with the Swiss Code of Obligations. The Board of Directors of Multitude AG proposed to the Annual General Meeting that a dividend of EUR 0.44 per share be distributed in relation to the 2024 results, and that the 2024 profit be carried forward.

Corporate governance statement

The Corporate Governance Statement has been prepared on a voluntary basis. When preparing this Corporate Governance Statement, Multitude follows the principles of the Swiss Code of Best Practice for Corporate Governance and the Directive on Information relating to Corporate Governance from the SIX Swiss Exchange AG to enable a comparison with other Swiss-listed companies. The Corporate Governance Statement has been prepared separately from the Report of the Board of Directors of Multitude AG, and it is available on Multitude's website https://www.multitude.com/.

Company management and auditor

Ari Tiukkanen served as Chairman of the Board. Other Members of the Board were Jorma Jokela, Lea Liigus, Goutam Challagalla, and Kristiina Leppänen. At the 2024 Annual General Meeting, Marion Khüny was elected as a new Board Member, while Michael A. Cusumano stepped down from the Board after the meeting.

During the Extraordinary General Meeting held on 5 September 2024, PricewaterhouseCoopers AG was appointed as the auditors for 2024 and 2025 with Philippe Bingert serving as the principal auditor.

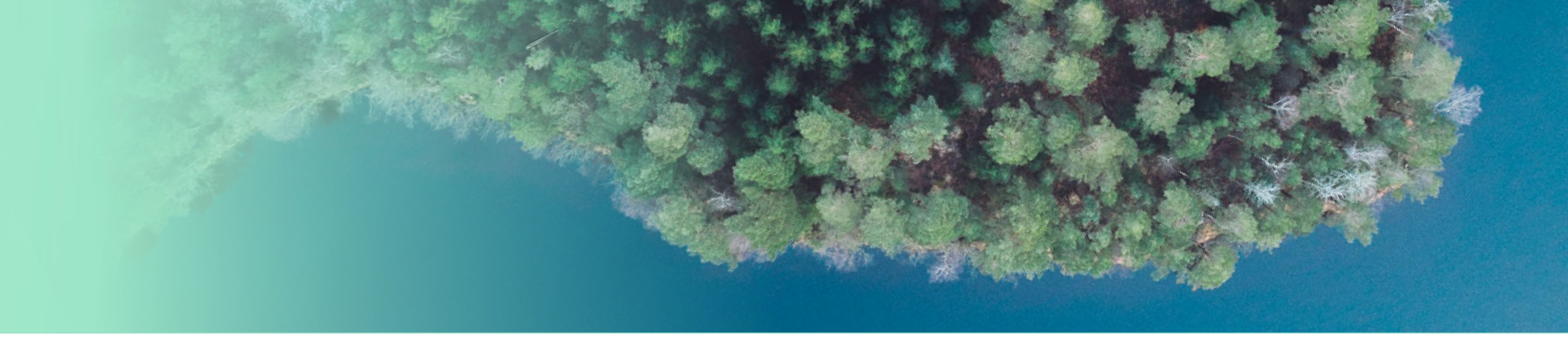
Consolidated financial statements for 2024 (audited)

Consolidated statement of profit or loss

EUR ’000	Notes	2024	2023
Interest income	7	261,100	230,459
Interest expense	7	(40,857)	(22,237)
Net interest income		220,243	208,222
Fee and commission income	8	2,612	63
Fee and commission expense	8	(526)	-
Net fee and commission income		2,086	63
Fair value and foreign exchange gains and losses (net)	9	(3,529)	(4,328)
Other income	10	262	30
Share of results of associates	5.2	(93)	6
Net operating income		218,969	203,993
Operating expenses:			
Impairment loss on loans to customers	4.2, 11	(96,390)	(89,253)
Personnel expense	11	(37,609)	(34,076)
General and administrative expense	11	(35,641)	(31,976)
Depreciation and amortisation	11, 17-19	(12,475)	(15,016)
Selling and marketing expense	11	(13,591)	(14,180)
Other expense	10	(19)	(502)
Profit before income taxes		**23,244**	**18,990**
Income tax expense	12	(3,010)	(2,552)
Profit for the period		**20,234**	**16,438**
Attributable to:			
Owners of the parent company		20,234	16,438
Non-controlling interests		-	-
Earnings per share:			
Basic earnings per share, EUR	13	0.66	0.51
Diluted earnings per share, EUR	13	0.65	0.51

Consolidated statement of comprehensive income

EUR ’000	2024	2023
Profit for the period	**20,234**	**16,438**
Other comprehensive expense:		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(8)	(332)
Total other comprehensive loss	**(8)**	**(332)**
Total comprehensive income for the period	**20,226**	**16,106**
Total comprehensive income attributable to:		
Owners of the parent company	20,226	16,106
Non-controlling interests	-	-



Consolidated statement of financial position

EUR '000	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents	4.2.6	249,458	283,712
Derivative financial assets	15	53	299
Loans to customers	4.2.7, 15	649,928	575,948
Debt investments	4.2.10	112,554	62,114
Other financial assets	15	27,104	19,435
Current tax assets		1,437	1,832
Prepaid expenses and other assets	16	2,514	2,841
Intangible assets	17	32,916	29,468
Right-of-use assets	18	4,948	4,819
Property, plant and equipment	19	2,606	2,896
Investments in associates	5.2	9,209	1,022
Deferred tax assets	12	6,004	6,492
Total assets		**1,098,731**	**990,878**
EQUITY AND LIABILITIES			
Liabilities:			
Derivative financial liabilities	20	735	5,323
Deposits from customers	20	800,805	732,350
Current tax liabilities		1,125	2,268
Debt securities	20	76,850	47,805
Lease liabilities	20	5,138	4,963
Other financial liabilities	20	14,168	9,331
Other liabilities	21	4,960	4,041
Deferred tax liabilities	12	1,197	1,151
Total liabilities		**904,978**	**807,232**
Equity:			
Share capital	22	40,189	40,134
Treasury shares	22	(946)	(103)
Retained earnings		98,216	87,258
Unrestricted equity reserve	22	14,653	14,708
Translation differences	4.3.1.2	(3,390)	(3,382)
Other reserves	22	31	31
Total equity attributable to the owners of the parent company		**148,753**	**138,646**
Perpetual bonds	4.5, 22	45,000	45,000
Non-controlling interests		-	-
Total equity		**193,753**	**183,646**
Total equity and liabilities		**1,098,731**	**990,878**

Consolidated statement of cash flows

EUR '000	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**20,234**	**16,438**
Adjustments for:			
Impairment loss on loans to customers	4.2, 11	96,390	89,253
Depreciation and amortisation	11, 17-19	12,475	15,016
Net interest income	7	(220,243)	(208,222)
Fair value and foreign exchange gains and losses (net)	9	3,529	4,328
Income tax expense	12	3,011	2,552
Other adjustments	25	671	1,014
Changes in operating assets:			
Increase (-) in gross loans to customers		(169,807)	(176,413)
Increase (-) in debt investments		(50,807)	(40,247)
Increase (-) / decrease (+) in derivative financial instruments (net)		(4,342)	7,760
Increase (-) in other assets		(7,537)	(2,603)
Changes in operating liabilities:			
Increase (+) in deposits from customers		68,455	228,972
Increase (+) / decrease (-) in other liabilities		5,930	(1,808)
Interest paid		(36,391)	(14,035)
Interest received		255,349	237,685
Income taxes paid		(1,774)	(1,914)
Net cash flows (used in) / from operating activities		**(24,857)**	**157,776**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(494)	(258)
Purchase of intangible assets		(12,233)	(10,565)
Purchase of investments in associates	5.2	(8,212)	(1,016)
Purchase of business	5.3	(527)	-
Net cash flows (used in) investing activities		**(21,466)**	**(11,839)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of perpetual bonds interest		(6,091)	(6,031)
Dividends paid	23	(4,116)	(2,591)
Proceeds from debt securities	25	73,510	-
Repayment of debt securities	25	(47,825)	-
Repayment of lease liabilities	18, 25	(2,398)	(2,219)
Repayment of perpetual bonds		-	(4,555)
Purchase of treasury shares	22	(928)	-
Net cash flows from / (used in) financing activities		**12,152**	**(15,396)**
Cash and cash equivalents, as at 1 January	**15**	**283,712**	**153,325**
Exchange losses on cash and cash equivalents		(83)	(154)
Net (decrease) / increase in cash and cash equivalents		**(34,171)**	**130,541**
Cash and cash equivalents, as at 31 December	**15**	**249,458**	**283,712**

Consolidated statement of changes in equity

EUR '000	Share capital	Treasury shares	Retained earnings	Perpetual bonds	Unrestricted equity reserve	Translation differences	Other reserves	Non-controlling interests	Total equity
As at 1 January 2023	**40,134**	**(142)**	**75,685**	**50,000**	**14,708**	**(3,050)**	**2,631**	**-**	**179,966**
Comprehensive income									
Profit for the period	-	-	16,438	-	-	-	-	-	16,438
Exchange differences on translation of foreign operations	-	-	-	-	-	(332)	-	-	(332)
Total comprehensive income for the period	-	-	16,438	-	-	(332)	-	-	16,106
Transactions with owners:									
Repayment of perpetual bonds	-	-	445	(5,000)	-	-	-	-	(4,555)
Perpetual bonds interests payments	-	-	(5,830)	-	-	-	-	-	(5,830)
Issue of treasury shares under share-based payment plan (Note 22)	-	39	(39)	-	-	-	-	-	-
Share-based payment (Note 24)	-	-	550	-	-	-	-	-	550
Dividend distribution (Note 23)	-	-	(2,591)	-	-	-	-	-	(2,591)
Release of reserves (Note 22)	-	-	2,600	-	-	-	(2,600)	-	-
Total transactions with owners	-	39	(4,865)	(5,000)	-	-	(2,600)	-	(12,426)
As at 31 December 2023	**40,134**	**(103)**	**87,258**	**45,000**	**14,708**	**(3,382)**	**31**	**-**	**183,646**
As at 1 January 2024	**40,134**	**(103)**	**87,258**	**45,000**	**14,708**	**(3,382)**	**31**	**-**	**183,646**
Comprehensive income									
Profit for the period	-	-	20,234	-	-	-	-	-	20,234
Exchange differences on translation of foreign operations	-	-	-	-	-	(8)	-	-	(8)
Total comprehensive income for the period	-	-	20,234	-	-	(8)	-	-	20,226
Transactions with owners:									
Perpetual bonds interests payments	-	-	(5,968)	-	-	-	-	-	(5,968)
Issue of treasury shares under share-based payment plan (Note 22)	-	85	(85)	-	-	-	-	-	-
Share-based payment (Note 24)	-	-	893	-	-	-	-	-	893
Dividend distribution (Note 23)	-	-	(4,116)	-	-	-	-	-	(4,116)
Purchase of treasury shares (Note 22)	-	(928)	-	-	-	-	-	-	(928)
Increase in share capital (Note 22)	56	-	-	-	(56)	-	-	-	-
Total transactions with owners	56	(843)	(9,276)	-	(56)	-	-	-	(10,119)
As at 31 December 2024	**40,189**	**(946)**	**98,216**	**45,000**	**14,653**	**(3,390)**	**31**	**-**	**193,753**

Notes to consolidated financial statements

1. General information

In this report, "Multitude," "the Group," "company," and "we" are used interchangeably. Multitude is a listed European FinTech company offering digital lending and online banking services to consumers, small and medium-sized enterprises (SMEs), and other FinTechs overlooked by traditional banks. We provide services through three business units supported by our growth platform. The ultimate parent company, Multitude AG (registration number CHE-445.352.012), was established in 2005. Up until 30 June 2024, its registered address was located at Ratamestarinkatu 11 A, 00520 Helsinki, Finland. From 1 July 2024 until 30 December 2024, the parent company's registered address was located at ST Business Centre 120, The Strand, Gzira, Malta. As of 30 December 2024, the parent company is registered in Switzerland at Grafenauweg 8, 6300 Zug, Switzerland.

Multitude AG is listed on the Prime Standard of the Frankfurt Stock Exchange. Previously, it was traded under the ticker symbol "FRU". As of 30 June 2024, Multitude AG's ticker symbol was changed to "E4I" and on 30 December 2024 to "MULT". The Group includes Multitude Bank p.l.c., licensed by the Malta Financial Services Authority (MFSA), which is a significant part of the Group, and allows it to provide financial services and products to the European Economic Area.

On 16 April 2025, Multitude AG's Board of Directors authorised the Group's consolidated financial statements as at and for the year ended 31 December 2024 for issuance and filing.

1.1 Significant changes in the current reporting period

The financial position and performance of the Group were influenced by the following events and transactions during the reporting period:

Relocation

On 5 January 2024, Multitude announced its plan to relocate the parent company from Finland to Switzerland while maintaining its legal personality and without dissolution. On 17 January 2024, Multitude AG (then Multitude SE) announced that the company would move to Malta as the first phase of the plan to relocate to Switzerland.

On 21 March 2024, Multitude's shareholders held an Extraordinary General Meeting during which they approved the proposal of transferring the registered office of Multitude AG (then Multitude SE) from Finland to Malta in accordance with the Council Regulation (EC) No 2157 / 2001 of 8 October 2001 on the Statute for a European Company (SE).

In anticipation and pursuance of the transfer of the registered office, the Extraordinary General Meeting resolved to amend the parent company's current Articles of Association to introduce a nominal value for Multitude AG's shares by adding a new Article 10 in the

Articles of Association, which reads as follows: The nominal value of the shares is EUR 1.85. The Extraordinary General Meeting resolved to increase the parent company's share capital by EUR 55,766 from EUR 40,133,560 to EUR 40,189,326. The increase has been carried out by transferring the necessary amount from the invested unrestricted equity reserve to the share capital.

The transfer of the registered office from Finland to Malta was followed by a conversion of Multitude SE into a public limited liability company (p.l.c.), governed by the laws of Malta and then an application to have the parent company registered in Switzerland, pursuant to applicable Maltese and Swiss laws, by the end of the year 2024. The Extraordinary General Meeting of Multitude AG held on 21 August 2024 approved a conversion in accordance with Council Regulation (EC) No. 2571 / 2011. The conversion is an essential part of relocating the parent company to Switzerland.

Upon the registration of the parent company with the Malta Business Registry, Pricewaterhouse Coopers (Registration Number: AB / 26 / 84 / 38), domiciled at 78, Mill Street, Qormi, Malta was appointed as the auditors of the parent company until the relocation to Switzerland. The Group's Audit Committee is authorised to fix their remuneration and sign any engagement letter as may be required to finalise the auditors' engagement.

Extraordinary General Meeting held on 5 September 2024 elected PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich, CHE-106.839.438 as auditors for the business years 2024 and 2025, subject to the redomiciliation to Switzerland becoming effective.

On 23 October 2024, the Extraordinary General Meeting of Multitude AG (then Multitude p.l.c.) approved the company's special purpose final accounts, including financial statements and the Board of Directors' report for the period from 1 January to 30 June 2024. This approval covered financial statements not yet presented at a previous Shareholders' General Meeting. The meeting also resolved to discharge the Board of Directors and the CEO from liability for the period covered by the special purpose final accounts, in line with the Maltese Companies Act (Chapter 386 of the laws of Malta) and Finnish market practices. The meeting was held following the transfer of the company's registered office from Finland to Malta in accordance with Article 8 of the Council Regulation (EC) No 2157 / 2001 of 8 October 2001 on the Statute for a European company (SE) on 30 June 2024, in order to adopt the company's special purpose final accounts as required pursuant to Section 11 of the Finnish European Companies Act (742 / 2004, as amended) and to make certain related resolutions.

As final step before relocation to Zug, the Extraordinary General Meeting held on 16 December 2024 resolved to confirm the approval of the Swiss Articles of Association which become effective immediately after relocation to Switzerland.

On 30 December 2024, Multitude AG has successfully completed its relocation to Zug, Switzerland. Multitude AG is currently registered with the Zug Commercial Register in Switzerland, and its registered address is Grafenauweg 8, Zug, 6300.

Acquisition of Omniveta

The SME Banking business unit acquired the business of Copenhagen-based Omniveta Finance on 1 March 2024. Omniveta specialises in invoice purchasing, which provides SME Banking with a complementary finance solution. This acquisition has added invoice purchasing to the business unit's offering for SMEs in Denmark, the Netherlands, and Finland and provides an opportunity to extend this offering to other markets where SME Banking is active. The acquisition has been classified as a business combination. Details of the business combination can be found in note 5.3.

New business unit

In January 2024, Multitude implemented its previously announced plans to optimise its business units. As a result, the Wholesale Banking business unit has been established. This unit incorporates parts of SweepBank, which has since ceased to exist as a separate business unit. The Wholesale Banking business unit, operating under the Multitude Bank brand, is led by Alain Nydegger, who was appointed CEO in 2024. Wholesale Banking offers Secured Debt and Payment Solutions. The Secured Debt product was previously reported under the SweepBank business unit, with the underlying financial assets presented as debt investments and loans to customers in the consolidated statement of financial position.

Placing of EUR 80 million guaranteed unsecured bond

On 13 June 2024, Multitude AG announced the successful placement of EUR 80 million senior unsecured bonds (ISIN: NO0013259747) with maturity in June 2028 (the "Bonds"). The Bonds have been issued by Multitude Capital Oyj, a wholly owned Finnish subsidiary of Multitude AG. Multitude AG has acted as a guarantor.

The net proceeds from the Bonds have been used towards refinancing Multitude AG's outstanding senior bonds maturing in December 2025 (ISIN: NO0012702549), for which a call option has been exercised simultaneously, and for general corporate purposes of the Group.

The issuance saw strong demand from both existing and new investors. The Bonds carry a floating rate of 3-month Euribor plus a 6.75% coupon and were priced at 97.6% of the nominal amount. On 28 June 2024, they were listed on the Frankfurt Stock Exchange Open Market.

On 18 December 2024, Multitude Capital Oyj issued subsequent bonds of EUR 20 million. The top-up of the Bonds was not sold to investors as of 31 December 2024.

A secondary listing on Nasdaq Stockholm regulated market took place on 23 December 2024. Fitch Ratings has previously assigned Multitude AG a Long-Term Issuer Default Rating (IDR) of 'B+' with a Positive Outlook and the long-term rating of the outstanding senior unsecured bonds issued by Multitude AG at 'B+'. The new Bonds received a 'B+' rating by Fitch Ratings on 14 June 2024 following receipt of the final issue documents.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

2.1.1 Compliance with IFRS Accounting Standards

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. IFRS Accounting Standards comprise the following authoritative literature: IFRS Accounting Standards, IAS® Standards, Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC® Interpretations).

2.1.2 Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments which are measured at fair value through profit or loss (FVPL).

2.1.3 Presentation currency

The consolidated financial statements are presented in thousand Euros (EUR '000). Figures in the financial statements, including subtotals and totals, may not sum precisely due to rounding.

2.1.4 Going concern

The Group has prepared its consolidated financial statement on the basis that it will continue to operate as a going concern.

2.2 Presentation of financial statements

The Group presents its statement of financial position in order of liquidity based on Multitude's intention and perceived ability to recover / settle the majority of assets / liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 14.

2.3 New standards and amendments

This note provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2024 (i.e. year ending 31 December 2024), (b) IFRS Interpretations Committee agenda decisions issued in the last 12 months and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2025.

(a) New standards and amendments – applicable 1 January 2024

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

Title	Key requirements if relevant
Classification of Liabilities as Current or Non-current– Amendments to IAS 1 Non-Current Liabilities with Covenants – Amendments to IAS 1	Relevant. The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. These amendments do not have significant impact on the classification of the Group's liabilities as disclosed in Note 14.
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	Not relevant. The Group does not enter into supplier finance arrangements, therefore the amendments are not expected to have a material impact on the Group's financial statements.
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	Not relevant. The Group does not enter into sale and leaseback transactions. Therefore, these amendments are not expected to have a material impact on the Group's financial statements.

(b) IFRS Interpretations Committee agenda decisions issued during the reporting period, the following agenda decisions were issued but not relevant for the preparation of annual reports in 2024.

The date issued refers to the date of approval by the IASB as per the IASB's website.

Date issued	Topic
23 January 2024	Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27 Separate Financial Statements).
29 April 2024	Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations), Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets).
29 July 2024	Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments).

(c) Forthcoming requirements

As at 31 December 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

Title	Key requirements if relevant	Effective Date
Amendments to IAS 21 - Lack of Exchangeability	Not relevant. Multitude does not operate in countries with foreign currencies that lack exchangeability to the presentation currency of the Group.	1 January 2025 (early adoption is available)
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1. Derecognition of Financial Liabilities (IFRS 9) Electronic Transfers: Relevant. Allows entities to derecognise a financial liability settled through electronic payment systems before the settlement date if certain specific criteria are met. The option must be applied consistently to all such transactions. 2. Classification of Financial Assets (IFRS 9) Basic Lending Arrangement: Relevant. Provides guidance on assessing whether contractual cash flows align with a basic lending arrangement, with added examples for clarity. Non-Recourse Features: Relevant. Clarifies that a financial asset has non-recourse features if cash flows are limited to those generated by specific assets. Contractually Linked Instruments: Not relevant. Multitude does not have performance-linked contractual arrangements. 3. Disclosure Requirements (IFRS 7) Equity Investments at Fair Value. Not relevant because Multitude does not have equity instruments held at fair value through profit or loss. Contingent Contractual Terms: Relevant. Mandates disclosure of contractual terms that could alter cash flows based on contingent events, covering financial assets and liabilities at amortised cost or fair value.	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	Relevant. IFRS 18 introduces mandatory subtotals, such as "operating profit," to improve clarity in financial performance reporting. It requires classification of income and expenses into specific categories like operating, investing, and financing. Management-defined performance measures (MPMs) must be clearly labelled, reconciled with IFRS measures, and explained for their usefulness. Comparative information for all reported amounts must be provided, with explanations for any changes. The standard emphasises proper aggregation and disaggregation to ensure meaningful and clear financial statements. Finally, IFRS 18 will replace IAS 1 while retaining its key principles.	1 January 2027
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	Not relevant. Multitude does not have contracts referencing nature-dependent electricity.	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Not relevant. Multitude, as a group of companies that prepares a comprehensive set of consolidated financial statements, is not impacted by the changes in IFRS 19, as it is not a subsidiary of another entity.	1 January 2027

The IFRS 18 is expected to have a material impact on the future financial statements of the Group, introducing significant changes to the presentation and recognition of income and other financial elements within the primary statements. In addition to IFRS 18, the Group is actively working on assessing and implementing all forthcoming IFRS Accounting Standards. We are conducting detailed analyses to evaluate the implications of these standards on our financial reporting processes and developing comprehensive implementation plans. The Group remains committed to ensuring full compliance with all applicable IFRS requirements by the respective effective dates and will continue to monitor guidance and updates to be fully prepared for their adoption.

2.4 Summary of material accounting policies

2.4.1 Basis of consolidation

The consolidated financial statements comprise the parent company's financial statements and each of those companies over which the parent company or another Group company exercises control. Control over an entity exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity.

When the Group has less than a majority of voting or similar rights in an entity, it considers all relevant facts and circumstances in assessing whether it has power over that entity, including contractual arrangements, voting rights and potential voting rights, relevant activities, how decisions about those activities are made, and whether the Group can direct those activities. The Group reassesses whether it controls an entity if facts and circumstances indicate changes to the control elements.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When assessing whether to consolidate an entity, the Group evaluates a range of factors, namely:

- Purpose and design of the entity;
- Relevant activities and how these are determined;
- Whether the Group’s rights result in the ability to direct the relevant activities;
- Whether the Group has exposure or rights to variable returns;
- Whether the Group can use its power to affect the amount of its returns.

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to direct the relevant activities unilaterally. Potential voting rights deemed to be substantive are also considered when assessing control.

Likewise, the Group also assesses the existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of the shareholders' holdings give the Group the power to direct the activities of the investee.

All intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated upon consolidation. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the transferred asset. Consistent accounting policies are applied throughout the Group for consolidation purposes.

At the date that control of a subsidiary is lost, the Group: a) derecognises the assets (including attributable goodwill) and liabilities of the subsidiary at their carrying amounts, b) derecognises the carrying amount of any non-controlling interests in the former subsidiary, c) recognises the fair value of the consideration received and any distribution of the shares of the subsidiary, d) recognises any investment retained in the former subsidiary at its fair value and e) recognises any resulting difference of the above items as a gain or loss in the consolidated statement of profit or loss.

There are no material non-controlling interests and all Group companies are fully consolidated. All profit after tax is attributable to the owners of Multitude AG.

On the other hand, the Group also assesses significant influence over other entities (including cases when ownership share is below 20 % and other indicators of significant influence). Multitude assesses the presence of other indicators of significant influence for each investment, including participation in policy-making, material transaction, or representation on the investee's board. When existence of significant influence can be clearly demonstrated, Multitude considers such entities as associates. Investment in associate is accounted for using equity method, after initially being recognised at cost in the consolidated statement financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where an associate's accounting policies differ from those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.4.25.

2.4.2 Functional and presentation currency

The items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the company operates (the "functional currency").

On consolidation, the assets and liabilities of Group companies, whose functional currency is other than EUR, are translated into the presentation currency at the exchange rates prevailing at the end of the reporting period. The income and expenses of these companies are translated into EUR at the historical exchange rates prevailing at the dates of the transactions. The exchange differences arising from translation for consolidation are recognised as translation differences in the consolidated statement of comprehensive income.

2.4.3 Segment reporting

The Group defines operating and reportable segments as business units (Note 6). Operating segments are reported in a manner that is consistent with the internal reports provided to the Chief Operating Decision Maker (CODM). The CODM is defined as Group CEO supported by business unit CEOs. The CODM is responsible for allocating resources and assessing the performance of the operating segments. The Group's operating and reportable segments comprise 100 % of the Group's external income.

For the purposes of this annual report, geographical regions are categorised as follows: Eastern Europe includes Croatia, Poland, Bulgaria, Lithuania, Romania, Czechia, Estonia, Latvia, Slovakia, and Slovenia. Western Europe comprises Germany, Spain, Luxembourg, Malta, the Netherlands, Belgium, and Cyprus. Northern Europe consists of Finland, Sweden, Denmark, and Norway. The "Other" category includes Mexico, India, Canada, and the Philippines.

2.4.4 Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured as the aggregate of the fair values of the assets transferred, liabilities incurred towards the former owners of the acquired entity or business, equity instruments issued by the Group, the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses in the consolidated statement of profit or loss in the period in which the costs are incurred, and the related services are received, except for costs directly attributable to the issuance of equity instruments that are accounted for as a deduction from equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquired entity and the acquisition-date fair value of any previous interest held over the fair value of the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2.4.5 Recognition of interest income / expense and effective interest rate

The Group recognises interest income and interest expense by applying an effective interest method (EIR). The EIR is the rate that exactly discounts projected future cash flows through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the EIR for financial instruments, the Group estimates future cash flows considering all the contractual terms of the financial instrument but not expected credit losses. The EIR, and consequently the amortised cost of the financial asset / liability, is determined by considering transaction costs, any discount or premium on the acquisition of the financial asset / liability, as well as fees and costs integral to the EIR. The EIR calculation accommodates the potential impact of other product life cycle characteristics including early repayments, extension, call, and similar options, as well as penalty charges.

If revisions to the expected cash flows of fixed-rate financial assets or liabilities occur for reasons other than credit risk, the changes to future contractual cash flows are discounted at the original EIR, resulting in an adjustment to the carrying amount. The difference with the previous carrying amount is recorded as a positive or negative adjustment to the financial asset or liability's carrying amount in the consolidated statement of financial position, with a corresponding increase or decrease in interest income / expense calculated using the effective interest method in the consolidated statement of profit or loss.

In the case of floating rate financial instruments, periodic re-estimation of cash flows to reflect market interest rate movements also impacts the effective interest rate. However, when instruments were initially recognised at an amount equal to the principal, re-estimating future interest payments does not significantly affect the carrying amount of the asset or liability.

The Group computes interest income on financial assets, excluding those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired (and is therefore categorised as ‘Stage 3’), the Group calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

2.4.6 Recognition of fee and commission income / expense

Fee and commission income and expense that are an integral part of the effective interest rate on a financial asset or liability are included in the effective interest rate calculation and treated as part of effective interest (Note 2.4.5). Fee and commission income that is not considered an integral part of the effective interest rate on financial assets is accounted for following IFRS 15.

The Group applies the five-step income recognition model to the recognition of fee and commission income, under which income must be recognised when control of goods and services is transferred, hence the contractual performance obligations to the customer has been satisfied.

The Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and then
5. Recognising income when / as performance obligation(s) are satisfied.

After a contract with a customer has been identified in the first step, the second step is to identify the performance obligation – or a series of distinct performance obligations – provided to the customer. The Group must examine whether the service is capable of being distinct and is actually distinct within the context of the contract. A promised service is distinct if the customer can benefit from the service either on its own or together with other resources that are readily available to the customer, and the promise to transfer the service to the customer is separately identifiable from other promises in the contract. The amount of income is measured on the basis of the contractually agreed transaction price for the performance obligation defined in the contract. If a contract includes a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. Income is recognised in profit or loss when the identified performance obligation has been satisfied.

Fee and commission income is recognised at an amount that reflects the consideration the Group expects to be entitled to in exchange for providing the services. These fees include brokerage fees in which the Group does not retain any part of the loan and is not exposed to credit risk associated with such loan.

Fee and commission expenses relate to directly attributable costs incurred in the same period when related income is earned.

2.4.7 Fair value and foreign exchange gains and losses

2.4.7.1 Recognition of fair value and foreign exchange gains and losses

Within this line item, the Group reports unrealised and realised foreign exchange gains and losses on the re-measurement of monetary items denominated in foreign currency at period-end exchange rates and gains and losses resulting from the settlement of such transactions, as well as all gains and losses arising from fluctuations in fair value of derivatives. Gains and losses arising from fluctuations in the value of the derivatives are generated from foreign currency forward contracts. A detailed breakdown of this line item is presented in Note 9.

2.4.7.2 Transactions and balances in foreign currencies

Transactions in foreign currencies are recorded at exchange rates prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currency are valued at the exchange rates prevailing at the end of the reporting period.

2.4.8 Personnel expense

Short-term obligations:

Liabilities for wages and salaries, including non-monetary benefits, social security costs, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented under other liabilities (Note 2.4.20) line item in the consolidated statement of financial position.

Post-employment plans:

The Group companies have various post-employment benefits plans that follow local regulations and practices in the countries in which they operate. Group companies' pension plans are defined contribution plans that employees and relevant Group companies fund through pension insurance contracts, local government retirement schemes, and other external post-employment retirement plan arrangements, where the Group does not retain or incur any additional legal or constructive obligations on top of its obligations to make contributions to such plans. These contributions are recognised as part of personnel expense in the consolidated statement of profit or loss in the period they are incurred.

Share-based payments:
The Group's share-based payments granted are classified as equity-settled share-based payment transactions. They are booked as personnel expense and as increases in equity based on the grant date fair value of the shares granted. The total expense is recognised over the vesting period, when all of the specified vesting conditions are satisfied.

At the end of reporting each period, the Group revises its estimates of the number of shares expected to vest based on the vesting and service conditions. The Group recognises the impact of the revision of the original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The cancellation of a share-based payment arrangement (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) is accounted for as an acceleration of vesting, and the Group recognises immediately the amount that would have been settled with employees at the end of the original vesting period.

2.4.9 Other income and expense
Gains and losses not arising from the Group's ordinary course of business, such as those deriving from impairment of non-financial assets, sale and disposal of non-current assets, among others, are recognised under other income / other expense line item in the Group's consolidated statement of profit or loss.

2.4.10 Income tax expense

2.4.10.1 Recognition of income taxes
Income taxes comprise current and deferred taxes. Income tax benefit or expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

2.4.10.2 Current taxes
Current taxes are based on the results of Group companies and are calculated using local tax regulations and tax rates enacted or substantively enacted at each reporting date. Corporate taxes withheld at the source of income on behalf of Group companies are accounted for in the income tax expense financial statement line item, where they are determined to represent a tax on profit or loss for the period.

2.4.10.3 Deferred taxes
Deferred tax assets and liabilities are determined using the balance sheet method for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Recognition of deferred tax assets is contingent upon the availability of future taxable profit against which unused tax losses, tax credits, and deductible temporary differences can be utilised in the relevant jurisdictions. The realisability of deferred tax assets is assessed at each reporting date, and adjustments are made if circumstances indicate that these assets are no longer probable to be utilised.

Deferred tax liabilities are acknowledged for temporary taxable differences and those arising between the fair value and the tax base of identifiable net assets acquired in business combinations. The enacted or substantively enacted tax rates as of each reporting date, expected to apply when the asset is realised or the liability is settled, are employed in measuring deferred tax assets and liabilities. Deferred tax assets and liabilities are not subject to discounting.

The Group regularly assesses positions taken in tax returns concerning situations where applicable tax regulations are subject to interpretation. Adjustments to the recorded amounts of current and deferred tax assets and liabilities are made when it is considered probable, i.e., more likely than not, that certain tax positions may not be fully sustained upon review by tax authorities. The recorded amounts are based on the most likely amount or the expected value, depending on the method that the Group expects to better predict the uncertainty's resolution.

Deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, will require the recognition of deferred tax assets and liabilities in equal amounts. Deferred tax assets and deferred tax liabilities are offset for presentation purposes if, and only if:

1. there is a legally enforceable right to set off current tax assets against current tax liabilities;

2. the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously in each future period where significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

2.4.11 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, short-term highly liquid investments readily convertible to known amounts of cash with maturities of three months or less, and bank deposits with maturities or contractual call periods of three months or less.

Bank deposits that are set aside as collateral to fund the Group’s foreign currency forward contracts and do not meet the definition of cash and cash equivalents are classified as financial assets at amortised cost and presented as receivables from banks under other financial assets in the consolidated statement of financial position.

2.4.12 Derivative financial instruments

The Group's risk management policy includes entering into foreign currency forward contracts. All derivatives arising from such contracts are recognised initially at fair value when a derivative contract is entered into and subsequently remeasured at fair value. Derivative financial assets and derivative financial liabilities are presented in the assets and liabilities sections of the consolidated statement of financial position, respectively.

All derivatives are carried as assets when the fair value is positive and liabilities when the fair value is negative. Discounted cash flow models are used to determine the fair values of over-the-counter derivatives, including foreign currency forward contracts. This involves projecting future cash flows using market-forward exchange rates, discounting these cash flows to present value using a rate that accounts for risk factors such as credit risk, liquidity risk, and time value, and calculating the fair value accordingly. Foreign currency forward contracts are valued at market-forward exchange rates, which inherently account for time value and interest rate differentials. Changes in fair value are measured as the difference between the forward rate at the reporting date and the forward rate at the previous measurement date, adjusted for the passage of time and risk factors where applicable.

The Group does not apply hedge accounting. As a result, realised and unrealised gains and losses arising from changes in fair values of the derivative financial assets and liabilities during the financial period are recognised as part of fair value and foreign exchange gains and losses (net) line item in the Group's consolidated statement of profit or loss as described in Note 2.4.7.1.

2.4.13 Financial assets

2.4.13.1 Initial recognition and measurement of financial assets

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The timing of recognition depends on the classification of the financial asset, as follows:

- Financial assets measured at fair value through profit or loss (FVPL) - Recognised on the trade date, which is the date the Group commits to purchase or sell the asset.
- Financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI) - Recognised on the settlement date, which is the date the asset is delivered or trans-ferred.

At initial recognition, the Group measures a financial asset at its fair value plus, for financial assets not measured at FVPL, transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial asset, such as fees and commissions. Transaction costs of financial assets measured at FVPL are expensed immediately in profit or loss.

For financial assets measured at amortised cost, an expected credit loss allowance (ECL) is recognised immediately after initial recognition, resulting in an accounting loss recorded in profit or loss when the asset is newly originated.

2.4.13.2 Classification and subsequent measurement of financial assets

The Group classifies its financial assets as financial assets subsequently measured at amortised cost (initial recognition minus the principal repayments, plus or minus the cumulative amortisation using effective interest method of any difference between the initial amount and the maturity amount less expected credit losses), financial assets measured at FVOCI, and financial assets measured at FVPL. Equity instruments are financial instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. All financial assets, held by the Group, are debt instruments that represent a contractual obligation to pay cash or another financial asset. The appropriate category is selected based on:

1. the Group's business model for managing the financial asset and
2. the contractual cash flow characteristics of the asset.

The Group's business model for managing financial assets is assessed at the portfolio level as this best reflects how the business and financial assets are managed to generate cash flows. Similarly, the Group assesses contractual cash flow characteristics of financial assets at the portfolio level and, where applicable, at the individual product level. There are three business models available:

Hold to Collect - Financial assets held to collect contractual cash flows. These financial assets are subsequently measured at amortised cost and are recorded in multiple lines on the Group's consolidated statement of financial position;

Hold to Collect and Sell - Financial assets held to collect contractual cash flows and sell financial assets. They are recorded as financial assets at FVOCI on the Group's consolidated statement of financial position;

Other - Financial assets that do not meet the criteria of either "Hold to Collect" or "Hold to Collect and Sell". They are recorded as financial assets at FVPL on the Group's consolidated statement of financial position.

The business model assessment requires judgment based on facts and circumstances upon initial recognition. As part of this assessment, the Group considers quantitative factors (e.g., the expected frequency and volume of sales) and qualitative factors, such as how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Leadership Team. In addition, the Group takes into consideration the risks that affect the performance of the business model and the financial assets held within that business model, in particular, how those market and credit risks are managed and how managers of the business are compensated (e.g., whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). This assessment results in an asset being classified into a Hold to Collect, Hold to Collect and Sell, or other business model.

If the Group holds a financial asset either in a Hold to Collect or a Hold to Collect and Sell business model, then an assessment at initial recognition to determine whether the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI). SPPI test is required to determine the financial asset classification. The SPPI test assesses whether the cash flows from a financial asset are solely payments of principal and interest on the outstanding principal amount, as expected in a basic lending arrangement.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are principal repayments or amortisation of the premium / discount). Interest in a basic lending arrangement is consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period of time. It can also include consideration for other basic lending risks (e.g., liquidity risk) and costs (e.g., administrative costs) associated with holding the financial asset for a particular period of time and a profit margin that is consistent with a basic lending arrangement.

In contrast, contractual cash flow characteristics that introduce a more than de minimis exposure to risks or volatility in contractual cash flows unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Categories of financial assets include the following:

1. Financial assets measured at amortised cost are debt instruments held within a Hold to Collect business model and for which the contractual cash flows are SPPI compliant. The Group's financial assets measured at amortised cost include loans to customers, cash and cash equivalents, receivables from sold portfolio, receivables from banks, debt investments and other financial assets from third parties. Under this measurement category, the financial asset is measured at fair value at initial recognition. Subsequently, the carrying amount is reduced for principal payments, plus or minus the cumulative amortisation using the effective interest method. After initial measurement, the Group determines loss allowances related to financial assets, using the expected credit loss (ECL) model. The Group's ECL model, inputs, and assumptions are disclosed in Note 3.1;

2. Financial assets measured at FVOCI are debt instruments that are held in a Hold to Collect and Sell business model and for which the contractual cash flows are SPPI compliant or equity

instruments that would otherwise be classified as financial assets at FVPL that are irrevocably designated as financial assets at FVOCI at initial recognition. The Group does not have any financial assets at FVOCI;

3. Financial assets are classified at fair value through profit or loss if they are held in the other business model because they are either held for trading or because they do not meet the criteria for Hold to Collect or Hold to Collect and Sell. In addition, they include financial assets that meet the criteria for Hold to Collect or Hold to Collect and Sell business models but fail the SPPI test, or where the Group designates the financial assets under the fair value option. The Group's financial assets at FVPL consist of derivative financial assets that are used to hedge the cash flow impact of changes in exchange rates but do not qualify for hedge accounting and, as a result, do not fall in either of the preceding categories.

2.4.13.3 Impairment of financial assets

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost and with the exposure arising from loan commitments. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECLs reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 4.2 provides more detail of how the ECL allowance is measured. ECL are a probability-weighted estimate of the present value of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: at the present value of all cash shortfalls (i.e. the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive);
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down;
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cashflows.

ECL allowances are presented in the consolidated statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments: generally, as a provision; and
- Financial instrument with both a drawn and undrawn component, whereby the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components, as a deduction from the gross carrying amount of the drawn component.

2.4.13.4 Modification of contractual cash flows of financial assets

A modification occurs when there is a change in the contractual cash flows of a financial asset due to modifications or renegotiations to the terms and conditions of the underlying loan agreement with the borrower. These modifications can take different forms and can happen at various term stages of debt instrument.

Taking cognisance of the nature of the modifications granted by the Group (Note 4.2.8), and given that the modified terms are not substantially different, the modification does not result in derecognition of the financial asset. Consequently, the Group recalculates the gross carrying amount based on the revised contractual cash flows, discounted at the original EIR. The resulting modification gain or loss is recognised immediately in profit or loss and presented within the interest income line item.

If the terms are substantially different, the Group derecognises the original financial asset, recognises a 'new' asset at fair value, and recalculates a new effective interest rate for such asset. The renegotiation date is treated as the date of initial recognition for impairment calculations, including when assessing whether there has been a significant increase in credit risk. However, the Group would also assess whether the new financial asset recognised is deemed credit-impaired at initial recognition, especially when the renegotiation was driven by the debtor's inability to make the initially agreed payments. Differences in the carrying amount would also be recognised in profit or loss as a gain or loss on derecognition. The new gross carrying amount is calculated by discounting the modified cash flows at the revised EIR (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

2.4.13.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit or loss.

If an existing financial asset is replaced by another asset from the same counterparty on substantially different terms, or if the terms of the financial asset are substantially modified (due to forbearance measures or otherwise), the existing financial asset is derecognised and a new asset is recognised. Any difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2.4.14 Prepaid expenses and other assets

Prepaid expenses refer to payments made in advance for goods or services that the company will receive in the future. Therefore, they are not financial assets. These payments create a right to receive future economic benefits. They are recognised as assets until the related goods or services are consumed or the economic benefits are realised. Once consumed or realised, the prepaid expense is then recognised as an expense in the consolidated statement of profit or loss.

2.4.15 Intangible assets

The Group's intangible assets mainly consist of internally generated and capitalised software development costs, and computer software purchased from third parties. The Group also has licences, goodwill and trademarks that are presented under other intangible assets. Intangible assets are recognised when they are separable, arise from contractual or other legal rights, it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and their cost can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost.

The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. Research costs associated with internally generated intangible assets are expensed in the period when they are incurred. Development costs are capitalised only if the Group has the technical feasibility to complete the asset, has an ability and intention to use or sell the asset, can demonstrate that the asset will generate future economic benefits, has resources available to complete the asset, and can measure the expenditure reliably during development. Development expenditures that do not meet the criteria for capitalisation as set above are recognised as an incurred expense. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised when the asset is ready for use. Amortisation expense is included in the depreciation and amortisation line item of the consolidated statement of profit or loss.

After initial recognition, the intangible assets with finite useful life are carried at cost less accumulated amortisation and impairment losses. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected consumption pattern of future economic benefits embodied in the asset can lead to a modification of the amortisation period or method. Such modifications are treated as changes in accounting estimates.

Intangible assets with finite useful lives are amortised using the straight-line method, which is considered to reflect best the pattern in which the asset's future economic benefits are expected to be consumed over their useful economic lives as follows:

Capitalised development costs:	2 – 5 years
Computer software:	2 – 10 years
Trademarks:	3 – 5 years
Licences:	2 – 10 years

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in other income or expense line item.

2.4.16 Leases

The Group's lease agreements primarily relate to leases of office buildings and equipment. At contract inception, the Group assesses whether a contract is or contains a lease. If the contract conveys the right to control the use of an identified asset for a period in exchange for consideration the Group recognises a right-of-use asset and a lease liability for all leases with a lease term exceeding 12 months. The commencement date is when the lessor makes the underlying leased asset available for use by the Group. The Group companies generally enter into lease contracts with a lease term varying between 1 and 5 years with a prolongation option of a similar range. The Group companies make assumptions on expected lease terms that include prolongation options.

The Group uses the practical expedient for leases with a lease term of 12 months or less at the lease commencement date (short-term leases). These leases are not recognised in the consolidated statement of financial position. Instead, the Group recognises the lease payments associated with short-term leases as an operating expense on a straight-line basis over the lease term. At the same time, the Group recognises lease payments as an operating expense in the case of leases for which the underlying asset is of low value. Other payments for non-lease components (e.g., property taxes, insurance payments and property service costs) are recognised as an expense when incurred.

Right-of-use asset:
The right-of-use asset is initially measured at cost, which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, and estimated restoration costs of the leased asset to the condition required by the contract at the end of the lease period, less any lease incentives and any initial direct costs incurred.

After initial measurement, right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation expense is included in the depreciation and amortisation line item of the consolidated statement of profit or loss.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the contractual lease term, or the estimated useful economic lives of the right-of-use assets, as follows:

Office buildings:	3 – 6 years
Office equipment:	3 – 4 years

At the lease commencement date, the Group assesses whether it is reasonably certain to exercise the extension options, including extension periods of open-ended contracts. The Group reassesses whether it is reasonably certain to exercise the options and extension periods if there is a significant event or significant changes in circumstances within its control.

Lease liability:
At the commencement date, lease liabilities are measured at the present value of lease payments to be made over the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, as well as any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The lease payments include fixed lease payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and appropriate termination fees whenever the lease term is determined based on the expectation that the Group will exercise its option to terminate. The Group does not generally enter into lease contracts with variable lease payments linked to future performance or use of an underlying asset.

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic interest rate on the remaining liability balance for each period. In addition, the carrying amounts for the right-of-use asset and lease liability are remeasured if there is a modification to reflect changes in the lease payments. The interest component of the lease payments is recognised as interest expense within net interest income in the consolidated statement of profit or loss.

Incremental borrowing rate:
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to

the right-of-use asset in a similar economic environment. This rate is calculated at the beginning of the lease and is unique for every lessee.

2.4.17 Property, plant and equipment

Property, plant and equipment is recognised in the financial statements at their carrying amount, equal to the cost of acquisition less cumulative depreciation and, where applicable, accumulated impairment. The acquisition cost includes costs directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised as expense in the consolidated statement of profit or loss when incurred.

Depreciation expense is included in the depreciation and amortisation line item of the consolidated statement of profit or loss. Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Office buildings:	50 years
Office renovations:	3 – 8 years
Furniture, fittings, and equipment:	3 – 8 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Gain or loss on disposal is determined as the difference between the net disposal proceeds and the carrying amount. The gain or loss from disposal is recognised in other income / expense line item in the consolidated statement of profit or loss.

2.4.18 Financial liabilities

2.4.18.1 Initial recognition and measurement of financial liabilities

The Group recognises a financial liability on its consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group generally recognises financial liabilities on initial measurement at their fair value, including transaction costs, and subsequently measures them at amortised cost using the effective interest method, with resulting interest expense recognised as an interest expense in the consolidated statement of profit or loss, except for financial liabilities at FVPL, which are initially measured at fair value, excluding directly attributable transaction costs, and after that are carried at fair value, with changes in fair value recognised through profit or loss. The Group's financial liabilities at FVPL consist of derivative financial liabilities used to hedge the cash flow impact of changes in exchange rates.

At initial recognition, the Group assesses whether an issued debt instrument should be classified as an equity instrument. The Group considers all relevant contractual terms to determine whether the instrument does not include a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the Group. In applying these criteria, the Group considers that discretionary payments of the principal amount, or any interests thereon, to the holders of the issued instrument do not constitute a contractual obligation and hence are recognised as movement in equity.

2.4.18.2 Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss: this classification is applied to derivatives. The Group classifies all its issued debt securities as financial liabilities subsequently measured at amortised cost. The Group's financial liabilities measured at amortised cost consist of debt securities, deposits from customers, lease liabilities, and other contractual liabilities that will be extinguished through cash payments.

2.4.18.3 Modification of financial liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original EIR. Any resulting difference is recognised immediately in profit or loss.

2.4.18.4 Derecognition of financial liabilities

The Group derecognises a financial liability, or portion of a financial liability, when its contractual obligations that comprise the financial liability are discharged, cancelled or expired.

An exchange between the Group and the lender of debt instruments with substantially different terms is the extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of an existing financial liability, is accounted for as an extinguishment of the original financial liability and the recognition of a new one. The terms of a financial liability are considered substantially different if the discounted present value of the cash flows under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

The Group recognises the difference between the carrying amount of a financial liability or part of a financial liability, extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, as gain or loss in the consolidated statement of profit or loss.

When the Group repurchases a part of a financial liability, the Group allocates the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. Similarly, the Group recognises the difference between the carrying amount allocated to the part derecognised and the consideration paid, including any non-cash assets transferred, or liabilities assumed, for the part derecognised in the consolidated statement of profit or loss.

2.4.19 Other financial liabilities

Other financial liabilities include obligations to pay for goods or services acquired in the ordinary course of business. These liabilities are measured at their carrying amounts, which approximate their fair values due to their short-term nature.

2.4.20 Other liabilities

This line item includes non-financial liabilities (such as accrued personnel expenses) and provisions. The Group recognises a non-financial liability when:

- A present obligation (legal or constructive) exists as a result of a past event, or
- An event has occurred that will likely give rise to a contractual or constructive obligation in the future, leading to a probable outflow of economic resources.

Accrued personnel expenses
Accrued personnel expenses represent liabilities arising from employee-related cost items, as detailed in Note 2.4.8.

Provisions
Provisions are recognised when all of the following criteria under IAS 37 are met:

- Present obligation: The entity has a present obligation (legal or constructive) resulting from past events;

- Probable outflow of resources: It is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation;

- Reliable estimate: The amount of the obligation can be reliably estimated, representing the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The provision is reversed if it is no longer probable that an outflow of resources will be required. Changes to provisions that remain probable are accounted for as changes in accounting estimates in accordance with IAS 8.

2.4.21 Equity

2.4.21.1 Share capital
Ordinary shares are classified as equity. Share capital is recognised when the company issues shares and receives consideration from shareholders. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The difference between the share's par value and the fair value of considerations received in exchange for such shares are accounted for as additional paid-in capital. Share capital is presented in the equity section of the consolidated statement of financial position, distinguished from other equity components.

2.4.21.2 Treasury shares
The Group recognises equity instruments that are reacquired (treasury shares) as a reduction of equity at the cost of acquisition. Treasury shares are not recognised as assets.

When treasury shares are reissued, any difference between the acquisition cost and the consideration received is recognised directly in equity, within retained earnings or other distributable reserves. No gain or loss is recognised in the income statement.

When treasury shares are cancelled, the nominal value of the cancelled shares is deducted from share capital. Any excess of the acquisition cost over the nominal value is recognised as a reduction in retained earnings or other distributable reserves.

2.4.21.3 Perpetual bonds
The carrying amount of perpetual bonds issued by the Group, which is classified as an equity instrument, is presented as part of the equity in the consolidated statement of financial position. Transaction costs and interest payments are deducted directly from retained earnings, net of tax. The nominal amount of the bonds is presented as a separate line item within equity in the consol-

idated statement of financial position (perpetual bonds). In the case of full or partial redemption of perpetual bonds, any premium or discount is also recognised in the retained earnings, while the nominal amount of redeemed bonds is deducted from the separate line (perpetual bonds) in the consolidated statement of financial position.

2.4.21.4 Unrestricted equity reserve and other reserves
The unrestricted equity reserve contains the amount paid for shares in a share issue (above par value), while other reserves include Multitude's legal reserves and foreign currency translation reserve.

2.4.21.5 Dividends
The Group declares and pays dividends based on the shareholders' approval at the Annual General Meetings (AGM). Dividends are recognised as a liability and as a reduction of equity in the period they are approved. Dividends are measured at the amount of the distribution to shareholders.

2.4.21.6 Earnings per share
Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares (e.g. perpetual bonds related expenses) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.4.22 Contingent assets and contingent liabilities
The Group discloses contingent assets and contingent liabilities including commitments, guarantees, pledges, and other items that do not meet the recognition criteria for an asset or a liability to the extent that the amount can be measured reliably and that upon meeting such measurement criteria. The Group does not disclose contingent assets and contingent liabilities wherein the probability of the occurrence or non-occurrence of one or more uncertain future events that can confirm the existence of the underlying asset or liability is considered remote.

At each reporting period, the Group performs a continuous assessment and monitoring of whether underlying events and circumstances give rise to assets and liabilities that require disclosure and recognition in its consolidated statement of financial position.

2.4.23 Offsetting financial instruments
Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position, except when specific criteria are met. Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position when, and only when, the Group:

- Currently has a legally enforceable right to set off the recognised amounts; and
- Intends to settle on a net basis or realise the asset and settle the liability simultaneously.

2.4.24 Fair value measurement
Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or

liability, assuming that market participants act in their economic best interest, by using quoted market rates, discounted cash flow analyses and other appropriate valuation models. The Group uses appropriate valuation techniques, depending on circumstances and for which sufficient data is available to measure fair value while maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial instruments for which fair values are being measured or disclosed in the consolidated financial statements are categorised within the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices for exchange-traded products in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which significant inputs other than quoted prices are directly or indirectly observable; and

Level 3 - Valuation techniques for which significant inputs are unobservable.

The Group categorises assets and liabilities that are measured at fair value regularly into an appropriate level of the fair value hierarchy at the end of each reporting period as presented in Notes 15 and 20 for financial assets and liabilities, respectively.

2.4.25 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Investments in associates and assets that are subject to depreciation or amortisation, like property, plant and equipment, intangible assets, and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed. The impairment loss on non-financial assets is recognised as other expense line item in the consolidated statement of profit or loss.

2.4.26 Events after the reporting period

The Group monitors subsequent events or transactions occurring after the end of the reporting period but before its consolidated financial statements are authorised for issue. The Group assesses whether each subsequent event:

- provides evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

The Group further assesses whether each identified subsequent event would impact the fair presentation of the Group's consolidated financial statements, including the accompanying note disclosures, and accordingly adjusts or discloses the nature, timing, and amount relating to each significant adjusting or non-adjusting subsequent events, respectively.

Significant adjusting subsequent events require quantitative adjustment to the financial statements, while significant non-adjusting subsequent events require qualitative disclosure. Significant subsequent events will be reported in the consolidated financial statements if they occur after 31 December 2024 and before the date when Multitude's Board of Directors authorises the consolidated financial statements (Note 28).

3. Significant accounting judgements, estimates and assumptions

Preparing financial statements requires using management judgment in electing and applying accounting policies and making estimates and assumptions about the future. These judgements, estimates and assumptions may significantly affect the amounts recognised in the financial statements.

The estimates and assumptions used in determining the carrying amounts of assets and liabilities are based on historical experience, expected outcomes and various other factors that were available when these consolidated financial statements were prepared, and they are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed continually and revised if circumstances change or based on new information or more experience. As estimates and assumptions inherently contain varying uncertainty, actual outcomes may differ, resulting in adjustments to the carrying amounts of assets and liabilities in the subsequent periods.

The accounting matters presented in this Note are determined to involve difficult, subjective or complex judgements or are considered key sources of estimation uncertainty that are applied by the Group in 2024.

3.1 ECL model, inputs, and assumptions

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. An explanation of the inputs, assumptions, estimation techniques used to measure ECL and other credit risk details can be found in Note 4.

The Leadership Team requires a number of significant judgements in the measurement of ECL, such as:

- Determining criteria for significant increase in credit risk (refer to Note 4.2.5.1);
- Determining definition of default (refer to Note 4.2.5.2);
- Choosing appropriate models and assumptions for the measurement of ECL (refer to Note 4.2.5.3);
- Determining the value of the recoverable value of loans to customers, including the ability of the Group to sell credit portfolios at a predetermined price in the future (refer to Note 4.2.5.3);
- Establishing the number and relative weightings of forward-looking scenarios and associated ECL (refer to Note 4.2.5.4).

The most significant areas of estimation uncertainty in the measurement of ECL relate to:

- Estimating the inputs in the ECL model (refer to Note 4.2.5.3);
- Application of weightings to different macroeconomic assumptions (refer to Notes 4.2.5.4 and 4.2.5.5).

Impact of climate risk on accounting judgements and estimates:

The Leadership Team has considered the impact of climate-related risks on Multitude's financial position and performance from an ECL perspective. While the effects of climate change are a source of uncertainty, the Leadership Team did not consider there to be a material impact on the critical judgements and estimates from the physical and transition climate-related risks in the short to medium term. The measurement of climate risk was incorporated into ECL model (see Note 4.2.5.4).

3.2 Modification of financial assets

The Group incorporates specific clauses in the terms and conditions of its loan products that affect the amount and timing of interest income recognition. These clauses, which are considered in the original pricing of the loans, allow customers to request adjustments to their repayment schedules (Note 4.2.8). When exercised, these modifications impact the timing of interest recognition, introducing an element of uncertainty and requiring critical accounting judgement.

Multitude has assessed these clauses under IFRS 9 both quantitatively and qualitatively and has determined that they do not result in a substantial modification of contractual cash flows. These modifications do not fall into qualitative factors (such as contractual cash flows after modification are no longer SPPI or vice versa, change in currency of the asset or expiry of rights to cash flows between the original counterparties because a new debtor replaces the original debtor unless both debtors are under common control) which will lead to material modification. As these terms are embedded in the original contract and priced accordingly, their exercise does not constitute a material modification requiring derecognition of the financial asset, as outlined in Note 4.2.8. Instead, the impact on interest income is recognised when the customer requests a modification, in accordance with the effective interest method.

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose the Group to various financial risks, including credit risk, market risk and liquidity risk. The Group aims to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

Multitude AG's Board of Directors oversees credit, market, funding and liquidity, and operational and strategic business risks. The Group has developed an integrated risk management framework to identify, assess, manage and report risks and risk-adjusted returns.

The Group's risk management policies are designed to identify and analyse risks, set appropriate risk limits and controls, and monitor the risks and adherence to limits using reliable and up-to-date information systems. The Board is responsible for the overall effectiveness of the Risk Management function which duties are carried out by the members of the Group's Leadership Team and other qualified personnel appointed by the Leadership Team.

The Board may delegate any of its powers to a committee. The Board establishes committees to focus on specific risk areas and issues and consider certain issues and functions in greater detail.

These committees may only act in accordance with the powers and responsibilities delegated to them by the Board. In this regard, the extent to which the committee is empowered to make decisions is carefully defined. The members of a committee must be sufficiently qualified to perform the responsibilities of such committee.

The Group's governance structure comprises three Board Committees, namely the Audit Committee, the Risk Committee, the People and Culture Committee, and additional committees established at the Multitude Bank p.l.c. level.

The Group's Audit Committee is established to ensure the proper functioning of corporate governance and, in particular, to oversee the accounting and financial reporting, the Group's internal control systems and the work of external auditors.
The Board has delegated to the Risk Committee its oversight responsibilities of the Risk Management function of the Group. The main duties of the Risk Committee include:

a. The Risk Committee shall work with Risk Management function of the Group to establish and maintain a framework to:

- identify new and existing material risks pertaining to Multitude and its business;
- regularly classify, monitor, calibrate probability and severity of risks; and
- where needed, suggest actions to mitigate risks.

The main risks which are covered by the oversight responsibilities include, but are not limited to credit, market, liquidity and operational risks, including ESG risks.

b. Advise and support the Board of Multitude AG regarding the monitoring of the institution's overall actual and future risk appetite and strategy, considering all types of risks, to ensure that they are in line with the business strategy, objectives, corporate culture and values of the institution.

c. Reviewing new business opportunities and anticipating changes in the Group's risk profile introduced by such new processes and projects or by other factors, and initiating actions to address them.

d. Reporting annually to the Audit Committee of Multitude AG on risk management and compliance with laws and regulations.

The People and Culture Committee handles performance appraisals for key executives, corporate governance matters, and remuneration, including pay, benefits, and incentive schemes for the Board members, the CEO, and the Leadership Team members. It also oversees significant organisational changes, HR policies, diversity issues, and responds to ad hoc remuneration queries. Additionally, the Committee manages succession planning and appointments for the Board and the CEO.

Furthermore, Multitude Bank p.l.c.'s governance structure comprises three Board Committees, namely the Audit Committee, the Risk Committee and the Remuneration and Nomination Committee, as well as five Management Committees, namely the Executive Committee (EXCO), Asset Liability Management Committee (ALCO), the Credit Committee, the Reserving Committee and the Investment Committee.

The Bank's Executive Committee (EXCO) is responsible for overseeing the activities of the Bank and its Management in the implementation of its strategy and is accountable for the soundness of the Bank's lending portfolio including the implementation of the Capital Requirements Directive (as transposed into the Maltese regulatory framework) and capital allocation decisions.

The Bank's Asset and Liability Committee (ALCO) is responsible for managing assets, liabilities, overall financial position, as well as funding and liquidity risks.

The Bank's Risk Committee is responsible for:

- overseeing the policy and framework for risks to which the Bank may be exposed;
- monitoring the risk management systems across the Bank, including a risk appetite framework;
- ensuring the ongoing execution of all risk policies; and
- ensuring all risk controls operate throughout the Bank in accordance with regulatory requirements and good practices.

The Bank's Credit Committee is responsible for ensuring the effective management of the Bank's credit portfolio through the implementation of sound and transparent credit scoring, and decision-making processes around its various product lines.

The Bank's Reserving Committee is primarily responsible for safeguarding the soundness of the valuation of the Bank's lending portfolio by, amongst other things, ensuring that the Bank has appropriate credit risk practices to determine adequate ECL allowances in accordance with IFRS 9, as well as the Bank's stated policies.

The Bank's Audit Committee is responsible for reviewing the adequacy and proper operation of internal controls in individual areas of operation, overseeing the quality and integrity of the Bank's financial reports, monitoring the Bank's compliance with legal, ethical and regulatory requirements, and for recommending areas of improvement across the business.

The Bank's Investment Committee reports to the Bank's EXCO and is primarily responsible for overseeing the Bank's portfolio of investments.

The Group's Risk Management function is responsible for developing the risk strategy and implementing risk principles, framework, policies, and related limits.

The Group's objective is to deploy an integrated risk management approach that ensures an awareness of and accountability for the risks taken throughout the Group and develop the tools needed to address those risks. Strong risk management and internal controls are core elements of the Group's strategy. The Group has adopted a risk management and internal control structure, referred to as the Three Lines of Defence, to ensure it achieves its strategic objectives while meeting regulatory and legal requirements and fulfilling its responsibilities to shareholders, customers and staff.

In the Three Lines of Defence model, business line management is the first line of defence, the various risk control and compliance oversight functions established by management represent the second line of defence, and internal audit is the third. Each of these three "lines" plays a distinct role within the Group's broader governance framework.

4.2 Credit risk

4.2.1 Introduction

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation.

Credit risk is the most critical risk for the Group's business, and accordingly, the Group carefully manages its exposure to this risk. Credit exposure arises principally through the Group's lending activities in various European countries, together with the placement of liquidity with banks.

The Group is also exposed to credit risk arising from its exposure to debt investments that include debt investments in bonds and debt investments in securitisation portfolio. Such bonds are principally secured by loan portfolios or real estate which are pledged in favour of the Group and are subject to a number of covenants including predetermined ratios of ageing portfolios and advance rates. Such covenants are monitored on a regular basis by the Group's Risk Management function. Moreover, the Group also has additional collateral for debt investments in the form of cash deposited in its accounts and / or pledged financial instruments or other assets in its favour in respect of each investment.

4.2.2 Credit risk management

During 2024, heightened economic uncertainty persisted due to geopolitical developments stemming from the military conflict between Russia and Ukraine since February 2022 and the conflict between Israel and Palestine since September 2023. These events initially contributed to global inflationary pressures, particularly in energy markets. However, throughout 2024, disinflationary trends emerged as energy prices stabilised and global supply chains adjusted. In response, Central Banks, including the European Central Bank, shifted their monetary policy stance by gradually lowering interest rates to stimulate economic activity after a prolonged period of tightening. Concurrently, several governments maintained or adapted fiscal measures to support households and businesses, focusing on mitigating energy price volatility and fostering economic recovery.

To address the changes in factors stated above, the Group engages in a process of macroeconomic forecasting and modelling to assess how the Group's different geographical portfolios are affected by current and future economic developments. The model considers the equivalent of a 'Macro Exposure Score' to each country by factoring in several parameters, including actual payment behaviour trends, inflation, other macro indicators and government aid. Based on the assessments of the outcomes of the modelling process, the Group may execute strategic decisions to tighten lending in certain markets where the model indicates unfavourable expectations. This process further assists the Group to monitor its customer payment behaviour in different territories and enables agile action where circumstances necessitated the tightening or loosening of underwriting scorecards accordingly.

Loans to customers

The Group's lending activities mainly comprise the granting of unsecured short-term micro-credit facilities, medium-term and long-term credit products with instalment repayment features, and revolving credit facilities to individual customers and SMEs in specific European jurisdictions. All loans to customers are granted on the basis of the outcome of the scoring model, depending on the loan type, and the rules embedded within the credit policy. Each lending transaction and the related agreement are determined on the strength of an individual credit decision.

The creditworthiness of potential customers is assessed by reference to the calculation of a credit score for each loan application received and based on the customer's specific affordability. The relevant credit score is computed through the application scorecard for first time customers and through the behaviour scorecard for repeat customers. Based on the credit score registered, customers are grouped into risk classes. The respective risk class determines the maximum credit amount allowable for each customer. The scoring model and linked scorecards are monitored by the Risk Management function of the Group. These are applied in all jurisdictions in which the Group operates with specific adaptations at country level taking cognisance of the different characteristics of each market; with the adaptations being centrally approved.

The scorecards are reviewed on an ongoing basis by the Leadership Team and updated according to market trends, political circumstances in the particular jurisdiction, legislative and economic changes.

Expected credit loss (ECL) allowances are calculated in respect of the Group's short-term micro-credit facilities, other medium-term and long-term credit products with instalment repayment features and revolving credit facilities at a collective portfolio level, as according to loan type, the portfolios consist of a large pool of homogeneous loans which by nature cannot be considered individually significant. The Group's ECL methodology is set out in detail in Note 4.2.5 below.

The Group grants secured corporate loans in SME Banking and Wholesale Banking. Whilst forming part of Multitude's loans to customers, such loans, given their distinct inherent nature, are assessed and managed separately.

The Group has a formal rigorous debt collection process that provides for the way the Group deals with past due loans to customers. This process is supported by procedures for use within the operations in the respective territories. The procedures highlight the prescribed actions, channels and mechanisms utilised to follow up on outstanding exposures indicating the precise point in time at which the respective actions are taken and allocating roles and responsibilities in this respect. These procedures also focus on the extent to which collection activities are carried out by the Group and the stage or phase at which external collection companies are utilised.

The Group also enters into sale arrangements with third parties for the transfer of outstanding balances in respect of certain credit products granted in specific territories once such balances reach pre-established trigger points in terms of days past due. Such transfers take place at pre-established levels of consideration. These arrangements constitute an intrinsic part of the Group's management of past due and non-performing assets. Receivables recognised from such sale arrangements are classified as receivables from sold portfolios within the other financial assets line item.

Debt investments in bonds
The debt investments represent the acquisition by the Group of secured bonds issued by corporate entities. These investments are evaluated and assessed at inception in order to determine the credit quality of the investment and potential credit risks that may arise. Moreover, on an ongoing basis, the Group actively monitors respective credit risk related clauses that have been agreed to in order to ensure that these are still being adhered to. These investments are principally secured by a number of loan portfolios or real estate which are pledged in favour of the Group and are subject to a number of covenants including inter alia predetermined ratios of ageing portfolios and advance rates. Such covenants are monitored on a regular basis by Risk Management function. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts or pledged financial instruments or other assets in its favour in respect of each investment.

Debt investments in securitisation portfolio
The debt investments in securitisation portfolio is made up of bonds issued by structured entities not consolidated into Multitude Group. A portfolio of SME loans in Lithuania is used as security to the issued notes. In respect of these investments, the Group is the holder of Class A notes, which are senior notes, have a higher credit quality and the highest payment ranking amongst the other creditors.

Cash and cash equivalents
The majority of the Group's cash is held with Central Banks. Other than cash held with Central Banks, the Group's excess liquidity is deposited with a large number of credit and financial institutions.

Other financial assets
The Group includes here loans to related parties, receivables from banks and receivables from sold portfolios. Receivables from sold portfolios include financial instruments that originated and immediately sold to the external party, as well as delinquent loans that are sold via the debt sales agreements.

4.2.3 Credit risk measurement

Loans to customers
The Group uses internal credit risk gradings (Note 4.2.5) to reflect its assessment of the probability of default of individual counterparties. The Group's credit grading and monitoring systems are also in place to react to any early identification and management of deterioration in loan quality. Internal credit risk gradings is based on actual payment behaviour of the borrower. The Group monitors the payment behaviour of its customers and other key risk indicators at portfolio level and at cohort level. The latter is regarded as an important metric as it tracks the behaviour of recent loans granted. At onboarding stage, any known information about a borrower which impacts their creditworthiness, such as unemployment and previous delinquency history, is assessed during the initial credit assessment. After the date of initial recognition, for consumer lending facilities, the payment behaviour of borrowers is monitored on an ongoing basis at a collective portfolio level.

The corporate loans that Multitude has originated are assessed and monitored separately from the collective portfolio of consumer lending facilities. Thorough assessments are conducted on such obligors prior to the granting of the loans. After the date of initial recognition, the payment behaviours, along with financial metrics with reference to the financial performance and value of collateral, are monitored on an ongoing basis.

Debt investments in bonds
The Group's Risk Management function evaluates and assesses these investments at inception in order to determine the credit quality of the investment and the potential credit risks that may arise. Moreover, on an ongoing basis, the Group actively monitors the applicable covenants to ensure that these are still being adhered to.

The Group also conducts periodical assessments to the respective collateral, in order to assess whether the Group should account for expected credit losses. Such assessments are based on the credit information supplied by the bond issuers and external valuations, where applicable. In order for its ECL methodology to represent an appropriate estimation of its credit risk emanating from said investments, the Group independently assesses the ECL on each credit portfolio pledged as collateral by the bond issuer.

The Group, on a selective basis, also elects to enforce specific rights arising from the contractual investment arrangements in place with the counterparties and through the engagement of external independent auditors obtains assurance reports in connection to specific credit and financial information supplied by the counterparties, on the basis of which the requirement for expected credit losses is calculated. All debt investments of the Group are held by the Bank and monitored by respective Bank's Credit and Risk Committees.

Debt investments in securitisation portfolio
The measurement of ECL for investments in bonds with securitisation portfolio is the same as for the debt investments (see above) due to the existence of collateral in form of portfolio and the respective covenants, with the difference in the structure of financial instrument where the Group is

the holder of Class A notes, which are senior to the Class B notes in terms of the applicable priority of payments and thus also have a higher credit quality.

Cash and cash equivalents
Cash and cash equivalents include balances with Central Bank of Malta, Central Bank of Sweden, Central Bank of Czechia and Central Bank of Lithuania and balances with other banks. The Group uses external risk grades to reflect its assessment of the probability of default (PD) of individual counterparties. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by rating agencies. In determining the probability of default of individual counterparties, the Group distinguishes between exposures considered 'investment-grade' defined by recognised external rating agencies as a rating between AAA-BBB- (Standard & Poor's, Fitch) and Aaa-Baa3 (Moody's), and 'non-investment grade' exposures. Credit risk in cash and cash equivalents of Multitude Bank p.l.c. is also mitigated through limits set in the Bank's treasury management policy and in accordance with large exposure limits set in the Capital Requirements Regulation (CRR) respectively.

Other financial assets
The Group uses external risk grades to reflect its assessment of the probability of default of individual counterparties included in other financial assets. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by rating agencies. Other financial assets of Multitude Bank p.l.c. are assessed in line with large exposure limits set in the CRR.

In relation to the receivables from the sold portfolio that originated and immediately sold to the external party, the Group conducts periodical assessments to the respective exposure, in order to assess whether the Group should account for expected credit losses. Such assessments are based on the information about the financial position of the buyers and historical information about payment behaviour of obligors within the underlying portfolios. Payment behaviour of obligors is measured by comparison with similar financial instruments issued and held by the Group.

4.2.4 Categorisation of loans to customers for ECL measurement
The Group's expected credit loss allowances on loans to customers are modelled on a collective basis. As a result, exposures are grouped based on shared risk characteristics, ensuring that the risk exposures within each group of financial assets are homogeneous. In performing this grouping, the Group ensures that there is sufficient information for the group of financial assets to be statistically credible. In this respect, Multitude considers the following categories for ECL measurement of loans to customers, split in business units as follows as managed by respective Leadership Team members:

Consumer Banking business unit:
I. Micro-credit portfolios which are subject to bullet repayment (includes Micro Loan);
II. Credit portfolios with instalment repayment and revolving credit facilities (includes Plus Loan, Credit Card and Credit Limit);
III. Other amortising, long-term credit products with instalment repayment (includes Prime Loan).

SME Banking business unit:
I. Secured medium-term credit products subject to bullet repayment (includes Secured Loan);
II. Unsecured credit portfolios with instalment repayment (includes Instalment Loan, Credit Line, Purchase Financing (BNPL)).

Wholesale Banking business unit:

I. Secured medium-term credit products subject to bullet repayment (includes Secured Debt).

4.2.5 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment, based on changes in credit quality since initial recognition as summarised below:

I. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group;
II. If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Please refer to Note 4.2.5.1 for a description of how the Group determines when a significant increase in credit risk has occurred;
III. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Please refer to Note 4.2.5.2 for a description of how the Group defines credit-impaired and default;
IV. Financial instruments in 'Stage 1' have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in 'Stages 2 or 3' have their ECL measured based on expected credit losses on a lifetime basis. Please refer to Note 4.2.5.3 for a description of inputs, assumptions and estimation techniques used in measuring the ECL;
V. A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information. Note 4.2.5.4 includes an explanation of how the Group incorporates this in its ECL models;
VI. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

The following diagram summarises the impairment requirements under IFRS 9:

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired financial assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The expected credit loss requirements apply to financial assets measured at amortised cost and loan commitments.

4.2.5.1 Significant increase in credit risk

To determine whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information. Such analysis is based on the Group's historical experience, credit assessment and forward-looking information.

Loans to customers
The consumer lending exposures of Multitude are not managed on a credit-by-credit basis due to the high volume of relatively low value and homogeneous exposures. As a result, it is not feasible to include qualitative information based on an expert credit assessment performed on an individual credit basis. On this basis, the Group adopts a retail portfolio methodology which takes into account the nature of the consumer lending exposures and the underlying credit risk management practices of the Group.

The consumer lending portfolio comprises of credit facilities with bullet repayment or instalment loan characteristics and revolving credit facilities. Given how such retail facilities are originated and managed for internal risk management purposes, consumer loans within a particular segment are expected to have similar credit risk characteristics.

As a result, for loans to customers, which are managed on a portfolio basis for credit risk purposes, the Group measures a significant increase in credit risk based on a quantitative assessment driven by the delinquency status of borrowers (days past due). The Group presumptively considers that a significant increase in credit risk occurs when an asset is more than 30 days past due, in line with the backstop indicator established under IFRS 9. Multitude determines days past due by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

For the financial year 2024, the Group assessed all the different portfolios of loans to customers by product and by country to determine whether a significant increase in credit risk was observed. The assessment is conducted by analysing the rate of default in the 1-30 days past due ageing buckets in each portfolio. When the Group identifies a significant increase in credit risk in any of the portfolios, it shifts the calculation of ECL of the respective ageing bucket from 12-month to lifetime as required by IFRS 9.

Debt investments in bonds
The Group evaluates and assesses these investments at inception in order to determine the credit quality of the investment and potential credit risks that may arise. The Group also conducts periodical individual investment assessments in relation to each exposure. Such assessment includes a view on the financial condition and performance of the counterparty on the basis of the latest reported financial information and also the credit risk emanating from the underlying collateral.

A significant increase in credit risk is deemed to arise, inter alia, if repayment of interest and/or capital are in arrears by more than 30 days and/ or if any of the investment covenants are not met. Moreover, the Group considers other indications of impairment, which could also give rise to significant increase in credit risk, based on sensitivity analysis and other parameters.

Debt investments in securitisation portfolio
The Group actively assesses the underlying loan portfolios which were acquired by the securitisation vehicle for indications of impairment. Multitude conducts periodical sensitivity analysis in relation to the respective portfolios, taking into consideration plausible worst-case scenarios, in order to assess whether the Group should provide for expected credit losses. A significant increase in credit risk is deemed to arise, inter alia, if repayment of interest and / or principal are in arrears or if any of the investment covenants are not met.

Cash and cash equivalents
In relation to cash and cash equivalents, the Group applies low credit risk simplification and does not measure SICR unless there is a significant decrease in independent credit ratings given to Central Banks and other banks. Multitude applies the simplification to all cash exposures where corresponding commercial banks are considered 'investment-grade', thus they are not subject to the SICR assessment. Moving from 'investment-grade' to 'non-investment grade' does not automatically mean that there has been a SICR and the additional investigation will be performed by Risk Management function.

Other financial assets
For other financial assets, the Group applies the low credit risk simplification approach whenever possible, particularly for short-term assets such as receivables from sold portfolios. For receivables from banks and related parties, the Group performs an individual assessment based on the counterparty type.

4.2.5.2 Definition of default and credit-impaired assets
The Group's assessment to determine the extent of increase in credit risk of a financial instrument since initial recognition is performed by considering the change in the risk of default occurring over the remaining life of the financial instrument. IFRS 9 does not specifically define default but requires it to be applied on a consistent basis with internal credit risk management practice for the relevant instruments and requires consideration of qualitative factors where appropriate.

For the absolute majority of consumer loans, default occurs when the exposure exceeds 90 days past due, except for Micro Loans in Germany for which default occurs when the exposure exceeds 60 days past due. For corporate customers, default occurs when the exposure exceeds 90 days past due. In addition, IFRS 9 also introduces a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging criterion is appropriate. In this respect, the Group generally defines a financial instrument as in default (credit impaired and in Stage 3 for impairment purposes), when the borrower is more than 90 days past due on any material credit obligation to the Group.

Moreover, in accordance with EBA guidelines, the Group factors in observable events which may indicate Unlikeliness-To-Pay (UTP) which also constitute default. Through this process, the Group assesses developments occurring at the level of the individual debtor. The UTP criteria adopted by Multitude are the following:

- Suspected Fraud - UTP is triggered if a loan has been identified as possible fraud;
- Insolvency - UTP is triggered if a customer has notified the Multitude Group of insolvency; and
- Death - UTP is triggered if the Group has been notified of death of the customer.

The UTP assessment enhances the ECL methodology through the application of a loan-by-loan focus with a view to determine on the basis of qualitative factors, and before the hard days past due criterion is met, whether a customer's credit risk has deteriorated to a level which is indicative of default.

The definitions of credit-impaired and default are aligned so that Stage 3 represents all loans which are considered defaulted or credit-impaired. Whenever the Group enters into a forward sale agreement with a third party, the definition of default is usually aligned with the contractual days past due under such agreement. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Group's expected loss calculations.

In addition to the above, Multitude has an Arrears Management Policy to direct its credit portfolio management strategy in certain territories with a view to improve its debt collection capabilities in respect of overdue loan facilities. In achieving this strategy, the Group prescribes four stages:

(I) early collection stage;
(II) late collection stage carried out through third party management and debt collection agencies;
(III) legal collections; and
(IV) debt sales.

The Group also seeks to extend its debt collection period with customers in order to increase recoveries from loan repayments prior to termination of loan contracts. Additionally, the Group negotiates forward sale agreements with third parties to conduct regular sales of overdue loan facilities subsequent to a greater level of ageing that is sufficient to enable Multitude to perform its internal debt collection procedures for a sufficiently extended period prior to sale. Subsequent to the aforementioned portfolio management strategies being implemented, the Group assesses the impact, if any, on the definition of default that it uses in estimating IFRS 9 expected credit losses in the respective territories.

The Group considers other financial assets and cash and cash equivalents to be in default when a payment due (including a coupon payment) is not completed 90 days after due date. In relation to debt investments, an event of default may be triggered in scenarios when the investment covenants are not met otherwise the default occurs immediately when the interest payment is past due.

4.2.5.3 Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Group calculates expected credit losses (ECL) as a function of the estimated exposure at default (EAD), probability of default (PD), loss given default (LGD), and discounting using the effective interest rate (EIR). The ECL is measured on either a 12-month or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired.

Loans to customers

The ECL for loans to customers are determined by projecting the PD, EAD and LGD at a collective portfolio level as allowable under IFRS 9 in the case of retail portfolios comprising individually insignificant exposures that are homogenous in nature. These three components are multiplied together effectively calculating the forward-looking ECL, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the actual effective interest rate or an approximation thereof.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD, and EAD. Lifetime ECL is calculated on a similar basis for the residual life of the exposure. The PD, EAD and LGD parameters are derived from internally developed statistical models and other historical data, adjusted to reflect forward-looking information as described below.

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

In the case of micro lending facilities with bullet repayment characteristics, the Group utilises roll-rate methodology in order to estimate its PDs. This methodology employs statistical analysis of historical data and experience of delinquency and default to estimate the amount of loans that will eventually be written off as unrecoverable. This methodology is applied at territory or country level with adaptations to reflect the different nature of the respective markets in which the Group operates. Under this methodology, loans are grouped into ranges according to the number of days past due and statistical analysis is used to estimate the likelihood that loans in each range will progress through the various stages of delinquency and ultimately prove irrecoverable.

In the case of credit facilities with characteristics of instalment loans or revolving facilities, the Group utilises curve-stitching methodology in order to estimate its PDs. Under this approach, an analysis of historical default data is carried out in order to estimate cumulative monthly loss rates at various snapshot dates. Subsequently, statistical analysis is employed in order to combine curves with different historical performance windows into a single PD curve over the expected lifetime of the micro-credit exposures. This methodology is also applied at territory or country level in order to incorporate adaptations to reflect the nature of the different markets in which the Group operates. Under this approach, loans are also grouped into ranges according to the number of days past due, with an individual lifetime PD curve being calculated for each range.

For Micro Loans, the Group utilises a roll-rate methodology at the country level, which employs statistical analysis of historical data and experience of delinquency to estimate the number of loans that are expected to reach default status as a result of events which the Group is not able to identify on an individual loan basis. Under this methodology, loans are grouped into buckets according to the number of days past due ("DPD buckets"). Statistical analysis (Markov Model) is used to estimate the likelihood that loans in each bucket will progress through the various stages of delinquency until default status is achieved. For the absolute majority of consumer loans, default occurs when the exposure exceeds 90 days past due.

In line with IFRS 9, the Group adopts the curve-stitching methodology to estimate the unconditional PDs for its Plus Loans, Prime Loans, Instalment Loans, Credit Lines, Purchase Financing (BNPL), Credit Limit facilities, Secured Loans and Credit Cards. Under this approach, historical default data analysis is carried out to estimate cumulative monthly loss rates at various snapshot dates. Subsequently, statistical analysis is employed to combine curves with different historical performance windows into a single PD curve over the expected lifetime of the short-term credit exposures. Loans are further grouped into ranges according to the number of days past due, with an individual lifetime PD curve calculated for each range. Similar to Micro Loans, this methodology is also applied at the territory or country level to incorporate adaptations to reflect the nature of the different markets in which the Group operates. The unconditional PD for each loan portfolio is further adjusted to consider forward-looking information through macroeconomic modelling to arrive at the applicable PD.

EAD is based on the amounts Multitude expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). EAD represents the expected exposure in the event of a default (including any expected drawdowns of committed facilities).

The 12-month and lifetime EADs are determined based on the total balance of receivable at the reporting date, taking into account the total amount receivable from borrowers inclusive of principal, interest and fees that are accounted for as part of the effective interest rate. This is deemed an adequate representation of the expected balance at default in the case of the Multitude's credit facilities given that the Group models its ECLs on a collective portfolio level with the modelling of the EAD for each future month on an individual loan-by-loan basis not being deemed practical. Additionally, in the case of revolving credit facilities the Group also factors in expected drawdowns of committed facilities.

For Micro Loans, the Group considers the gross balance, including the principal and processing fees charged at the loan's inception (and repayable at the loan maturity), of its outstanding loans to customers at the reporting date to be a reasonable estimate of EAD regarding this facility. On the other hand, Plus Loans, Prime Loans, Instalment Loans, Credit Lines, Purchase Financing (BNPL) are typically subject to a monthly repayment schedule expected to impact EAD at different points in time throughout the residual life of such facilities. The Group charges daily interest on outstanding balances in relation to Credit Limit facilities and Credit Cards, and collects monthly minimum repayments, which ultimately impacts EAD. Similar model is applied to Secured Loans where major part of asset will be repaid at the final maturity.

However, because Plus Loans, Prime Loans, Instalment Loans, Credit Lines, Purchase Financing (BNPL), Credit Limit facilities, and Credit Cards typically have high volumes and low values individually, the Group opts not to calculate the amortisation profile to estimate the EAD across various points in time throughout the remaining lifespan of these facilities. Instead, the Group deems the gross balance of its outstanding loans to customers at the reporting date, which includes both principal and accrued interest, to be a reasonable approximation of the EAD for these facilities.

The LGD represents the Group's expectation of the extent of loss on a defaulted exposure. Hence, the LGD represents expected credit losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral values (if any) at the time it is expected to be realised and the time value of money. The LGD is determined based on the factors which impact the recoveries made post default.

Given that its credit facilities are generally unsecured in nature, the Group estimates LGD parameters based on the history of recovery rates in respect of claims against defaulted customers, which rates are highly impacted by collective debt recovery strategies. Moreover, the Group's LGDs comprise the effects of Multitude's ability to dispose of overdue loans originated in specific territories to other parties at pre-established prices, that are dependent on the credit quality or ageing of the loans. Estimated LGDs are also impacted by historical one-off portfolio sales and the expected future uncontracted portfolio sales activity. Recoveries from loan portfolio sales are calculated on a discounted cash flow basis using the contractual interest rate as the discounting factor.

For Micro Loans, the Group utilises statistical information and the roll-rate methodology to estimate the level of recoveries from loan repayments it expects after loan facilities reach a non-performing status.

For Plus Loans, Prime Loans, Instalment Loans, Credit Lines, Purchase Financing (BNPL), Credit Limit facilities, Secured Loans and Credit Cards, the Group estimates the level of recoveries from loan repayments it expects after loan facilities reach a non-performing status. The Group calculates the marginal recovery rates up to 12 months after default by tracking the monthly recoveries from loan repayments experienced over each performance window as a percentage of the total balance of defaulted exposures at each snapshot date. Expected recoveries are calculated on a discounted cash flow basis using the contractual default interest rate as the discounting factor.

The ECL is measured from the initial recognition of the financial asset. The maximum period considered when measuring ECL (be it 12-month or lifetime ECL) is the maximum contractual period over which Multitude is exposed to credit risk. With respect to non-revolving credit facilities, the contractual life of the facility is considered. In the case of revolving credit facilities, provided that such facilities do not have a fixed term or repayment structure, the Group defines the lifetime of such exposures as 24 months in line with observed borrower behaviour in the respective territories. The lifetime of revolving credit facilities is re-assessed by the Group at a territory level based on more recent borrower behaviour patterns on a periodic basis.

The Group performs a historical analysis to identify the key economic variables affecting credit risk and expected credit losses for each product portfolio at a territory level. These economic variables and their associated impact on the PD, EAD and LGD may vary by portfolio or territory.

The Group discounts the recoverable amount of loans to customers, which represents the future cash flows expected to be received from loan sales and loan repayment recoveries using the original EIR of the product for the applicable discount period. In the case of forward sales, a time-to-sell period of 12 months is assumed, whereas repayment recoveries are discounted monthly, based on the month of occurrence.

Debt investments in bonds

In relation to debt investments, the Group also conducts periodical assessments in relation to the respective underlying collateral, in order to assess whether the Group should account for expected credit losses. In order for its ECL methodology to represent an appropriate estimation of its credit risk emanating from said exposures, the Group assesses the ECL on each exposure separately. Consistent with regulatory and industry best practices, the Group's ECL calculations are based on PD, EAD and LGD.

The PD of the entity is derived through an internal credit rating on the counterparty which is determined using an internal model that the Group developed, by reference to information sourced from external credit bureaus or other proxies as applicable.

Debt investments are typically subject to bullet repayments upon maturity with only interest (coupon) payments being paid separately throughout the useful life of the financial assets. Thus, assuming no interest payments are in arrears, the EAD equates to the investment itself.

The LGD is derived based on the loss arising on default when comparing the initial investment and the expected recoverability of the collateral. The Group discounts the recoverable amount of debt investments using the original EIR.

Debt investments in securitisation portfolio

The expected credit risk of the debt investments in securitisation portfolio is calculated by assessing the underlying portfolio of SME loans acquired by securitisation vehicle. The Group actively assesses the securitisation portfolio for indications of impairment. The ECL inputs in form of PD, EAD and LGD are selected in the same way as in the process of debt investment assessment described above. The investments are subject to bullet repayments upon maturity with only interest payments being paid separately throughout the useful life of the financial assets.

Cash and cash equivalents

The Group uses external risk grades to reflect its assessment of the probability of default of individual counterparties. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by rating agencies. In determining the probability of default of individual counterparties, the Group distinguishes between exposures considered 'investment-grade' defined by recognised external rating agencies as a rating between AAA-BBB- (Standard & Poor's, Fitch) and Aaa-Baa3 (Moody's), and 'non-investment grade' exposures. Similarly, the Group utilises S&P Global Ratings in the case of exposures to sovereign issuers (for balances with Central Banks). In those cases where public information by S&P Global Ratings in relation to sovereigns is not available, the Group utilises, Moody's 'Sovereign Default and Recovery Rates'.

Other financial assets
The Group uses external risk grades to reflect its assessment of the probability of default of individual counterparties. These published grades are continuously monitored and updated. The PDs associated with each grade are determined based on realised default rates over the prior 12 months, as published by rating agencies.

The Group's ECL calculations for the receivables from the sold portfolio that originated and immediately sold to the external party are based on PD, EAD and LGD. The PD of the buyers is derived through an internal credit rating on the counterparty which is determined using an internal model that the Group developed. Receivables from the sold portfolio that originated and immediately sold are subject to instalment repayments that are all are due within a year after the sale. The receivables do not accrue additional interest, and hence the EAD equals to the receivable amount defined on the day of sale. The LGD is derived based on the historical data about the loss arising from default of loan portfolios with similar characteristics that issued and held by Multitude. The Group discounts the expected recoverable amount of receivables from the sold portfolio that originated and immediately sold by using the original EIR of the loans included in the sold portfolio.

4.2.5.4 Forward-looking information incorporated in the ECL model
The calculation of ECL incorporates forward-looking information. The Group has identified key drivers of credit risk and credit losses for each portfolio of financial instruments and, using historical data, has analysed relationships between macroeconomic variables, credit risk and credit losses. This analysis is conducted at a territory and sub-portfolio level to consider possible differences in customer behaviour and default experience arising from different product characteristics.

To be able to determine the manner in which economic conditions will be impacting the ECL estimates, the Group first performs an assessment to select the Macroeconomic Variable (MEV) which has the highest correlation to credit risk factors for a certain country and product. The Group does this through the implementation of a one-step Error Correction Model (ECM). The ECM is a multiple regression model that automatically corrects short-term deviations from the long-term equilibrium relationship such that the defaulted loan amount is restored back to its long-term equilibrium at a specific speed of adjustment.

Through the utilisation of this model, the Group has determined a set of four MEVs to which the Group's portfolios are the most sensitive, namely Gross Domestic Product, Personal Disposable Income, and Unemployment Rate for Micro Loans, Plus Loans, Credit Limit facilities, Credit Cards and Prime Loans, whereas Consumption Rate Private is the key driver for Instalment Loans, Credit Lines, Purchase Financing (BNPL) and corporate loans. Personal Disposable Income reflects the net income available to households after taxes and transfers. It is calculated for the entire population of a country. The choice of macroeconomic variable to be used for a particular territory and product is determined through an optimised approach in which the ECM is run separately for each of these variables. The variable that is ultimately applied for the territory / product is the one that produces the most statistically significant result.

In order to capture a range of possible future outcomes, three possible scenarios are considered in the determination of the Group's ECL. The 'base line' scenario represents the most likely outcome. It is based on forecasted economic variables, provided by Oxford Economics, and provides the best estimate view of each respective country within the Group's lending portfolio. Apart from the 'base line' scenario, the Group considers two other macroeconomic scenarios – 'Upside' and 'Downside' scenarios – which respectively represent a more optimistic and a more pessimistic outcome, as further explained in this section.

Each scenario is weighted by a probability of occurrence, determined by a combination of macro-economic research and expert credit judgement, taking account the range of possible outcomes, each chosen scenario represents. The weightings assigned to each economic scenario are 60%, for the ‘Base’ scenario, 20% for the ‘Downside’ scenario and 20% for the ‘Upside’ scenario. The number of scenarios used is based on the analysis of each major product type to ensure that non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The probability weightings assigned to the respective scenarios reflect an unbiased evaluation of the range of possible outcomes.

In relation to the debt investments, the Group also incorporates these macroeconomic forecasts in its periodical assessments on the pledged loan portfolios, in order to assess whether the Group should provide for expected credit losses. Such assessments are based on the credit information supplied by the bond issuers which the Multitude Group has invested in. In order for its ECL methodology to represent an appropriate estimation of its credit risk emanating from said investments, the Group assesses the ECL on each credit portfolio securing the Group’s investment separately.

During 2024, the Group has also incorporated climate risk factors in its ECL calculations by calculating separately the ECL impact from climate risk factors when compared to the weightings in the model as explained above. A 5% weighting for the climate risk scenario is incorporated in the Downside scenario while downsizing the traditional risks to 15%, the latter which is traditionally assigned a 20% weighting, to avoid double counting of macroeconomic factors. Based on the results observed, the Group assessed that there is no statistically significant impact from climate risk.

The macroeconomic variables presented pertain to a specific territory where the particular product is available. The pertinent macroeconomic variables relating to the Group's lending portfolio as at 31 December 2024, utilised in the multiple regression, are sourced from Oxford Economics and are listed below:

Unemployment rate

In %	2025			2026			2027		
	Base	Down	Up	Base	Down	Up	Base	Down	Up
Croatia	4.31	4.31	4.28	5.04	5.04	4.97	5.60	5.63	5.52
Czechia	4.03	4.03	3.97	3.82	3.84	3.65	3.65	3.72	3.47
Denmark	2.80	2.81	2.76	2.55	2.58	2.43	2.47	2.55	2.36
Netherlands	3.88	3.88	3.83	4.00	4.03	3.88	3.89	3.96	3.77
Poland	4.97	4.98	4.86	4.60	4.63	4.41	4.51	4.59	4.38

Personal disposable income

Billion units		2025			2026			2027		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	BGN	95.05	95.05	95.30	95.78	95.73	95.94	96.57	96.49	96.70
Denmark	DKK	1,319.01	1,319.00	1,321.66	1,348.35	1,347.55	1,350.68	1,378.23	1,377.20	1,380.16
Germany	EUR	2,164.08	2,163.97	2,167.77	2,196.42	2,195.18	2,201.85	2,223.17	2,221.45	2,227.58
Norway	NOK	2,086.00	2,085.62	870.37	2,128.10	2,126.85	889.11	2,164.60	2,164.45	902.26
Romania	RON	867.08	867.09	2,087.20	886.75	886.25	2,127.53	901.13	900.86	2,164.35
Sweden	SEK	3,123.15	3,122.87	3,128.11	3,150.37	3,147.82	3,155.43	3,188.92	3,185.49	3,194.54

Consumption rate private

Billion units		2025			2026			2027		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up
Finland	EUR	120.29	120.20	120.60	122.64	122.23	123.47	124.47	123.81	125.35

Gross domestic product

Billion units		2025			2026			2027		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	BGN	145.34	145.30	145.60	148.65	148.38	149.26	150.65	149.82	151.35
Croatia	EUR	67.43	67.43	67.50	68.72	68.71	68.88	70.32	70.26	70.54
Estonia	EUR	29.48	29.48	29.52	30.84	30.83	30.98	32.25	32.19	32.44
Finland	EUR	230.02	229.88	230.44	234.23	233.62	235.68	237.50	236.34	239.07
Latvia	EUR	29.74	29.74	29.76	30.66	30.66	30.76	31.41	31.38	31.54
Netherlands	EUR	957.52	957.23	959.41	969.56	968.11	974.51	985.28	982.26	990.84
Romania	RON	1,244.23	1,243.95	1,246.63	1,283.30	1,281.14	1,289.06	1,319.62	1,312.87	1,326.40
Slovenia	EUR	55.13	55.12	55.23	56.52	56.49	56.74	57.70	57.62	57.95
Lithuania	EUR	58.01	58.01	58.11	59.85	59.80	60.15	61.51	61.35	61.88
Sweden	SEK	6,400.27	6,397.53	6,410.52	6,559.69	6,546.67	6,597.47	6,685.52	6,657.38	6,730.50

The Risk Management function monitors the economic forecast releases on an ongoing basis and adjusts its model inputs and assesses the connected outcomes in the light of revised macroeconomic data and other quantitative and qualitative information.

There is an absence of an observable historical trend that can accurately represent the severity and speed of the economic impacts brought about by the pandemic. Consequently, in some cases, the Group's models generate outputs that appear overly sensitive when compared with other credit risk metrics and as a result, modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate ECL in these conditions.

4.2.5.5 ECL sensitivity analysis in respect of macroeconomic scenarios
The Risk Management function considered the sensitivity of the ECL outcome (refer to Note 4.2.5.4) to the macroeconomic forecasts by recalculating the ECL under the different scenarios, applying a 100% weighting to each scenario. The effect of economic uncertainty on the ECL outcome is disclosed in the sensitivity analysis is presented in this Note below. The ECL calculated for the upside and downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes as there is a high degree of estimation uncertainty in the numbers representing tail risk scenarios when assigned a 100% weighting.

As with any macroeconomic forecasts, the projections and likelihood of occurrence are subject to a high degree of uncertainty, especially in the context of the macroeconomic and geopolitical conflicts and tensions being experienced, and therefore, the actual outcomes may be specifically different from those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes.

In view of the above, the Group assessed and is hereby presenting the sensitivity analysis in respect of its total loans to customers exposures as at 31 December 2024 and as at 31 December 2023, estimated by determining the range of credit loss allowances which would have been measured by assigning a 100% weighting to each of the three macroeconomic scenarios developed as presented in the table below:

	(Decrease) / increase in ECL December 2024	(Decrease) / increase in ECL December 2023
100% Baseline, EUR '000	(287)	(262)
100% Downside, EUR '000	10,221	7,618
100% Upside, EUR '000	(9,360)	(6,832)

The sensitivity analysis for the Consumer Banking products is shown below:

	(Decrease) / increase in ECL December 2024	(Decrease) / increase in ECL December 2023
100% Baseline, EUR ’000	(227)	(226)
100% Downside, EUR ’000	8,273	6,384
100% Upside, EUR ’000	(7,593)	(5,706)

The sensitivity analysis for the SME Banking products is shown below:

	(Decrease) / increase in ECL December 2024	(Decrease) / increase in ECL December 2023
100% Baseline, EUR ’000	(60)	(36)
100% Downside, EUR ’000	1,948	1,234
100% Upside, EUR ’000	(1,767)	(1,126)

For Wholesale Banking, the Group performs a sensitivity analysis of debt investments, which is presented in the table below:

	(Decrease) / increase in ECL December 2024	(Decrease) / increase in ECL December 2023
100% Baseline, EUR ’000	(82)	(5)
100% Downside, EUR ’000	641	39
100% Upside, EUR ’000	(396)	(33)

For the baseline scenario, the expectation of the growth of the global economic outlook is a relatively steady recovery for 2025 and 2026. Oxford Economics expect that the prospect of more fiscal stimulus in the US alongside earlier news that China will step up fiscal stimulus should support global growth over the next year or two. They highlight possible threats from the US presidential election, developments in the Middle East, and the possibility of sticky inflation and higher for longer interest rates. Upside hopes still rest on more substantial monetary policy easing than expected. As a result, Oxford Economics forecasts world GDP growth of 2.8% in 2025 and 2.9% in 2026.

For the downside scenario, Multitude has considered a scenario revolving around global trade war. In this scenario, Donald Trump’s return to the White House results in bigger and broader trade policy measures than in the baseline forecast, as well as further curbs on immigration. Import tariffs reach 60% for China and a 10% rate is imposed on other trading partners, who retaliate by hiking tariffs on the US. The impact is limited initially. Over time, however, the trade war weighs significantly on the global economy. As a result, the global economy slows, and Oxford Economics forecasts world GDP growth of 2.8% in 2025 and 2.7% in 2026.

The upside scenario was modelled for global economy in which inflation prospects improve globally. Core inflation proves less sticky than expected and as a result inflation expectations edge lower. Central bank caution fades as inflation returns to target and policy rates are cut substantially. Financial markets strengthen amid the more rapid near-term policy easing. The global economy strengthens accordingly. Oxford Economics expects that, through this global recovery, World GDP rises 0.3% and 0.4% above baseline in 2025 and 2026 respectively.

4.2.6 Information on credit quality of cash and cash equivalents

Credit risk exposure from cash and cash equivalents arises mainly from potential liquidity issues, coupled with liability caps applicable in various jurisdictions of banks and other financial institutions which hold the Group’s cash and cash equivalents. To manage this risk the Group has cash balances amongst 176 active bank accounts in 24 countries as at 31 December 2024.

The table below shows the amount of cash and cash equivalents deposited in various bank accounts, grouped based on Fitch's credit ratings for the years ended 31 December 2024 and 31 December 2023:

EUR '000	December 2024	December 2023
AAA	7,416	6,734
AA	-	-
AA-	1,857	593
A+	23,379	358
A	104,497	175,759
A-	4,529	40,045
BBB+	24,772	25,125
BBB	10,177	50
BBB-	2,703	6,610
BB+	278	59
BB	171	210
BB-	-	-
B	-	-
B-	-	-
No rating available	69,679	28,169
Total	**249,458**	**283,712**

The above-mentioned balances include amounts deposited with Central Banks and other banks. Unrated balances are mainly related to credit institutions domiciled in Luxembourg and Sweden.

EUR '000	December 2024	December 2023
Balances with Central Banks:	107,670	210,030
Balance with the Central Bank of Czechia	302	293
Balance with the Central Bank of Malta	66,267	171,320
Balance with the Central Bank of Lithuania	33,685	31,683
Balance with the Central Bank of Sweden	7,416	6,734
Balances with other banks	141,788	73,682
Total	**249,458**	**283,712**

The balances with the Central Bank of Malta include a reserve deposit amounting to EUR 7.0 million as at 31 December 2024 (31 December 2023: EUR 4.5 million) held in terms of Regulation (EC) No. 1745 / 2003 of the European Central Bank.

EUR '000	December 2024	December 2023
Balances with other banks (repayable on call and at short notice) held by Multitude Bank	86,897	36,074

In the ordinary course of business, the Group places funds and carries out transactions through correspondent accounts with high credit quality local listed banks and international banks with a good credit rating, subject to the operational requirements and the application of a limit framework. Accordingly, such exposures are monitored through the practical use of exposure limits. In certain countries, the Group had to utilise unrated financial institutions due to operational constraints within such countries, in view of the profile of the banking sector in those territories. The Group would carry out a comprehensive due diligence on such banks, prior to engaging with them, and on an event-driven basis throughout the term of the relationship.

At 31 December 2024, balances with other banks consisted primarily of immediately withdrawable nostro balances and term placements maturing within one month.

The Group risks losing of funds due to the possible political, economic and other events in a particular country where funds have been placed or invested with several counterparties domiciled in the same country or region. Countries are assessed according to their size, economic data and prospects together with credit ratings issued by international rating agencies. Existing country credit risk exposures, based on groupings of individual counterparties, are monitored and reviewed periodically. The Group's assets are predominantly in Europe.

At the end of the reporting periods in 2024 and 2023, none of the financial assets referred to were past due or impaired.

The following tables provide information about the credit quality of cash and cash equivalents. The credit quality of them is determined by credit ratings applicable to counterparties based on external ratings published by reputable credit rating agencies:

December 2024, EUR '000	Stage 1 12-month ECL
Balances with Central Banks	
A+ to A-	107,670
Gross carrying amount	107,670
Loss allowance	-
Carrying amount – net of loss allowance	107,670

December 2023, EUR '000	Stage 1 12-month ECL
Balances with Central Banks	
A+ to A-	210,030
Gross carrying amount	210,030
Loss allowance	-
Carrying amount – net of loss allowance	210,030

In this regard, the Government of Malta and Government of Lithuania as at 31 December 2024 had both a rating of A2, as issued by Moody's on 25 May 2024 and 19 April 2024, respectively. (2023: A2) The Government of Sweden as at 31 December 2024 had a rating of Aaa as issued by Moody's on 22 May 2024 (2023: Aaa). The Government of Czechia as at 31 December 2024 had a rating of Aa3 as issued by Moody's on 28 April 2024 (2023: Aa3). The respective Fitch rating for the Government of Malta is A+, the Government of Lithuania is A, the Government of Sweden is AAA, and the Government of Czechia is AA-.

As at 31 December 2024 and 31 December 2023, expected credit loss allowances in respect of balances with the Central Banks (which are assumed to have the same credit quality as the Government of Malta, Government of Lithuania, Government of Czechia and Government of Sweden) were deemed to be insignificant.

December 2024, EUR '000	Stage 1 12-month ECL
Balances with other banks	
A+ to A-	34,008
BBB+ to BBB-	37,651
BB+ to BB-	450
Unrated	69,679
Gross carrying amount	141,788
Loss allowance	-
Carrying amount – net of loss allowance	141,788

December 2023, EUR '000	Stage 1 12-month ECL
Balances with other banks	
A+ to A-	13,459
BBB+ to BBB-	31,785
BB+ to BB-	269
Unrated	28,169
Gross carrying amount	73,682
Loss allowance	-
Carrying amount – net of loss allowance	73,682

After the end of the reporting period, there were no significant changes in credit ratings reflected in the tables above which have a material impact on the credit quality of the financial assets.

4.2.7 Information on credit quality of loans to customers

The Group manages the credit quality of its loans to customers by using internal risk grades, which provide a progressively increasing risk profile ranging from 'Regular' (best quality, less risky) to 'Loss': These risk grades are an essential tool for the Group to identify both non-performing exposures and better-performing customers. The internal risk grades used by the Group are further outlined as follows:

- Performing: Internal grade 'Regular';
- Under performing: Internal grades 'Watch' and 'Substandard'; and
- Non-performing: Internal grades 'Doubtful' and 'Loss'.

Regular
The Group's loans to customers which are categorised as 'Regular' are principally debts in respect of which payment is not overdue by 30 days and no recent history of customer default exists. Multitude does not expect losses from non-performance by these customers, which are considered as fully performing.

Watch
Loans that attract this category principally comprise those where:

- payment becomes overdue by 30 days, but does not exceed 60 days, and where a loan is deemed to be as non-performing when past due for more than 90 days;

- payment becomes overdue by 30 days, but does not exceed 45 days, and where a loan is deemed to be as non-performing when past due for more than 60 days; and

- there are indicators of a significant increase in credit risk in instances when loans were granted a payment holiday in a specific portfolio.

Substandard
Exposures that are categorised within this category comprise those where:

- payment becomes overdue by 61 days but does not exceed 90 days for where a loan is deemed to be as non-performing when past due for more than 90 days; and
- where payment becomes overdue by 46 days, but does not exceed 60 days, and where a loan is deemed to be as non-performing when past due for more than 60 days;

Doubtful
Loans which attract a 'Doubtful' grading are principally those assets in respect of which:

- repayment becomes overdue by 61 days and over but not exceeding 180 days for where a loan is deemed to be as non-performing when past due for more than 60 days;

- repayment becomes overdue by 91 days and over but not exceeding 180 days for a loan is deemed to be as non-performing when past due for more than 90 days; or

- have indicated UTP criteria, as outlined in Note 4.2.5.2.

Loss
Loans in respect of which payment becomes overdue by 180 days.

The Group further categorises outstanding loans to customers using an internal risk grading system based on their credit quality and performance, with 'Regular' considered to be 'performing' and not-credit impaired (Stage 1), 'Watch' and 'Substandard' regarded as 'underperforming' with an occurrence of SICR since initial recognition (Stage 2), and 'Doubtful' and 'Loss' considered to be 'non-performing' and credit-impaired (Stage 3).

The table below shows the Group's gross outstanding loans to customers balances, risk grading, and basis for ECL recognition and measurement as at the years ended 31 December 2024 and 31 December 2023:

Risk grade	Category	Basis for ECL	Days past due*		UTP	December 2024	December 2023
			Lower range	Upper range			
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		-	590,612	532,234
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	-	22,688	26,955
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	-	13,075	17,309
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	Yes	31,557	21,661
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		-	130,596	92,458
Total						**788,528**	**690,617**

*Lower and upper ranges of days past due are based on DPD thresholds of 60 and 90 days, respectively, to be considered as non-performing.

Reconciliation of 12-month and lifetime ECL provision

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between 'Stage 1' and 'Stages 2 or 3' due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent 'step up' (or 'step down') between 12-month and Lifetime ECL;

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;

- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

- Impacts on the measurement of ECL due to changes made to models and assumptions;

- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;

- Foreign exchange retranslations for assets denominated in foreign currencies and other movements;

- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

Transfers out of Stage 1 are driven by the underlying gross loans to customers to have a significant increase in credit risks since initial recognition (Stage 2) or become credit-impaired (Stage 3), whereas transfers out of Stages 2 or 3 result from the underlying gross loans to customers no longer meeting said definitions. Transfers in between stages or changes within DPD bucket that do not necessarily impact ECL stages could also result in an increase (decrease) in loss allowances during the year.

Remeasurements from changes in the ECL model, inputs and assumptions are mainly driven by updating the calculations, statistics and modelling parameters relating to EAD, PD, LGD, and EIR based on the most recent available information at the reporting date. The unwind of discount is driven by the amortisation of the ECL's present value for long-outstanding loans to customers.

The table below summarises the Group's movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2024:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2024	**532,234**	**44,264**	**114,119**	**690,617**
Transfers in between stages:				
Transfers out of Stage 1	(90,694)	20,165	70,529	-
Transfers out of Stage 2	11,217	(41,005)	29,788	-
Transfers out of Stage 3	-	153	(153)	-
Total changes from transfers in between stages	**(79,477)**	**(20,687)**	**100,164**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	890,963	42,333	68,604	1,001,900
Financial assets sold and repaid during the period	(747,823)	(29,593)	(110,208)	(887,624)
Financial assets written off during the period	-	-	(9,080)	(9,080)
Exchange differences	(5,285)	(554)	(1,446)	(7,285)
Net changes in gross loans to customers	**58,378**	**(8,501)**	**48,034**	**97,911**
Gross loans to customers as at 31 December 2024	**590,612**	**35,763**	**162,153**	**788,528**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2024	**31,282**	**14,361**	**69,025**	**114,668**
Transfers in between stages:				
Transfers out of Stage 1	(7,341)	1,564	5,777	-
Increase due to transfers out of Stage 1	-	5,228	27,251	32,479
Transfers out of Stage 2	3,572	(13,372)	9,800	-
Increase (decrease) due to transfers out of Stage 2	(2,943)	-	4,633	1,690
Transfers out of Stage 3	-	50	(50)	-
Increase due to changes in DPD buckets	1,299	19	13,097	14,415
Total changes from transfers in between stages	**(5,413)**	**(6,511)**	**60,508**	**48,584**
Other changes in loss allowances:				
New financial assets originated during the period	53,839	14,034	34,718	102,591
Financial assets sold and repaid during the period	(48,929)	(10,329)	(57,801)	(117,059)
Financial assets written off during the period	-	-	(9,080)	(9,080)
Remeasurements from changes in model	(1,653)	240	2,178	765
Unwind of discount	-	-	(378)	(378)
Exchange differences	(365)	(169)	(957)	(1,491)
Net changes in loss allowances	**(2,521)**	**(2,735)**	**29,188**	**23,932**
Loss allowances as at 31 December 2024	**28,761**	**11,626**	**98,213**	**138,600**
Impaired loan coverage ratio (ILCR)	**4.87%**	**32.51%**	**60.57%**	**17.58%**

The table below summarises the Group's movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2023:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2023	**464,238**	**35,617**	**119,939**	**619,794**
Transfers in between stages:				
Transfers out of Stage 1	(48,992)	20,086	28,906	-
Transfers out of Stage 2	3,171	(12,861)	9,690	-
Total changes from transfers in between stages	**(45,821)**	**7,225**	**38,596**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	777,408	40,590	65,294	883,292
Financial assets sold and repaid during the period	(663,086)	(39,110)	(101,137)	(803,334)
Financial assets written off during the period	-	-	(8,397)	(8,397)
Exchange differences	(505)	(57)	(176)	(739)
Net changes in gross loans to customers	**67,996**	**8,647**	**(5,821)**	**70,823**
Gross loans to customers as at 31 December 2023	**532,234**	**44,264**	**114,119**	**690,617**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2023	**27,337**	**11,024**	**74,359**	**112,719**
Transfers in between stages:				
Transfers out of Stage 1	(3,275)	1,292	1,983	-
Increase due to transfers out of Stage 1	-	5,089	13,675	18,764
Transfers out of Stage 2	854	(3,837)	2,984	-
Increase (decrease) due to transfers out of Stage 2	(552)	-	2,957	2,405
Increase due to changes in DPD buckets	448	36	9,492	9,976
Total changes from transfers in between stages	**(2,525)**	**2,580**	**31,090**	**31,145**
Other changes in loss allowances:				
New financial assets originated during the period	44,413	13,296	31,479	89,187
Financial assets sold and repaid during the period	(38,822)	(12,540)	(63,517)	(114,879)
Financial assets written off during the period	-	-	(8,397)	(8,397)
Remeasurements from changes in model	908	22	4,094	5,025
Unwind of discount	-	-	46	46
Exchange differences	(29)	(20)	(129)	(178)
Net changes in loss allowances	**3,945**	**3,337**	**(5,334)**	**1,949**
Loss allowances as at 31 December 2023	**31,282**	**14,361**	**69,025**	**114,669**
Impaired loan coverage ratio (ILCR)	**5.88%**	**32.44%**	**60.49%**	**16.60%**

Opening balances for comparative period have been changed from those presented in the 2023 report due to the change in presentation of business units in 2024.

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2024 for the Consumer Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2024	**433,670**	**40,117**	**97,820**	**571,607**
Transfers in between stages:				
Transfers out of Stage 1	(76,726)	18,791	57,935	-
Transfers out of Stage 2	10,821	(37,055)	26,234	-
Transfers out of Stage 3	-	153	(153)	-
Total changes from transfers in between stages	**(65,905)**	**(18,111)**	**84,016**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	664,479	40,552	62,214	767,245
Financial assets sold and repaid during the period	(591,164)	(28,462)	(101,109)	(720,735)
Financial assets written off during the period	-	-	(7,666)	(7,666)
Exchange differences	(4,343)	(517)	(1,114)	(5,974)
Net changes in gross loans to customers	**3,067**	**(6,538)**	**36,341**	**32,870**
Gross loans to customers as at 31 December 2024	**436,737**	**33,579**	**134,161**	**604,477**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2024	**28,259**	**12,836**	**59,426**	**100,521**
Transfers in between stages:				
Transfers out of Stage 1	(6,672)	1,493	5,179	-
Increase due to transfers out of Stage 1	-	4,820	21,309	26,129
Transfers out of Stage 2	3,458	(12,247)	8,789	-
Increase (decrease) due to transfers out of Stage 2	(2,863)	-	3,721	858
Transfers out of Stage 3	-	50	(50)	-
Decrease due to transfers out of Stage 3	-	-	-	-
Increase due to changes in DPD buckets	1,008	21	10,898	11,927
Total changes from transfers in between stages	**(5,069)**	**(5,863)**	**49,846**	**38,914**
Other changes in loss allowances:				
New financial assets originated during the period	37,379	13,442	31,422	82,243
Financial assets sold and repaid during the period	(33,856)	(9,832)	(51,932)	(95,620)
Financial assets written off during the period	-	-	(7,666)	(7,666)
Remeasurements from changes in model	(2,204)	196	534	(1,474)
Unwind of discount	-	-	(147)	(147)
Exchange differences	(323)	(155)	(743)	(1,221)
Net changes in loss allowances	**(4,073)**	**(2,212)**	**21,314**	**15,029**
Loss allowances as at 31 December 2024	**24,186**	**10,624**	**80,740**	**115,550**
Impaired loan coverage ratio (ILCR)	**5.54%**	**31.64%**	**60.18%**	**19.12%**

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2023 for the Consumer Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2023	**381,147**	**32,431**	**105,610**	**519,188**
Transfers in between stages:				
Transfers out of Stage 1	(40,099)	17,425	22,674	-
Transfers out of Stage 2	2,930	(10,875)	7,946	-
Total changes from transfers in between stages	**(37,169)**	**6,550**	**30,620**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	663,653	37,919	61,180	762,753
Financial assets sold and repaid during the period	(573,410)	(36,724)	(92,871)	(703,005)
Financial assets written off during the period	-	-	(6,542)	(6,542)
Exchange differences	(551)	(58)	(177)	(785)
Net changes in gross loans to customers	**52,523**	**7,687**	**(7,790)**	**52,420**
Gross loans to customers as at 31 December 2023	**433,670**	**40,117**	**97,820**	**571,607**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2023	**24,031**	**9,753**	**65,655**	**99,439**
Transfers in between stages:				
Transfers out of Stage 1	(2,742)	1,138	1,604	-
Increase due to transfers out of Stage 1	-	4,500	10,872	15,371
Transfers out of Stage 2	757	(3,069)	2,312	-
Increase (decrease) due to transfers out of Stage 2	(478)	-	2,679	2,201
Increase due to changes in DPD buckets	317	35	8,628	8,980
Total changes from transfers in between stages	**(2,146)**	**2,603**	**26,095**	**26,552**
Other changes in loss allowances:				
New financial assets originated during the period	39,482	12,572	29,501	81,555
Financial assets sold and repaid during the period	(34,141)	(12,096)	(59,235)	(105,472)
Financial assets written off during the period	-	-	(6,542)	(6,542)
Remeasurements from changes in model	1,062	24	3,862	4,948
Unwind of discount	-	-	220	220
Exchange differences	(30)	(20)	(129)	(180)
Net changes in loss allowances	**4,228**	**3,083**	**(6,229)**	**1,081**
Loss allowances as at 31 December 2023	**28,259**	**12,836**	**59,426**	**100,521**
Impaired loan coverage ratio (ILCR)	**6.52%**	**32.00%**	**60.75%**	**17.59%**

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2024 for the SME Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2024	**98,303**	**4,137**	**16,298**	**118,739**
Transfers in between stages:				
Transfers out of Stage 1	(13,968)	1,374	12,594	-
Transfers out of Stage 2	396	(3,950)	3,554	-
Total changes from transfers in between stages	**(13,572)**	**(2,576)**	**16,148**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	195,825	1,776	6,390	203,991
Financial assets sold and repaid during the period	(146,239)	(1,122)	(9,098)	(156,459)
Financial assets written off during the period	-	-	(1,414)	(1,414)
Exchange differences	(942)	(37)	(332)	(1,311)
Net changes in gross loans to customers	**35,072**	**(1,959)**	**11,694**	**44,807**
Gross loans to customers as at 31 December 2024	**133,375**	**2,178**	**27,992**	**163,545**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2024	**3,023**	**1,526**	**9,599**	**14,148**
Transfers in between stages:				
Transfers out of Stage 1	(669)	71	598	-
Increase due to transfers out of Stage 1	-	408	5,942	6,350
Transfers out of Stage 2	114	(1,125)	1,011	-
Increase (decrease) due to transfers out of Stage 2	(80)	-	912	832
Increase due to changes in DPD buckets	291	(2)	2,199	2,488
Total changes from transfers in between stages	**(344)**	**(648)**	**10,662**	**9,670**
Other changes in loss allowances:				
New financial assets originated during the period	16,187	592	3,296	20,075
Financial assets sold and repaid during the period	(15,073)	(497)	(5,869)	(21,439)
Financial assets written off during the period	-	-	(1,414)	(1,414)
Remeasurements from changes in model	550	44	1,644	2,238
Unwind of discount	-	-	(231)	(231)
Exchange differences	(42)	(14)	(214)	(270)
Net changes in loss allowances	**1,278**	**(523)**	**7,874**	**8,629**
Loss allowances as at 31 December 2024	**4,301**	**1,003**	**17,473**	**22,777**
Impaired loan coverage ratio (ILCR)	**3.22%**	**46.05%**	**62.42%**	**13.93%**

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2023 for the SME Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2023	**82,970**	**3,177**	**14,329**	**100,476**
Transfers in between stages:				
Transfers out of Stage 1	(8,893)	2,662	6,232	-
Transfers out of Stage 2	242	(1,986)	1,744	-
Total changes from transfers in between stages	**(8,651)**	**675**	**7,976**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	113,079	2,661	4,114	119,854
Financial assets sold and repaid during the period	(89,140)	(2,377)	(8,266)	(99,784)
Financial assets written off during the period	-	-	(1,854)	(1,854)
Exchange differences	45	1	-	46
Net changes in gross loans to customers	**15,333**	**961**	**1,969**	**18,263**
Gross loans to customers as at 31 December 2023	**98,303**	**4,137**	**16,298**	**118,739**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2023	**3,305**	**1,271**	**8,704**	**13,280**
Transfers in between stages:				
Transfers out of Stage 1	(532)	154	379	-
Increase due to transfers out of Stage 1	-	589	2,803	3,392
Transfers out of Stage 2	96	(768)	671	-
Increase (decrease) due to transfers out of Stage 2	(74)	-	278	204
Increase due to changes in DPD buckets	131	2	864	997
Total changes from transfers in between stages	**(379)**	**(23)**	**4,995**	**4,593**
Other changes in loss allowances:				
New financial assets originated during the period	4,930	724	1,978	7,632
Financial assets sold and repaid during the period	(4,681)	(444)	(4,282)	(9,407)
Financial assets written off during the period	-	-	(1,854)	(1,854)
Remeasurements from changes in model	(154)	(2)	232	77
Unwind of discount	-	-	(174)	(174)
Exchange differences	1	-	-	1
Net changes in loss allowances	**(282)**	**255**	**895**	**868**
Loss allowances as at 31 December 2023	**3,023**	**1,526**	**9,599**	**14,148**
Impaired loan coverage ratio (ILCR)	**3.08%**	**36.88%**	**58.90%**	**11.92%**

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2024 for the Wholesale Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2024	**262**	**9**	**-**	**271**
Transfers in between stages:				
Transfers out of Stage 1	-	-	-	-
Transfers out of Stage 2	-	-	-	-
Total changes from transfers in between stages	-	-	-	-
Other changes in gross loans to customers				
New financial assets originated during the period	30,658	6	-	30,664
Financial assets sold and repaid during the period	(10,420)	(9)	-	(10,429)
Financial assets written off during the period	-	-	-	-
Exchange differences	-	-	-	-
Net changes in gross loans to customers	**20,238**	**(3)**	**-**	**20,235**
Gross loans to customers as at 31 December 2024	**20,500**	**6**	**-**	**20,506**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2024	**-**	**-**	**-**	**-**
Transfers in between stages:				
Transfers out of Stage 1	-	-	-	-
Increase (decrease) due to transfers out of Stage 1	-	-	-	-
Transfers out of Stage 2	-	-	-	-
Increase (decrease) due to transfers out of Stage 2	-	-	-	-
Increase (decrease) due to changes in DPD buckets	-	-	-	-
Total changes from transfers in between stages	-	-	-	-
Other changes in loss allowances:				
New financial assets originated during the period	273	-	-	273
Financial assets sold and repaid during the period	-	-	-	-
Financial assets written off during the period	-	-	-	-
Remeasurements from changes in model	-	-	-	-
Unwind of discount	-	-	-	-
Exchange differences	-	-	-	-
Net changes in loss allowances	**273**	**-**	**-**	**273**
Loss allowances as at 31 December 2024	**273**	**-**	**-**	**273**
Impaired loan coverage ratio (ILCR)	**1.33%**	**-**	**-**	**1.33%**

The table below summarises the movements and the balances of loss allowances for loans to customers for the year ended and as at 31 December 2023 for the Wholesale Banking business unit:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2023	**122**	**9**	**-**	**131**
Transfers in between stages:				
Transfers out of Stage 1	-	-	-	-
Transfers out of Stage 2	-	-	-	-
Total changes from transfers in between stages	**-**	**-**	**-**	**-**
Other changes in gross loans to customers				
New financial assets originated during the period	675	9	-	684
Financial assets sold and repaid during the period	(535)	(9)	-	(544)
Financial assets written off during the period	-	-	-	-
Exchange differences	-	-	-	-
Net changes in gross loans to customers	**140**	**-**	**-**	**140**
Gross loans to customers as at 31 December 2023	**262**	**9**	**-**	**271**
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2023	**-**	**-**	**-**	**-**
Transfers in between stages:				
Transfers out of Stage 1	-	-	-	-
Increase (decrease) due to transfers out of Stage 1	-	-	-	-
Transfers out of Stage 2	-	-	-	-
Increase (decrease) due to transfers out of Stage 2	-	-	-	-
Increase (decrease) due to changes in DPD buckets	-	-	-	-
Total changes from transfers in between stages	**-**	**-**	**-**	**-**
Other changes in loss allowances:				
New financial assets originated during the period	-	-	-	-
Financial assets sold and repaid during the period	-	-	-	-
Financial assets written off during the period	-	-	-	-
Remeasurements from changes in model	-	-	-	-
Unwind of discount	-	-	-	-
Exchange differences	-	-	-	-
Net changes in loss allowances	**-**	**-**	**-**	**-**
Loss allowances as at 31 December 2023	**-**	**-**	**-**	**-**
Impaired loan coverage ratio (ILCR)	**-**	**-**	**-**	**-**

Reconciliation of impairment loss on loans to customers to changes in loss allowances

The following table shows the breakdown of movement in loss allowances with reconciliation to profit or loss for 2024:

LOSS ALLOWANCES	Stage 1	Stage 2	Stage 3	Total
Loss allowances as at 1 January 2024	**31,282**	**14,362**	**69,025**	**114,669**
Transfers in between stages:				
Transfers out of Stage 1	(7,341)	1,564	5,777	-
Increase due to transfers out of Stage 1	-	5,228	27,252	32,480
Transfers out of Stage 2	3,572	(13,372)	9,800	-
Increase (decrease) due to transfers out of Stage 2	(2,943)	-	4,632	1,689
Transfers out of Stage 3	-	50	(50)	-
Decrease due to transfers out of Stage 3	-	-	-	-
Increase due to changes in DPD buckets	1,299	19	13,097	14,415
Total net changes from transfers in between stages	(5,413)	(6,511)	60,508	48,584
Other changes in loss allowances:				
Net remeasurement of ECLs due to repayments of financial assets	(22,672)	(4,786)	(26,783)	(54,241)
New financial assets originated during the period	53,837	14,035	34,718	102,590
Remeasurements from changes in model	(1,653)	240	2,178	765
Unwind of discount	-	-	(378)	(378)
Exchange differences	(365)	(170)	(957)	(1,492)
Net changes in loss allowances recognised through profit or loss statement	**23,734**	**2,808**	**69,286**	**95,828**
Financial assets sold and repaid during the period	(26,255)	(5,545)	(31,017)	(62,817)
Financial assets written off during the period	-	-	(9,080)	(9,080)
Net changes in loss allowances	(2,521)	(2,737)	29,189	23,931
Loss allowances as at 31 December 2024	**28,761**	**11,625**	**98,214**	**138,600**

The following table shows the breakdown of movement in loss allowances with reconciliation to profit or loss for 2023:

LOSS ALLOWANCES	Stage 1	Stage 2	Stage 3	Total
Loss allowances as at 1 January 2023	**27,337**	**11,023**	**74,359**	**112,719**
Transfers in between stages:				
Transfers out of Stage 1	(3,275)	1,292	1,983	-
Increase due to transfers out of Stage 1	-	5,089	13,675	18,764
Transfers out of Stage 2	854	(3,838)	2,984	-
Increase (decrease) due to transfers out of Stage 2	(552)	-	2,956	2,404
Increase due to changes in DPD buckets	448	36	9,492	9,976
Total net changes from transfers in between stages	(2,525)	2,579	31,090	31,144
Other changes in loss allowances:				
Net remeasurement of ECLs due to repayments of financial assets	(12,156)	(3,927)	(19,888)	(35,971)
New financial assets originated during the period	44,413	13,296	31,479	89,188
Remeasurements from changes in model	908	22	4,094	5,024
Unwind of discount	-	-	46	46
Exchange differences	(29)	(20)	(129)	(178)
Net changes in loss allowances recognised through profit or loss statement	**30,611**	**11,950**	**46,692**	**89,253**
Financial assets sold and repaid during the period	(26,666)	(8,611)	(43,629)	(78,906)
Financial assets written off during the period	-	-	(8,397)	(8,397)
Net changes in loss allowances	3,945	3,339	(5,334)	1,950
Loss allowances as at 31 December 2023	**31,282**	**14,362**	**69,025**	**114,669**

Financial assets sold during the period line shows reduction of ECL from the balance at the start of the period. New financial assets originated during 2023 include increase in provision in Stage 1 for debt investments for EUR 33 thousand.

4.2.8 Modification of financial assets

As explained in Note 2.4.13.4, the Group sometimes modifies the payment terms of customer loans. These modifications can take different forms and can happen at different stages during the maturity period of the loan. The modifications included in this section also encompass change in estimates of interest income due to amendments to contractual cash flow allowed by original terms and conditions. During 2022, the Group updated its policies to reflect whether material modifications granted by the Bank constitute forbearance as defined by EU Regulation 575 / 2013 (CRR2) and are not considered to be change in estimates.

The following are the most widely used payment term modification clauses incorporated in the terms and conditions by the Group:

I. Rescheduling

Rescheduling is applied in short-term credit products where the customer requests an extension of the maturity period of up to one month in consideration of a fee payable to Multitude when the re-scheduling is accepted. The extension period varies in different markets but is pre-established by the Group as part of the product feature. The upfront payment of a rescheduling fee is a pre-condition for accepting the modification and extending the loan term. The rescheduling is not tied to the lack of repayment capabilities of the customer and indeed, this upfront payment requirement, together with the short-term of the extension period, is considered inconsistent with the profile of a customer who is experiencing financial difficulties.

II. Payment Holidays
Payment holidays are a standard feature of the credit line facility which allows customers who are repaying on time to request the Group to reduce the monthly minimum payment to zero on not more than two occasions in any twelve-month period. The customer's request will not be accepted unless the customer has been paying on time.

Additionally, Multitude incorporates the following modification options for its customers into the terms and conditions of its long-term credit products:

III. Due date change
Generally, the repayment date is assigned by the Group thirty days after the loan agreement date and recurs monthly after that. This product feature allows customers to change the monthly payment due date to one that is more convenient for them. The new payment due date will apply throughout the maturity period of the loan, unless subsequently modified. This modification is not granted due to the customers experiencing financial difficulties; they simply continue to pay their monthly instalments on a different day of the month.

IV. Modification to the payment schedule
During the loan term, the customer may choose to modify the standard maturity date and payment schedules included in the loan agreement by increasing the number of monthly instalments, thus extending the loan's maturity period. This gives customers more flexibility through tailor-made payment schedules. The Group assesses whether the customer is experiencing financial difficulties before granting this modification. This modification does not constitute forbearance if the customer is not experiencing financial difficulties.

V. Payment-free month
Long-term credit products allow the customer to apply for a payment-free month under terms and conditions prescribed by the Group. The policy under which a payment-free month may be granted includes the conditions that the loan must have been open for several months as specified in the policy and that the customer must have been making timely repayments. This modification is not granted to customers who are experiencing financial difficulties, but is meant to make the products better adapted to the customers' needs.

Apart from cash flow modifications which are carried out in accordance with the terms and conditions of the loan agreements, the Group also grants other modifications as part of its collection policies. The most widely used modification option as part of the Group's collection policies is the payment plan where the customer is granted a longer schedule in which to pay the amounts due. Multitude may also grant a grace period for the payment of the principal amount due for a short period of time. An assessment is conducted by the Group to evaluate whether the customer is experiencing financial difficulties before granting these modifications. If the customer is experiencing financial difficulties, then these exposures are marked as forborne.

The table on the next page shows the gross outstanding loans to customers balances, loss allowance, and basis for ECL recognition and measurement for the years 2024 and 2023 for modified loan contracts (as a forbearance and also as a change in estimated expected cash flows allowed by terms and conditions):

Basis for ECL	31 December 2024		31 December 2023	
	Gross carrying amount	ECL	Gross carrying amount	ECL
Stage 1	107,143	6,185	101,014	6,320
Stage 2	7,530	2,390	10,625	3,344
Stage 3	10,174	4,713	6,231	2,828
Total	**124,847**	**13,288**	**117,870**	**12,492**

The Group's modified gross outstanding loans to customers are analysed by geographical location for the 2024 and year 2023 as follows:

EUR '000	December 2024	2024%	December 2023	2023%
Country of domicile - Switzerland	-	-	-	-
Northern Europe	95,186	76.24%	91,992	78.04%
Western Europe	6,619	5.30%	3,722	3.16%
Eastern Europe	23,042	18.46%	22,156	18.80%
Total	**124,847**	**100.00%**	**117,870**	**100.00%**

In cases where the Group grants specific modifications (not included in the original terms and conditions) to customers whom the Group assesses as experiencing financial difficulties, then these exposures are marked as forborne in line with the Group's policies in relation to forbearance. As at 31 December 2024, total loans which were identified as forborne amounted to EUR 3.0 million with a total ECL of EUR 1.1 million was accounted for.

Basis for ECL	31 December 2024		31 December 2023	
	Gross carrying amount	ECL	Gross carrying amount	ECL
Stage 1	318	22	27	3
Stage 2	1,680	511	1,837	558
Stage 3	965	524	586	269
Total	**2,963**	**1,057**	**2,450**	**830**

The table below shows an increase in ECL due to modification of original terms and conditions as per the forbearance definition that are included in the impairment loss on loans to customers in 2024:

EUR '000	Not Modified ECL	Modified ECL	Change
Stage 1	22	22	-
Stage 2	251	511	260
Stage 3	484	524	40
Total	**757**	**1,057**	**300**

The changes reported in the table above includes movement between stages as a result of modification. The table below shows an increase in ECL due to modification of original terms and conditions as per the forbearance definition that are included in the impairment loss on loans to customers in 2023:

EUR '000	Not Modified ECL	Modified ECL	Change
Stage 1	128	3	(125)
Stage 2	133	558	425
Stage 3	140	269	129
Total	**401**	**830**	**429**

The changes reported in the table above includes movement between stages as a result of modification.

4.2.9 Information on credit quality of other financial assets at amortised cost

The Group's other financial assets are mainly comprised of loans to related parties, receivables from banks, receivables from sold portfolio, and other financial assets as shown in Note 15. The Group individually assesses credit risk exposure arising from underlying financial assets at the end of each reporting period based on the applicable measurement guidelines under IFRS 9.

Receivables from banks include bank deposits set aside to fund the Group's foreign currency forward contracts and do not meet the definition of cash and cash equivalents and is not material to the Group. Credit risks associated with these receivables are similar to those of cash and cash equivalents and is not material to the Group. The Group's Treasury function manages them as part of its hedging activities (Note 15 and Note 4.3).

The table below summarises the balances for loss allowance for receivables from sold portfolios reported in other financial assets for the years ended and as at 31 December 2024:

EUR '000	Stage 1 12-month ECL
Receivables from sold portfolios A+ to A-	-
BBB+ to BBB-	-
BB+ to BB-	-
Unrated	8,381
Gross carrying amount	8,381
Loss allowance	(186)
Carrying amount – net of loss allowance	8,195

The loss allowance for receivables from sold portfolios is mainly related to those originated and immediately sold to external parties due to longer repayment periods. There were no ECL recognised on receivables from sold portfolios in 2023. The impairment loss of EUR 186 thousand is included in the consolidated statement of profit or loss in impairment loss on loans to customers line item in 2024.

The table below summarises the balances for loss allowance for loans to related parties reported in other financial assets for the years ended and as at 31 December 2024:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Total
Loans to related parties A+ to A-	-	-	-
BBB+ to BBB-	-	-	-
BB+ to BB-	-	-	-
Unrated	3,700	7,999	11,699
Gross carrying amount	3,700	7,999	11,699
Loss allowance	-	(58)	(58)
Carrying amount – net of loss allowance	3,700	7,941	11,641

The table below summarises the balances for loss allowance for loans to related parties reported in other financial assets for the years ended and as at 31 December 2023:

EUR '000	Stage 1 12-month ECL
Loans to related parties	
A+ to A-	-
BBB+ to BBB-	-
BB+ to BB-	-
Unrated	10,096
Gross carrying amount	10,096
Loss allowance	(48)
Carrying amount – net of loss allowance	10,048

The impairment loss of EUR 10 thousand is included in the consolidated statement of profit or loss in impairment loss on loans to customers line item in 2024.

IFRS 9 provides a practical expedient for recognising 12-month ECL for financial instruments with low credit risk at the reporting date. Where applicable, the Group applies this practical expedient in determining loss allowances regarding other financial assets measured at amortised cost and included in the category of other financial assets. Therefore, the Group has not recognised ECL for the receivables from banks. This is to the extent that the underlying receivables from counterparties are "investment grade" based on the definition of external rating agencies – between AAA to BBB- (Standard & Poor's, Fitch) or Aaa-Baa3 (Moody's).

At each reporting date, the Group assesses whether any extraordinary events would result into a significant increase in credit risk. The Group also determines whether loss allowances should be recognised using lifetime ECL.

4.2.10 Information on credit quality of debt investments

Debt investments in bonds

The debt investments reflect the Group's acquisition of secured bonds. Such bonds are principally secured by loan portfolios or real estate that are pledged in favour of the Group, taking into consideration pre-established collateralised ratios in relation to the amount invested and also encompass pre-established ratios of exposures by ageing of the underlying pledged portfolio. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts or pledged financial instruments and other assets in favour of the Group in respect of this investment.

The Group conducts periodical assessments in relation to the respective portfolio, in order to assess whether the Group should provide for expected credit losses. The outcome of such assessments, coupled with the several clauses contained within the agreement, reflects the need for the Group to account for expected credit losses of EUR 396 thousand in relation to these investments as at 31 December 2024.

The table below summarises the balances for loss allowance for debt investments in bonds for the year ended and as at 31 December 2024:

EUR '000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Total
Debt investments in bonds			
A+ to A-	-	-	-
BBB+ to BBB-	-	-	-
BB+ to BB-	-	-	-
Unrated	99,434	9,866	109,300
Gross carrying amount	99,434	9,866	109,300
Loss allowance	(49)	(347)	(396)
Carrying amount – net of loss allowance	99,385	9,519	108,904

The table below summarises the balances for loss allowance for debt investments in bonds for the year ended and as at 31 December 2023:

EUR '000	Stage 1 12-month ECL
Debt investments in bonds	
A+ to A-	-
BBB+ to BBB-	-
BB+ to BB-	-
Unrated	62,147
Gross carrying amount	62,147
Loss allowance	(33)
Carrying amount – net of loss allowance	62,114

The consolidated statement of profit or loss includes an impairment loss of EUR 363 thousand for debt investments in bonds, presented as part of the impairment loss on loans to customers line item in 2024.

Debt investments in securitisation portfolio

Such investments are principally secured by loan portfolios that are pledged in favour of the Group, taking into consideration pre-established collateralised ratios in relation to the amount invested and also encompass pre-established ratios of exposures by ageing of the underlying pledged portfolio. Moreover, the underlying pledged portfolio is backed by a European Investment Fund ('EIF') guarantee that enhances the recoverability ratio of the initial investment. The Group conducts periodical assessments in relation to the respective portfolio, in order to assess whether the Group should account for expected credit losses. The outcome of such assessments considers the safeguards in favour of Multitude which are included within the investment covenants.

The table below summarises the balances for loss allowance for debt investments in securitisation portfolio for the year ended and as at 31 December 2024:

EUR '000	Stage 1 12-month ECL
Debt investments in securitisation portfolio A+ to A-	-
BBB+ to BBB-	-
BB+ to BB-	-
Unrated	3,653
Gross carrying amount	3,653
Loss allowance	(3)
Carrying amount – net of loss allowance	3,650

The consolidated statement of profit or loss includes an impairment loss of EUR 3 thousand for debt investments in securitisation portfolio, presented as part of the impairment loss on loans to customers line item in 2024. There were no transactions related to these investments in 2023.

4.2.11 Write-off policy

The Group writes off and derecognises loans to customers, debt investments and other financial assets at amortised cost when it determines that these are credit-impaired for a significant period, and the Group has exhausted all practical efforts and debt recovery strategies. This is generally the case when the Group has applied debt recovery strategies for a significant period of time and has concluded there is no reasonable expectation of recovery, generally those assets aged 1,080 days or more. The result of write-offs is recognised in the statement of profit or loss in the impairment loss on loans to customers line item.

In those cases where there is no reasonable expectation of full or partial recovery from overdue financial assets, Multitude may opt to conduct one-off sales to third parties. Subsequent to the conduct of such sales, the Group writes off any unrecovered amounts (after taking into account expected credit losses originally reserved against the financial asset). The Group recognises the gain or loss from the sale of financial assets as the difference between the consideration received, and the carrying amount (gross amount less any loss allowances) of such financial assets and costs incurred during the sale, in the statement of profit or loss in the impairment loss on loans to customers line item.

4.2.12 Collateral

The Group's consumer lending portfolio is generally unsecured, in line with the typical nature and characteristics observed for short-term retail portfolios. However, the Group employs a range of policies and practices to mitigate credit risk, including collection strategies, contractual arrangements by which the Group can sell aged portfolios once specific loans reach a predetermined ageing profile and one-off debt sales. Note 4.2.7 discloses the amount of loans to customers disposed of during the year.

In 2023, the Group started to offer collateralised loans to SME customers. The underlying collateral for these loans must be comprised of either loan portfolios, apartments or residential buildings, commercial properties or plots that meet specific requirements, and also include any additional cash or financial instrument collateral provided by the issuer. The Group assigns different loan-to-value coefficients to every collateral item depending on its nature. The value of collateral is regularly reviewed for changes in the underlying market prices.

The debt investments are principally secured by loan portfolios or real estate that are pledged in favour of the Multitude Bank p.l.c. and hence the Group, taking into consideration pre-established collateralised ratios in relation to the amount invested and encompassing pre-established ratios of exposures by ageing of the underlying pledged portfolio. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts or pledged financial instruments in favour of the Bank in respect of this investment.

4.2.13 Maximum exposure to credit risk

An 'exposure' is defined as the amount at risk arising from the Group's assets and off-balance sheet items. The Group's maximum credit risk concerning on- and off-balance sheet items can be classified into the following categories:

1. Financial assets that comprise principally cash and cash equivalents (balances with Central Banks and balances with other banks), loans to customers, debt investments, and other financial assets. The maximum exposure of these financial assets to credit risk equals their gross carrying amounts.

2. Loan commitments and other credit-related commitments that are irrevocable over the life of the respective facilities. The maximum exposure to credit risk is the full amount of the committed facilities. However, the likely amount of loss is less than the total unused commitments as the most commitments to extend credit are contingent upon customers maintaining specific credit standards. These exposures are monitored in the same manner as loans to customers and debt investments.

The Group's maximum credit risk exposure without collateral held or other credit enhancements as at 31 December 2024 and 31 December 2023 are as follows:

EUR '000	December 2024	December 2023
Credit risk exposures relating to on-balance sheet assets:		
Loans to customers (gross)	788,528	690,617
Cash and cash equivalents	249,458	283,712
Other financial assets at amortised cost:		
- Debt investments in bonds (gross)	109,300	62,147
- Loans to related parties (gross)	11,699	10,096
- Receivables from sold portfolios (gross)	8,381	1,476
- Receivables from banks	4,206	4,362
- Debt investments in securitisation portfolio (gross)	3,653	-
- Other receivables	3,062	3,549
Credit risk exposures relating to off-balance sheet instruments:		
Commitments	10,533	8,000
Total credit risk exposure	**1,188,820**	**1,063,959**

4.2.14 Credit concentration risk

Credit concentration risk exposure results from inadequate diversification of the Group's financial assets. This risk is managed by actively measuring, reporting and monitoring on a regular and ongoing basis risk concentration levels against reasonable thresholds for counterparties, products, and territories.

The Group's loans to customers do not include any significant credit risk concentrations. These are mainly comprised of retail exposures which are individually insignificant, with the biggest value per customer arising from uncollaterised Instalment Loans, Credit Lines and Purchase Financing (BNPL), granted through the standard underwriting process of the Group, at a cap of EUR 350,000 or 0.01% of total Group loans to customers for the years ended 31 December 2024 and 31 December 2023. The Group has higher exposure to debt investments and Secured Loans that have collateral, receivables from sold portfolios as well as loans to related parties.

Multitude does not have customers that individually generate more than 10% of total revenue for the years ended 31 December 2024 and 31 December 2023. For Multitude Bank the concentration limit is defined in accordance with the requirements of Part Four: Large Exposures, of the CRR and as at 31 December 2024 and 2023, no loans to customers or other financial assets were deemed to be in excess of the large exposures, prior to any eligible exemptions. Concentration limits for balances with Central Banks and other banks are set out individually as a percentage to the Group's equity in treasury management policy. The limit ranges between 10% and 100% depending on the individual credit rating of each bank.

Following table shows credit concentration of the Group by geographic regions as at 31 December 2024:

EUR '000	Cash and cash equivalents	Loans to customers	Debt investments	Other financial assets	Total financial assets	December 2024
Country of domicile - Switzerland	-	-	-	21	21	-
Northern Europe	43,621	380,210	42,711	16,185	482,727	46.46%
Western Europe	146,684	53,787	32,502	2,449	235,422	22.66%
Eastern Europe	57,706	214,988	37,341	7,847	317,882	30.59%
Other	1,447	943	-	602	2,992	0.29%
Total	249,458	649,928	112,554	27,104	1,039,044	100.00%

The country of domicile was changed to Switzerland since 30 December 2024.

The following table shows the credit concentration of the Group by geographic regions as at 31 December 2023:

EUR '000	Cash and cash equivalents	Loans to customers	Debt investments	Other financial assets	Total financial assets	December 2023
Country of domicile - Switzerland	-	-	-	-	-	-
Northern Europe	20,433	341,643	15,057	14,052	391,185	41.56%
Western Europe	257,506	46,992	25,647	4,288	334,433	35.53%
Eastern Europe	4,015	180,776	21,410	373	206,574	21.95%
Other	1,758	6,537	-	722	9,017	0.96%
Total	283,712	575,948	62,114	19,435	941,209	100.00%

4.3 Market risk

The Group's operations in different markets expose it to various market risks, including foreign currency risk and interest rate risk.

4.3.1 Foreign currency risk

4.3.1.1 Foreign currency transaction risk

The Group operates in different markets, mainly within of the Eurozone and generates significant transactions and balances in various currencies and therefore is exposed to foreign currency transaction risk. Foreign currency transaction risk only relates to foreign currency items in currencies other than the respective Group company's functional currency. This includes transactions and loans between Group companies with different functional currencies.

Multitude manages foreign currency transaction risks in accordance with its treasury risk management policy that aims to hedge and mitigate the potential adverse impact of fluctuations in foreign exchange rates between the Euro and other foreign currencies that may impact the consolidated statement of profit or loss.

As part of this policy, Group companies enter into foreign currency forward contracts to hedge material balances (including intercompany) that are not denominated in Euros. In accordance with the policy, the aim is to hedge close to 100% of the net exposures. The Group treasury policy further requires all Group companies to apply rules of natural hedging and optimally counterbalance significant foreign currency denominated transactions and balances.

As of 31 December 2024 and 31 December 2023, the Group's primary foreign exchange transaction exposure arises from monetary assets and liabilities denominated in Danish Krone (DKK), Swedish Krona (SEK), Bulgarian Lev (BGN), Romanian New Leu (RON), Polish Zloty (PLN), Norwegian Krone (NOK), Czech Koruna (CZK), and accordingly, the Group hedges the foreign currency exchange risks arising from the net assets denominated in these currencies.

The following tables include the estimated effect on the profit for the period owing to the weakening of the most significant foreign currencies against the Group company's functional currency. For other Group companies and currencies, the Leadership Team has assessed that the impact of foreign exchange transaction risk is not significant. The sensitivities have been calculated based on a 10% movement in the foreign exchange rates, which Multitude has assessed to be a reasonably possible change in the exchange rates. A corresponding strengthening of the exposure currency would have an approximately equal opposite impact. A negative (positive) amount in the table reflects a potential net loss (net gain) in the consolidated statement of profit or loss.

The table below shows, at the level of the whole Group, in which currencies the monetary items are mainly held as well as sensitivity analysis as at 31 December 2024:

EUR '000	EUR	PLN	SEK	CZK	BGN	NOK	DKK	RON
Financial assets at amortised cost:								
Loans to customers	368	-	145,480	9,072	7,830	10,117	98,734	5,070
Cash and cash equivalents	1,715	3,732	59,022	4,692	508	1,052	4,106	8,721
Other financial assets - sold portfolios	417	7,256	-	-	-	100	13	-
Total	2,500	10,988	204,502	13,764	8,338	11,269	102,853	13,791
Financial liabilities at amortised cost:								
Deposits from customers	-	-	189,270	-	-	-	-	-
Total	-	-	189,270	-	-	-	-	-
Intercompany loans	232	-	17,259	-	2,185	-	-	-
Notional of derivative financial instrument	-	10,550	18,211	13,900	-	11,500	-	8,000
Residual exposure	**2,732**	**438**	**14,280**	**(136)**	**10,523**	**(231)**	**102,853**	**5,791**
Currency up by 10%	273	44	1,428	(14)	1,052	(23)	10,285	579
Currency down by 10%	(273)	(44)	(1,428)	14	(1,052)	23	(10,285)	(579)

The table below shows exposure to the majority of foreign currency denominated monetary items at consolidated level, the hedging coverage from foreign currency forward contracts and sensitivity analysis as at 31 December 2023:

EUR '000	EUR	PLN	SEK	CZK	BGN	NOK	DKK	RON
Financial assets at amortised cost:								
Loans to customers	1,360	191	146,026	11,232	6,017	7,276	77,837	7,278
Cash and cash equivalents	1,670	725	18,390	2,115	210	1,502	4,144	5,570
Total	3,030	916	164,416	13,347	6,227	8,778	81,981	12,848
Intercompany loans	-	-	20,275	-	2,403	-	-	-
Notional of derivative financial instrument	-	622	150,732	16,179	-	8,763	-	4,058
Residual exposure	**3,030**	**294**	**33,959**	**(2,832)**	**8,630**	**15**	**81,981**	**8,790**
Currency up by 10%	303	29	3,396	(283)	863	2	8,198	879
Currency down by 10%	(303)	(29)	(3,396)	283	(863)	(2)	(8,198)	(879)

The calculation includes currency hedges and assumes no changes in other underlying currencies. The currency effects are based on the statement of financial position exposure at reporting date, hedging levels at reporting date, and the assumption that the currency cash flow hedging levels and all other variables will remain constant during the next twelve months. Hedging instruments include foreign currency forward contracts and are disclosed in Notes 15 and 20.

4.3.1.2 Foreign currency translation risk

Translation risk arises from the retranslation of the financial position of investments in foreign subsidiaries to presentation currency of the Group and impacts other comprehensive income which is accumulated in the separate translation reserve in the consolidated equity attributable to the owners of the parent company.

The statements of financial position of foreign subsidiaries are translated into Euro using exchange rates prevailing on the reporting date and their statements of profit or loss are translated at spot exchange rates prevailing at the dates of the transactions (Note 2.4.2). The same also applies for the translation differences of intercompany monetary items, whose repayment is neither planned nor likely to occur, and that form part of the net investment in a foreign operation. These cumulative differences materialise through the profit or loss of the Group at the disposal, in whole or in part, of each foreign subsidiary. The main currencies creating translation risk in the Group are presented in the table below:

	CAD		MXN		SEK	
EUR '000	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023
Translation reserve in equity	102	51	411	329	(3,738)	(3,456)

	INR		RON		Other		Total	
EUR '000	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023	December 2024	December 2023
Translation reserve in equity	35	(20)	(261)	(280)	61	(6)	(3,390)	(3,382)

4.3.2 Interest rate risk

4.3.2.1 Interest rate risk management

The Group is exposed to interest rate risk, which could impact its net interest income and the value of assets and liabilities through its business activities. The main items exposing the Group to the interest rate risk are loans to customers, debt investments, deposits from customers as well as issued debt securities. Currently, the Group is exposed to cash flow interest rate risk through its floating interest rate financial assets and liabilities, as well as pricing risk arising from the differences in refinancing periods between its fixed rate financial assets and liabilities. The interest rate risk is regularly measured and the Group aims to apply natural hedging to minimise the exposure to interest fluctuations.

The Group mitigates adverse impacts arising from interest rate fluctuations in the consolidated statements of profit or loss, cash flows, and financial position by having a balanced portfolio of fixed and floating rate instruments. The combination of fixed and floating interest rates is based on Euribor, which is the basic rate of interest used in lending between banks and is commonly used as a reference for setting the interest rate on loans within the European Union. Multitude does not use Interbank Offered Rates (IBORs) other than Euribor.

4.3.2.2 Interest rate risk measurement

The Group analyses its interest rate exposures on a periodic basis. Various scenarios are simulated considering refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift for the assets and liabilities held by Multitude AG and Multitude Bank p.l.c. that constitute the majority of interest-bearing items with floating interest rates. The same interest rate shift is used for each simulation for all currencies. The scenarios are run for items that are subject to daily reference rates.

The Group keeps monitoring the materiality of interest rate risk derived from items recognised in the statement of financial position on a regular basis and aims to incorporate all significant changes of the business model into the assessment. The Group's floating and fixed rate interest-rate position as per the year-end is presented in the following table. Floating rate refers to instruments which are tied to maximum 12-month Euribor. Non-interest bearing refers to zero-coupon products.

EUR ‘000	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
31 December 2024				
Loans to customers	185,634	464,294	-	649,928
Cash and cash equivalents	59,287	13,305	176,866	249,458
Debt investments	112,554	-	-	112,554
Loans to related parties	7,941	3,700	-	11,641
Receivables from banks	-	4,206	-	4,206
Derivative financial assets	-	-	53	53
Receivables from sold portfolios	-	-	8,195	8,195
Other receivables	-	-	3,062	3,062
Total	**365,416**	**485,505**	**188,176**	**1,039,097**
Deposits from customers	(9,910)	(781,574)	(9,321)	(800,805)
Debt securities	(74,031)	(2,819)	-	(76,850)
Other financial liabilities	(4,839)	-	(9,329)	(14,168)
Lease liabilities	-	(5,138)	-	(5,138)
Derivative financial liabilities	-	-	(735)	(735)
Total	**(88,780)**	**(789,531)**	**(19,385)**	**(897,696)**
Net exposure	**276,636**	**(304,026)**	**168,791**	**141,401**
31 December 2023				
Loans to customers	118,774	457,174	-	575,948
Cash and cash equivalents	166,794	107	116,811	283,712
Debt investments	62,114	-	-	62,114
Loans to related parties	8,148	1,900	-	10,048
Receivables from banks	-	4,362	-	4,362
Derivative financial assets	-	-	299	299
Receivables from sold portfolios	-	-	1,476	1,476
Other receivables	-	-	3,549	3,549
Total	355,830	463,543	122,135	941,508
Deposits from customers	(8,803)	(712,399)	(11,148)	(732,350)
Debt securities	(44,885)	(2,920)	-	(47,805)
Other financial liabilities	-	-	(9,331)	(9,331)
Lease liabilities	-	(4,963)	-	(4,963)
Derivative financial liabilities	-	-	(5,323)	(5,323)
Total	(53,688)	(720,282)	(25,802)	(799,772)
Net exposure	**302,142**	**(256,739)**	**96,333**	**141,736**

4.3.2.3 Interest rate sensitivity analysis

Taking cognisance of the nature of Multitude’s financial assets and liabilities, under the requirements of IFRS 7, a sensitivity analysis in respect of interest rate changes is applied in relation to all net floating rate instruments to which the Group is exposed to. These instruments are the net resultant of floating rate assets, which mainly constitute the surplus liquidity placed with banks, loans to customers, debt investments; and floating rate liabilities, consisting of funding through bonds.

At the end of the reporting periods, if the interest rates on the floating rate instruments had increased / decreased by 100 basis points (assuming a parallel shift of 100 basis points in yields) with all other variables held constant, the pre-tax result for the year for Multitude would change by the following amounts determined by applying the shift to the net floating interest exposure at the end of the reporting periods:

EUR '000	December 2024	December 2023
(+) 100 bp	2,619	4,864
(-) 100 bp	(2,619)	(4,864)

The amounts above are not impacted by intercompany funding arrangements.

4.4 Liquidity risk

Liquidity risk is defined as the risk that the Group does not have sufficient liquid financial resources to meet obligations associated with financial liabilities settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stressful circumstances. Transactional liquidity risk is defined as the risk of executing a financial transaction below fair market value or not being able to execute the transaction within a specific period. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that it is readily available without endangering its value to avoid uncertainty related to financial distress at all times.

To mitigate potential risks, the Group diversified funding sources beyond its core deposit base. Additionally, the Group has adopted a policy that prioritises liquidity in asset management, monitoring future cash flows at the market level across each operating entity. This oversight is consolidated centrally by the Group Treasury function. The Group Treasury function diligently tracks rolling forecasts of liquidity requirements, ensuring adequate cash reserves to meet operational needs. The goal is to maintain a comfortable margin for debt facilities and other non-current liabilities, preventing any breaches in debt agreements. The forecasting process takes into account the Group's debt financing plans, compliance with debt covenants, adherence to internal balance sheet ratio targets, consideration of legal and regulatory requirements, and management of currency restrictions. Collaborating closely with Multitude Bank p.l.c.'s Treasury, the Group Treasury function works jointly to guarantee that the Group remains sufficiently liquid. This collaborative effort ensures a cohesive approach to liquidity management across the organisation.

On the level of Multitude Bank p.l.c., liquidity risk is managed by the Bank's Treasury function and its ALCO through monitoring of day-to-day funding and liquidity ratios with benchmarking against internal and regulatory requirements. The Bank uses Liquidity Coverage Ratio, minimum requirement for own funds and eligible liabilities, and Net Stable Funding Ratio to measure liquidity risk. The Bank continuously monitors its asset base growth, its deposit portfolio as well as its liquidity position in order to ensure that all ratios are constantly kept above the minimum regulatory ratio.

The tables below show an analysis of financial assets and financial liabilities presented according to when they are expected to be recovered or settled. Regarding loans to customers, debt investments and deposits from customers, the Group uses the same basis of expected repayment behaviour as that applied in the estimation of the EIR for each instrument. For financial assets with no fixed maturity, such as Credit Limits, expected repayments are estimated based on historical customer behaviour and the average contractual duration of similar agreements.

Maturity analysis of undiscounted financial assets as at 31 December 2024 and 31 December 2023:

EUR '000	On demand	Within three months	Between 3 months and 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total	Carrying amount
31 December 2024								
Cash and cash equivalents	242,478	6,980	-	-	-	-	249,458	249,458
Derivative financial assets	-	53	-	-	-	-	53	53
Loans to customers:								
Principal	-	320,328	227,820	140,218	55,190	6,065	749,621	649,928
Interest	-	53,606	37,476	22,802	6,572	674	121,130	-
Debt investments:								
Principal	-	-	10,800	48,500	51,884	-	111,184	112,554
Interest	-	3,077	9,567	9,259	5,375	-	27,278	-
Other financial assets:								
Principal	-	15,463	-	8,000	3,657	-	27,120	27,104
Interest	-	161	736	873	408	-	2,178	-
Total	**242,478**	**399,668**	**286,399**	**229,652**	**123,086**	**6,739**	**1,288,022**	**1,039,097**
31 December 2023								
Cash and cash equivalents	279,187	4,525	-	-	-	-	283,712	283,712
Derivative financial assets	-	299	-	-	-	-	299	299
Loans to customers:								
Principal	-	120,134	343,456	124,959	47,548	10,322	646,419	575,948
Interest	-	20,331	58,126	20,335	5,840	1,234	105,866	-
Debt investments:								
Principal	-	-	-	15,800	45,200	-	61,000	62,114
Interest	-	1,976	5,685	7,490	4,623	-	19,774	-
Other financial assets:								
Principal	-	1,476	4,255	3,500	8,156	1,900	19,287	19,435
Interest	-	-	561	693	1,459	204	2,917	-
Total	**279,187**	**148,741**	**412,083**	**172,777**	**112,826**	**13,660**	**1,139,274**	**941,508**

Most of the Group's financial liabilities consist of customer deposits and issued bonds with defined contractual maturity. The overarching goal of liquidity risk management is to sustain an adequate level of liquid assets, considering anticipated cash outflows related to customer obligations and other liabilities.

Maturity analysis of undiscounted financial liabilities as at 31 December 2024 and 31 December 2023:

EUR '000	On demand	Within three months	Between 3 months and 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total	Carrying amount
31 December 2024								
Derivative financial liabilities	-	735	-	-	-	-	735	735
Deposits from customers:								
Principal	118,091	89,379	329,254	210,754	43,484	-	790,962	800,805
Interests	1,747	1,932	11,305	16,758	3,772	-	35,514	-
Debt securities:								
Principal	-	-	-	-	76,956	3,052	80,008	76,850
Interests	-	1,832	5,901	7,733	12,064	909	28,439	-
Lease liabilities	-	531	1,553	1,936	1,547	-	5,567	5,138
Commitments given	10,533	-	-	-	-	-	10,533	-
Total	**130,371**	**94,409**	**348,013**	**237,181**	**137,823**	**3,961**	**951,758**	**883,528**
31 December 2023								
Derivative financial liabilities	-	5,323	-	-	-	-	5,323	5,323
Deposits from customers								
Principal	34,382	114,385	333,139	112,173	138,211	-	732,290	732,350
Interests	-	72	882	522	778	-	2,254	-
Debt securities:								
Principal	-	-	-	46,000	-	3,052	49,052	47,805
Interests	-	1,328	4,436	4,421	909	1,515	12,609	-
Lease liabilities	-	694	1,542	1,293	2,046	-	5,575	4,963
Commitments given	8,000	-	-	-	-	-	8,000	-
Total	**42,382**	**121,802**	**339,999**	**164,409**	**141,944**	**4,567**	**815,103**	**790,441**

4.5 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with all regulatory capital requirements, and at the same time, to maintain strong credit ratings and healthy capital ratios in light of the ambition to grow its business and to maximise shareholder value.

The Group manages its capital structure and adjusts it according to changes in economic conditions, and the risk characteristics of its activities, and growth ambitions. To maintain or adjust the capital structure, the Group may issue financial instruments, adjust the amount of dividend payment to shareholders, or return of capital to shareholders. No changes have been made to the objectives, policies and processes in comparison to previous years. They are, however, under constant review by the Board.

The Group's funding structure and cost of debt are primarily determined by deposits received from customers and issued financial instruments such as Multitude Capital Oyj 2024 senior unsecured bonds (presented as debt securities in the consolidated statement of financial position) and Multitude Bank p.l.c. tranche bonds qualifying as Tier 2 regulatory capital (presented as debt securities in the consolidated statement of financial position).

To generate additional IFRS equity, the Group issued perpetual bonds, accounted for as a separate line item in equity part of the consolidated statement of financial position, with a nominal value of EUR 50 million on 5 July 2021.

In accordance with the terms of senior debt instruments issued or guaranteed by Multitude AG, the Group is obliged to ensure that its consolidated equity is maintained at certain levels on each reporting date. These measurements include a Maintenance Covenant, which is to be calculated and tested by reference to the consolidated financial statements on each reference date with respect to the reference period ending on such reference date. Multitude AG shall ensure that the consolidated Net Equity Ratio as defined in the relevant bond term is at least 18%. At the end of December 2024, the consolidated Net Equity Ratio amounted to 23.2%, at the end of the financial year 2023 it amounted to 26.0%.

Restricted Distributions, such as dividend payments, are limited to 50% of the Group's previous year's net profit. Distribution of more than 50% of net profit is permitted in case and to the extent a Distribution Test is met as defined in the relevant bond terms. For the purpose of this Distribution Test, the consolidated Net Equity Ratio needs to be at least 25%.

The carrying amounts of the Group's debt positions compared to its cash and cash equivalents ("net debt") for the periods ended at 31 December 2024 and at 31 December 2023 are as follows:

EUR '000	December 2024	December 2023
Cash and cash equivalents	249,458	283,712
Gross debt, due within 1 year	(542,506)	(484,523)
Gross debt, due after 1 year	(335,149)	(295,632)
Perpetual bonds with no maturity date	(45,000)	(45,000)
Net debt	**(673,197)**	**(541,443)**
Cash and cash equivalents	249,458	283,712
Gross debt - fixed interest rates	(784,393)	(715,319)
Gross debt - floating interest rates	(128,941)	(98,688)
Gross debt - non-interest bearing	(9,321)	(11,148)
Net debt	**(673,197)**	**(541,443)**

EUR '000	Cash and cash equivalents	Gross debt, due within 1 year	Gross debt, due after 1 year	Perpetual bonds	Net debt
AT 1 JANUARY 2023	**153,325**	**(422,392)**	**(128,401)**	**(50,000)**	**(447,468)**
Repayment of perpetual bonds	-	-	-	5,000	5,000
Net (increase) in deposits from customers	-	(62,131)	(167,231)	-	(229,362)
Net increase in cash and cash equivalents	130,541	-	-	-	130,541
Foreign exchange adjustments	(154)	-	-	-	(154)
AT 31 DECEMBER 2023	**283,712**	**(484,523)**	**(295,632)**	**(45,000)**	**(541,443)**
AT 1 JANUARY 2024	**283,712**	**(484,523)**	**(295,632)**	**(45,000)**	**(541,443)**
Net decrease / (increase) in deposits from customers	-	(58,065)	(10,390)	-	(68,455)
Net (increase) in debt securities	-	82	(29,127)	-	(29,045)
Net (decrease) in cash and cash equivalents	(34,171)	-	-	-	(34,171)
Foreign exchange adjustments	(83)	-	-	-	(83)
AT 31 DECEMBER 2024	**249,458**	**(542,506)**	**(335,149)**	**(45,000)**	**(673,197)**

In addition to managing capital at the consolidated Group level, Multitude AG's 100% subsidiary Multitude Bank p.l.c. monitors and manages its capital structure and composition so that it remains compliant with all applicable regulatory capital requirements at all times. Multitude Bank p.l.c. is required to maintain a ratio of total regulatory capital to risk-weighted assets ("Capital requirements ratio") as well as a CET 1 capital ratio above a minimum level as prescribed by banking regulations. The capital requirements ratio expresses own funds as a proportion of risk-weighted assets and off-balance sheet items in relation to credit risk together with notional risk-weighted assets in respect of operational risk.

Capital adequacy and the use of regulatory capital are monitored on an ongoing basis by the management of Multitude Bank p.l.c., employing techniques based on the guidelines developed by the Basel Committee and the European Union Directives and regulations, as implemented by the MFSA for supervisory purposes. Multitude Bank p.l.c. has procedures in place to ensure that the external capital requirements are met. During the financial years ended on 31 December 2023 and 31 December 2024, Multitude Bank p.l.c. met all regulatory capital requirements. The Bank's total capital ratio and CET1 capital ratio as at 31 December 2024 were 17.83% and 15.26% respectively (31 December 2023: 17.33% and 16.74% respectively).

5. Group companies

5.1 Organisational structure of the Group

The Group organisational structure with ownership interest in subsidiaries as at 31 December 2024 and comparative 31 December 2023 is shown in the table below:

Subsidiary	Country	December 2024	December 2023
Bhawana Capital Private Limited	India	99.68%	99.27%
CapitalBox AB	Sweden	100.00%	100.00%
fe Business Services OÜ	Estonia	100.00%	100.00%
Ferratum (Malta) Holding Limited	Malta	100.00%	100.00%
Ferratum Bulgaria EOOD	Bulgaria	100.00%	100.00%
Ferratum Capital Oy	Finland	100.00%	100.00%
Ferratum Latvia SIA	Latvia	100.00%	100.00%
Ferratum Mexico S. de R.L. de C.V.	Mexico	100.00%	100.00%
Ferratum Portfolio S.à r.l.	Luxembourg	100.00%	100.00%
Ferratum Romania I.F.N.S.A.	Romania	100.00%	100.00%
Guarantee Services OÜ	Estonia	100.00%	100.00%
Multitude Bank p.l.c.	Malta	100.00%	100.00%
Multitude Capital Oyj	Finland	100.00%	0.00%
Multitude Global Services Corp	Philippines	99.94%	99.94%
Multitude GmbH	Switzerland	100.00%	0.00%
Multitude International Services Oy	Finland	100.00%	100.00%
Multitude IT Labs s.r.o.	Slovakia	100.00%	100.00%
Multitude Services Lithuania UAB	Lithuania	100.00%	100.00%
Multitude Services Sweden AB	Sweden	100.00%	100.00%
Numeratum d.o.o.	Croatia	100.00%	100.00%
Pactum Collections GmbH	Germany	100.00%	100.00%
Saldo Gestion SL	Spain	-	100.00%
Saldodipje SL	Spain	100.00%	100.00%
Suomen Joustava Oy	Finland	100.00%	100.00%
Vector Procurement Solutions Inc.	Canada	100.00%	100.00%

Multitude Group does not have any joint ventures. Multitude has investments in associates not included in the table above and disclosed in Note 5.2.

During 2024, the following entities have been established:

- Multitude GmbH, domiciled in Zug, Switzerland, established to support the relocation process until Multitude AG has fully relocated;
- Multitude Capital Oyj, domiciled in Helsinki, Finland, established for the purpose of bond placement and funding of the Group's operations mentioned in Note 1.1.

There were no new entities created as a result of the business combination with Omniveta, as the transaction has been structured as a purchase of business. The business acquired was integrated into CapitalBox AB.

Furthermore, Saldo Gestion SL was disposed during 2024.

5.2 Investments in associates

On 9 October 2024, Multitude acquired a 9.9% stake in Lea Bank AB, a digital niche bank offering consumer loans in Norway, Sweden, Finland and Spain, for EUR 8.2 million. Such acquisition was not subject to regulatory approval. Multitude considers such acquisition to be a strategic investment in view of the complementary product offerings.

Furthermore, the Group has resolved and committed to acquire an additional stake of 8.7% at the same time (Note 26) and additional 2.25% in January 2025. The acquisition of further stakes was not formally concluded, since it was subject to regulatory approval, which at the time of the transaction, was deemed likely to be granted and which eventually formally ratified on 4 February 2025, when the effective shareholding was then equivalent to 20.85%.

As at 31 December 2024, the Group considered that an associate relationship existed given that the Group was entitled to nominate board candidates in line with the governance framework of Lea Bank. Moreover, during the year ended 31 December 2024, the Group was actively involved in a strategic engagement with the management of Lea Bank on a number of commercial projects.

The level and extent of relationship and engagement as at 31 December 2024, is deemed to demonstrate the Multitude's ability to influence key operational and strategic initiatives, and hence significant influence, in line with the principles of IAS 28. The fair value of the publicly quoted investee is calculated using observable inputs and is regarded as Level 1 under the fair value hierarchy.

Details of the Group's material associate at the end of the reporting period are as follows:

2024				EUR '000	EUR '000
Name of entity	Place of business	Country of registration	% of ownership interest	Quoted fair value	Carrying amount
Lea Bank AB	Norway, Sweden, Finland, Spain	Sweden	9.9%	8,338	8,432

This investment is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 2.4.1.

The Group continued to strengthen its shareholder position by acquiring additional stakes in 2025 (Note 28).

Summarised financial information for material associate:

The tables below provide summarised financial information for the Group's material associate. This information reflects the amounts presented in the financial statements Lea Bank and not the Group's share of those amounts.

Summarised statement of financial position	Lea Bank AB
EUR '000	31 December 2024
Total assets	799,818
including:	
Loans to customers	598,635
Total liabilities	(673,533)
including:	
Deposits from customers	(635,673)
Net assets	**126,285**

Summarised statement of comprehensive income EUR '000	Lea Bank AB 2024
Total income	54,095
including:	
Interest income	69,936
Interest expense	(22,913)
Provision for loan losses	(26,746)
Profit from continuing operations	7,893
Profit from discontinued operations	-
Profit for the period	7,893
Other comprehensive income	-
Total comprehensive income	**7,893**
Dividends received	-

Reconciliation to carrying amount EUR '000	Lea Bank AB 31 December 2024
Opening net assets 1 January	**123,463**
Profit for the period	7,782
Changes from Tier 1 Capital	(550)
Options	(112)
Share issuance	141
Dividends paid	(4,439)
Closing net assets 31 December	**126,285**
Proportion of the Group's ownership interest in %	9.9
Proportion of the Group's ownership interest in EUR	12,502
Goodwill	1,724
Capitalised directly attributable costs	189
Fair value adjustments	(5,983)
Carrying amount of the Group's interest in associate	**8,432**

The Group has interests in individually immaterial associates that are accounted for using the equity method.

EUR '000	2024	2023
Carrying amount of investment in associates	777	1,022
Aggregate amounts of the Group's share of:		
Loss (profit) from continuing operations	(246)	6
Other comprehensive income	-	-
Total comprehensive (loss) / income	**(246)**	**6**

In 2023, Multitude made an equity investment of 19.97% in Sortter Oy, a FinTech company incorporated in Finland in 2018 that compares and ranks financial services for its customers similarly to how hotels or flights are compared online. Multitude also acquired a share option to purchase the remaining interest from other shareholders as part of the total purchase price and integral to the transaction. The option's exercise price is tied to Sortter's income and profit before taxes, ensuring the price is aligned with the company's financial performance. The option has not been recognised separately as a derivative, as the pricing mechanism has been designed to ensure that the strike price is dependent on the profitability metrics that are used in valuation of enterprise at the time of exercise. Apart from equity investment, Multitude has given a corporate loan of EUR 8.0 million to fund the operational activities of Sortter. The partnership of Multitude Group with Sortter Oy includes the provision of leads and the introduction of new customers. The profit after tax of EUR 6 thousand from participation in the investment was recognised as share of result in associated companies in the consolidated statement of profit or loss for 2023. In 2024, the Group recognised EUR 246 thousand loss from participation.

Due to the classification of investment into Sortter Oy as an investment in associates, the corporate loan of EUR 8.0 million is considered as balance with related parties (Note 27).

5.3 Business combination

CapitalBox AB acquired the business of Copenhagen-based Omniveta Finance on 1 March 2024. The transaction has been classified as a business combination since the transaction included the transfer of customer lists, software, processes and systems necessary to run the aggregate as a business. Details of the purchase consideration, the net assets acquired, and goodwill are as follows.

Purchase consideration at the acquisition date:

	EUR '000
Purchase consideration	
Cash paid at the acquisition date	425
Contingent consideration at fair value	370
Total purchase consideration	**795**

If certain predetermined KPIs had been achieved, a consideration of EUR 370 thousand would have been paid out (contingent consideration). The fair value of the contingent consideration was estimated based on the expected future outflows. At the acquisition date, the Group recognised the identifiable assets acquired and the liabilities assumed in the business combination:

	EUR '000
Software	513
Customer list	321
Other assets	24
Employee related liabilities	(83)
Total	**775**

A goodwill of EUR 20 thousand has been recognised as a result of the business combination.

The goodwill is attributable to the synergies expected by combining the business of the acquiree with the existing CapitalBox AB's product portfolio. The goodwill will not be deductible for tax purposes.

The above disclosed amounts differ from the amounts disclosed in the Q1 2024 interim report, as at the date of finalisation of the named report, the fair values included were still provisional. Subsequent to publication of the Q1 2024 report, the contingent consideration has been paid out, and the calculation of the fair values of the acquired assets and liabilities has been finalised, therefore the business combination can be considered complete.

Purchase consideration – cash outflow:

	EUR '000
Outflow of cash to acquire the business:	
Cash paid at the acquisition date	425
Contingent consideration paid	102
Net cash outflow – investing activities	**527**

The difference between the fair value of the contingent consideration and the amount finally paid after foreign currency retranslation (EUR 259 thousand) has been recognised as a gain and presented in other income line item in the consolidated statement of profit or loss. Acquisition-related costs of EUR 103 thousand are included in the general and administrative expense line item in the consolidated statement of profit or loss.

Other costs of EUR 70 thousand have been included in the personnel expense line item in the consolidated statement of profit or loss. These costs are related to services provided by Omniveta employees in February 2024 before the business combination and, therefore, have not been included in the calculation of the consideration transferred.

6. Segment information

Multitude has three business units, Consumer Banking (under the Ferratum brand), SME Banking (under the CapitalBox brand) and Wholesale Banking (under the Multitude Bank brand), which are considered operating and reportable segments within the definition described in IFRS 8. Multitude Bank p.l.c. is a regulatory service provider for each business unit within the Group. The Chief Operating Decision Maker (CODM) is defined as the Group CEO supported by business unit CEOs. The measurement principles and allocation between business units follow the information provided to the CODM as required by IFRS 8.

The CODM monitors the operating results of the business units separately to make decisions about resource allocation and performance assessment. The performance of the business units is evaluated using various key indicators and is consistently reconciled with the profit before income taxes stated in the consolidated financial statements. Profit before income taxes serves as the primary measure of the profitability of these business units.

The presentation of the segments was changed and the comparative period for this Note was restated without change in the consolidated results. In November 2023, Multitude announced plans to improve its organisational structure and introduced a new business unit, Wholesale Banking. This was done by reorganising part of the SweepBank business. Operational since 1 January 2024, the new business unit is active under the Multitude Bank brand and offers two products: Secured Debt and Payment Solutions.

Simultaneously, in its financial reports, the Group renamed the Ferratum business unit to Consumer Banking business unit while keeping the brand Ferratum. CapitalBox's business unit was renamed SME Banking, keeping CapitalBox as the brand name. The reorganisation led to the reallocation of interest income, expenses and receivables of Prime Loans to Consumer Banking business unit, Sales Finance to SME Banking business unit and the redistribution of overhead costs among the three business units. These changes have been incorporated into the segment reporting, and the financial results of business units for the comparative periods have been restated to ensure comparability. The reconciliation between the previous presentation and the new one was published in a separate stock exchange release on 15 May 2024.

Consumer Banking

Consumer Banking offers digital loans for individuals' daily needs, such as unplanned, short-term financing needs resulting from unexpected life events. By the end of December 2024, it offered three product categories: Instalment Loans (including Micro Loan, Plus Loan and Prime Loan), Credit Limit, and Credit Card. The business unit's operations spanned across 14 markets: Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, Germany, Latvia, the Netherlands, Norway, Poland, Romania, Slovenia and Sweden.

Micro Loans, so-called bullet loans, are for instant, short-term financing with quick repayment. They range from EUR 25 to EUR 1,000, which customers pay back in one instalment within 7 to 60 days.

Plus Loans cater to customers' higher needs for instant finance. Loan amounts range from EUR 300 to EUR 4,000, maturity periods between 2 and 18 months, and the loan is paid back in equal instalments over the loan period.

Prime Loans are longer-term instalment loans for consumers that enable higher purchases, like home renovations, cars and other more significant purchases. The loans can amount to EUR 12,000 with loan maturities ranging between 1 and 7 years. In 2024, Prime Loans were moved from being issued by SweepBank to being issued by Consumer Banking.

Credit Limit, the most popular service under Consumer Banking, is a pre-approved credit line, also called revolving credit, which enables financial flexibility on a more continuous basis. Eligible customers are pre-approved for up to EUR 5,000 and can withdraw money and repay without fixed amounts or timelines.

The Credit Card, a Mastercard® without annual or monthly fees, allows financing smaller purchases of up to EUR 8,000. The card offers free liability coverage for purchases with it and up to a 60-day interest-free period. Customers can also use the card as a flexible credit facility by withdrawing money from it directly into their bank account, a feature that is growing in popularity among customers.

SME Banking

SME Banking provides financing solutions to small and medium-sized enterprises (SMEs). By the end of December 2024, it had established five distinct products: Instalment Loans, Invoice Purchasing, Credit Lines, Secured Loans, and Purchase Financing (BNPL). It operates in five markets: Finland, Sweden, Denmark, Lithuania, and the Netherlands.

Instalment Loans

One of the key offerings from SME Banking is its unsecured Instalment Loans, which extend up to EUR 350,000. These loans come with flexible repayment periods spanning 6 to 48 months. They are specifically tailored to assist SMEs in funding various aspects of their operations such as expansion, inventory management, marketing efforts, hiring new personnel, and acquiring or leasing equipment. On average, businesses borrow around EUR 27,000 with a typical loan duration of 27 months.

Invoice Purchasing

With the acquisition of Omniveta's business, SME Banking expanded its product offering to SMEs with a new product, Invoice Purchasing. Currently, we purchase invoices with a due period ranging from 8 days (with credit insurance guarantee) to 120 days and discount rates ranging from 1.45% to 7%. This product line is already expanded to the Netherlands and Finland and intends to expand to other countries where it operates.

Credit Lines

Another financing option provided by the business unit is the Credit Line. This dynamic form of financing grants SMEs access to a credit limit ranging from EUR 2,000 to EUR 150,000. Additionally, it collaborates with retail partners to offer financing solutions to business customers, enabling them to make purchases right at the point of sale.

Secured Loans

The Secured Loans were initially launched in Finland and Lithuania and are planned to be rolled out in other markets. They are designed to support larger investments to drive growth for SMEs. The loan amount can go as high as EUR 3 million.

Purchase Finance (BNPL)

SME Banking introduced a tailored Purchase Financing or Buy Now, Pay Later (BNPL) product explicitly designed for SMEs. This financial solution provides businesses flexible access to up to EUR 20,000 in funding without collateral for up to 36 months. Currently available in Finland and Sweden, the product is strategically designed to help SMEs manage cash flow effectively, allowing them to invest in growth opportunities and finance purchases without relying on their daily capital or experiencing immediate financial strain.

Wholesale Banking

Wholesale Banking is Multitude's newest business unit and it operates under the Multitude Bank brand. It focuses on delivering high-impact, institutional-grade solutions through two core offerings: Secured Debt and Payment Solutions.

Secured Debt Solutions

Secured Debt Solutions specialises in originating and executing sophisticated, tailored instruments (loans or debt investments), focusing on niche opportunities others may hesitate to pursue. The robust experience of nearly two decades, digital approach, efficient risk management tools, and internal and external data utilisation allow for an exceptionally swift underwriting process. Secured Debt Solutions utilises institutional-grade funding backed by a rigorous underwriting process and advanced risk management tools, providing capital against diversified loan portfolios or other collateral. Continuous asset performance oversight ensures security and flexibility, optimising credit risk while unlocking growth potential. Secured Debt Solutions is presented as debt investments when Multitude invests in issued bonds.

Payment Solutions

Payment Solutions offers institutional clients a seamless and secure infrastructure for transaction processing and financial operations. With a deep understanding of the evolving payment landscape, the unit provides end-to-end solutions that enable efficient transaction processing and support long-term growth and operational efficiency for financial institutions.

The results of operations from the Group's operating and reportable segments for the current period 2024 and comparable period 2023 are shown in the tables below:

Operating and reportable segments for 2024

EUR '000	Consumer Banking	SME Banking	Wholesale Banking	Total
Interest income	214,385	33,625	13,090	261,100
Interest expense	(26,824)	(8,143)	(5,890)	(40,857)
Net interest income	**187,561**	**25,482**	**7,200**	**220,243**
Fee and commission income	2,145	-	467	2,612
Fee and commission expense	(526)	-	-	(526)
Net fee and commission income	**1,619**	**-**	**467**	**2,086**
Fair value and foreign exchange gains and losses (net)	(2,746)	(783)	-	(3,529)
Other income	4	259	(1)	262
Share of results of associates	153	-	(246)	(93)
Net operating income	**186,591**	**24,958**	**7,420**	**218,969**
Operating expenses:				
Impairment loss on loans to customers	(81,783)	(13,889)	(718)	(96,390)
Personnel expense	(25,916)	(9,205)	(2,488)	(37,609)
General and administrative expense	(26,372)	(6,669)	(2,600)	(35,641)
Depreciation and amortisation	(10,627)	(1,428)	(420)	(12,475)
Selling and marketing expense	(9,026)	(4,451)	(114)	(13,591)
Other expense	(19)	-	-	(19)
Profit / (loss) before income taxes	**32,848**	**(10,684)**	**1,080**	**23,244**
Loans to customers, 31 December 2024	**488,928**	**140,768**	**20,232**	**649,928**
Debt investments, 31 December 2024	**-**	**-**	**112,554**	**112,554**

Operating and reportable segments for 2023

EUR '000	Consumer Banking	SME Banking	Wholesale Banking	Total
Interest income	201,690	23,698	5,071	230,459
Interest expense	(16,582)	(4,401)	(1,254)	(22,237)
Net interest income	**185,108**	**19,297**	**3,817**	**208,222**
Fee and commission income	**63**	**-**	**-**	**63**
Fair value and foreign exchange gains and losses (net)	(3,557)	(771)	-	(4,328)
Other income	8	14	8	30
Share of results of associates	-	-	6	6
Net operating income	**181,622**	**18,540**	**3,831**	**203,993**
Operating expenses:				
Impairment loss on loans to customers	(82,649)	(6,755)	151	(89,253)
Personnel expense	(25,425)	(7,022)	(1,629)	(34,076)
General and administrative expense	(25,559)	(4,830)	(1,587)	(31,976)
Depreciation and amortisation	(13,781)	(1,068)	(167)	(15,016)
Selling and marketing expense	(10,819)	(3,324)	(37)	(14,180)
Other expense	(495)	(7)	-	(502)
Profit / (loss) before income taxes	**22,894**	**(4,466)**	**562**	**18,990**
Loans to customers, 31 December 2023	**471,667**	**104,010**	**271**	**575,948**
Debt investments, 31 December 2023	**-**	**-**	**62,114**	**62,114**

7. Interest income and expense

Interest income

Interest income is the primary income from the Group's operations, and hence it is disaggregated into categories for analysis purposes based on the asset types.

EUR '000	2024	2023
Interest income on loans to customers	244,898	223,550
Interest income on debt investments	11,917	4,630
Interest income on bank deposits	4,285	2,279
Total interest income	**261,100**	**230,459**

The Group analyses interest income by type and geographic market, representing how economic factors impact the nature, amount, timing, uncertainty, and cash flows of the above income streams. Interest income is displayed by geographic region, indicating the included countries for the current and comparative periods, as follows:

EUR '000	2024	2023
Country of domicile - Switzerland*	-	-
Northern Europe	114,352	99,390
Western Europe	53,574	43,923
Eastern Europe**	92,247	85,370
Other	927	1,776
Total interest income	**261,100**	**230,459**

* The country of domicile was changed to Malta since 1 July 2024. On 30 December 2024, it was subsequently changed to Switzerland.

** There are no active business or portfolios in Belarus, Ukraine, or the Russian Federation.

Interest expense

A breakdown of interest expense by type for the current reporting period and comparative period is presented in the table below:

EUR '000	2024	2023
Interest expense on debt securities	(10,599)	(6,096)*
Interest expense on deposits from customers	(29,674)	(15,716)*
Interest expense on lease liabilities	(364)	(425)
Interest expense on other financial liabilities	(220)	-
Total interest expense	**(40,857)**	**(22,237)**

* Reclassifications have been made to conform to the current year's presentation without changes on the consolidated statement of profit or loss.

Interest expenses on other financial liabilities arise from funds received as deposit collateral.

8. Fee and commission income and expense

Fee and commission income

EUR '000	2024	2023
Brokerage fee	2,574	-
Other fee and commission income	38	63
Total fee and commission income	**2,612**	**63**

There are no contract assets and liabilities relating to fee and commission income as at 31 December 2024 and 2023. There are no significant payment terms concerning fee and commission income and no discounting to present value is applied.

The Group analyses fee income by type and geographic market, representing how economic factors impact the nature, amount, timing, uncertainty, and cash flows of the above income streams. Fee income is displayed by geographic region, indicating the included countries for the current and comparative periods, as follows:

EUR '000	2024	2023
Country of domicile - Switzerland*	-	-
Northern Europe	36	63
Eastern Europe**	2,576	-
Total fee and commission income	**2,612**	**63**

* The country of domicile was changed to Malta since 1 July 2024. On 30 December 2024, it was subsequently changed to Switzerland.

** There are no active business or portfolios in Belarus, Ukraine, or the Russian Federation.

Fee and commission expense

EUR '000	2024	2023
Brokerage fee expense	(526)	-
Total fee and commission expense	**(526)**	**-**

9. Fair value and foreign exchange gains and losses (net)

EUR '000	2024	2023
Realised foreign exchange gain / (loss)	202	(3,007)
Unrealised foreign exchange (loss) / gain	(1,873)	715
Realised (loss) / gain on derivative financial assets and liabilities	(2,687)	2,402
Unrealised gain / (loss) on derivative financial assets and liabilities	829	(4,438)
Total fair value and foreign exchange gains and losses (net)	**(3,529)**	**(4,328)**

10. Other income and expense

EUR '000	2024	2023
OTHER INCOME:		
Gain from cancellation of lease	3	30
Other income*	259	-
Total other income	**262**	**30**
OTHER EXPENSE:		
Loss on disposal of intangible assets	(11)	-
Loss on disposal of subsidiaries	-	(404)
Loss on disposal of property, plant and equipment	-	(98)
Other expense	(8)	-
Total other expense	**(19)**	**(502)**

*relates to gain on revaluation of contingent consideration for the purchase of Omniveta business.

11. Operating expenses

The Group presents an analysis of the operating expenses by their nature for the current financial period and the comparative period in the table below. Those expenses that cannot be allocated to a certain line item are classified as other expenses.

EUR '000	Notes	2024	2023
Impairment loss on loans to customers*		**(96,390)**	**(89,253)**
Personnel expense:			
Wages and salaries		(30,770)	(27,890)
Social security costs		(3,190)	(2,964)
Post-employment benefit expense		(1,721)	(1,577)
Share-based payment expense		(821)	(511)
Other personnel expense		(1,107)	(1,134)
Total personnel expense		**(37,609)**	**(34,076)**
General and administrative expense:			
Professional fees		(15,550)	(11,455)
Interbank transaction fees		(735)	(699)
Loan handling costs		(2,996)	(3,065)
Repairs and maintenance costs		(4,714)	(4,852)
Scoring costs for unsuccessful applications		(3,931)	(3,569)
Administrative expense		(1,866)	(1,752)
Membership and subscription fees		(1,046)	(576)
Other bank and lending costs**		(1,239)	(2,276)
Other operating expense		(3,564)	(3,732)
Total general and administrative expense		**(35,641)**	**(31,976)**
Depreciation and amortisation:			
Amortisation expense	17	(9,903)	(12,561)
Depreciation expense on right-of-use assets	18	(2,085)	(2,015)
Depreciation expense on property, plant and equipment	19	(487)	(440)
Total depreciation and amortisation		**(12,475)**	**(15,016)**
Selling and marketing expense:			
Offline medias		(905)	(2,024)
SEM and other online paid medias		(8,723)	(8,551)
SEO and social media		(580)	(599)
CRM		(268)	(211)
Offline affiliates		(71)	(86)
PR / Sponsoring		(1,619)	(1,503)
Sales and commissions and other loan handling fees		(565)	(507)
Agency fees and other marketing expense		(860)	(699)
Total selling and marketing expense		**(13,591)**	**(14,180)**
Total operating expenses		**(195,706)**	**(184,501)**

* Includes EUR 4.6 million of invoicing and collection costs in 2024 (2023: EUR 4.1 million).
**Includes depositor compensation scheme contributions for the total amount of EUR 1.0 million in 2024 (2023: EUR 2.1 million)

Audit and non-audit fees from audit companies

The following table shows the breakdown of audit fees included in professional fees category of general and administrative expense in 2024 and 2023:

EUR '000	2024	2023
PWC:		
Audit fees	(1,703)	(634)
Non-audit fees:		
Audit-related services	(294)	(64)
Tax advice	(79)	(27)
Other non-audit services	(500)	(95)
OTHER AUDIT COMPANIES:		
Audit fees	(71)	(53)
Total audit fees	**(1,774)**	**(687)**
Total non-audit fees	**(873)**	**(186)**
Total fees from audit companies	**(2,647)**	**(873)**

12. Income tax expense

EUR '000	2024	2023
CURRENT TAX:		
Current tax on profits for the year	(2,384)	(1,350)
Adjustments for current tax of prior periods	(36)	82
Other direct taxes	(15)	-
Total current tax	**(2,435)**	**(1,268)**
DEFERRED TAX:		
Origination and reversal of temporary differences	(575)	(1,283)
Total deferred tax	**(575)**	**(1,283)**
Total income tax expense	**(3,010)**	**(2,552)**

Multitude has recognised deferred tax assets arising from the loss incurred by its subsidiaries which are operating in tax jurisdictions wherein loss carry forwards are allowed. Utilisation of these loss carry forwards is dependent on future taxable profits of these subsidiaries and the Group considers that these are reasonably recoverable.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR '000	2024	2023
Profit before tax	**23,244**	**18,990**
Tax calculated at Finnish tax rate of 20%	(4,649)	(3,878)
Tax effects of:		
Difference between Finnish tax rate and rates in other countries	2,425	1,895
Income not subject to tax	21	6
Expenses not deductible for tax purposes	(348)	(629)
Utilisation of previously unrecognised tax losses	29	593
Tax losses for which no deferred income tax asset was recognised	(943)	(3)
Write down of previously recognised tax losses	-	(618)
Adjustments for current tax of prior periods	(36)	82
Tax assets recognised from previously unrecognised tax losses	491	-
Total income tax expense	**(3,010)**	**(2,552)**

The ultimate parent company is tax resident of Finland due to location of business operations. The effective income tax rate for 2024 is 13.0% (2023: 13.4%).

EUR '000	December 2024	December 2023
Losses on carried forward balance as at 31 December for which deferred tax assets have been recognised for	**26,031**	**28,507**
of which		
Expires in 2 years' time	717	-
Expires between 2 and 5 years	-	1,489
Expires between 5 and 10 years	20,838	21,819
Expires after 10 years*	4,476	5,199

*Includes EUR 1.0 million (2023: EUR 1.2 million) of losses in Germany without expiration date in 2024.

As at 31 December 2024, the Group has EUR 26.0 million (2023 - EUR 28.5 million) losses carried forward, with an average maturity between 2 and 10 years.

EUR '000	December 2024	December 2023
Total amount of loss carry forward on which DTA was not recognised with country specification	**9,196**	**7,315**
of which		
Finland	4,891	7,315
Sweden	4,305	-

Deferred tax assets and liabilities

Changes in and balances of deferred tax assets and liabilities for the year ended and as at 31 December 2024 and as at 31 December 2023:

EUR '000	As at 1 January 2024	Recognised in profit or loss	Translation differences	As at 31 December 2024
DEFERRED TAX ASSETS:				
Tax losses carried forward	6,472	(528)	34	5,978
Lease liability	667	23	-	690
Netting of lease liability	(647)	(17)	-	(664)
Total deferred tax assets	**6,492**	**(522)**	**34**	**6,004**
DEFERRED TAX LIABILITIES:				
Right-of-use asset	648	17	-	665
Netting of right-of-use asset	(648)	(17)	-	(665)
Withholding tax on dividends from Group companies	1,151	53	(7)	1,197
Total deferred tax liabilities	**1,151**	**53**	**(7)**	**1,197**
Total movement in period	**-**	**(575)**	**41**	**-**

EUR '000	As at 1 January 2023	Recognised in profit or loss	Translation differences	As at 31 December 2023
DEFERRED TAX ASSETS:				
Tax losses carried forward	7,574	(1,117)	15	6,472
Lease liability	611	56	-	667
Netting of lease liability	(611)	(37)	-	(647)
Total deferred tax assets	**7,574**	**(1,098)**	**15**	**6,492**
DEFERRED TAX LIABILITIES:				
Right of use asset	617	31	-	648
Netting of right of use asset	(611)	(37)	-	(648)
Withholding tax on dividends from Group companies	960	191	-	1,151
Total deferred tax liabilities	**966**	**185**	**-**	**1,151**
Total movement in period	**-**	**(1,283)**	**15**	**-**

13. Earnings per share

The calculation of earnings per share attributable to the owners of the parent company includes an adjustment for interest paid on perpetual bonds, less the tax benefit on the interest expense, arising from the classification of perpetual bonds as a liability (and the deductibility of the associated interest expense) under Finnish tax regulations. The calculation of basic earnings per share is shown in the table below:

	2024	2023
Profit for the period (EUR '000)	20,234	16,438
Perpetual bonds interests recognised directly in retained earnings, net of tax (EUR '000)	(5,968)	(5,386)
Profit for the period, after perpetual bond interest (EUR '000)	14,266	11,052
Weighted average number of ordinary shares in issue (N '000)	21,616	21,598
Basic earnings per share attributable to the ordinary equity holders, EUR	**0.66**	**0.51**

The calculation of diluted earnings per share is shown in the table below:

	2024	2023
Profit for the period (EUR '000)	20,234	16,438
Perpetual bonds interests recognised directly in retained earnings, net of tax (EUR '000)	(5,968)	(5,386)
Profit for the period, after perpetual bond interest (EUR '000)	14,266	11,052
Weighted average number of ordinary shares and potential ordinary shares* (N '000)	22,059	21,751
Diluted earnings per share attributable to the ordinary equity holders, EUR	**0.65**	**0.51**

*Weighted number of ordinary shares is adjusted by average expected number of potential shares derived from the Matching Share Plans.

The calculation of the weighted average number of ordinary shares used in the determination of earnings per share is shown in the table below:

N '000	2024	2023
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	21,616	21,598
Adjustments for calculation of diluted earnings per share:		
- Matching share plan	443	153
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**22,059**	**21,751**

14. Current and non-current assets and liabilities

Asset and liability line items by amounts recovered or settled within or after one year as at 31 December 2024:

EUR '000	Within one year	After one year	Total as at 31 December 2024
ASSETS:			
Cash and cash equivalents	249,458	-	249,458
Derivative financial assets	53	-	53
Loans to customers	457,548	192,380	649,928
Debt investments	1,754	110,800	112,554
Other financial assets	15,506	11,598	27,104
Current tax assets	1,437	-	1,437
Prepaid expenses and other assets	2,514	-	2,514
Intangible assets	-	32,916	32,916
Right-of-use assets	-	4,948	4,948
Property, plant and equipment	-	2,606	2,606
Investments in associates	-	9,209	9,209
Deferred tax assets	-	6,004	6,004
Total	**728,270**	**370,461**	**1,098,731**
LIABILITIES:			
Derivative financial liabilities	735	-	735
Deposits from customers	542,295	258,510	800,805
Current tax liabilities	1,125	-	1,125
Debt securities	211	76,639	76,850
Lease liabilities	1,825	3,313	5,138
Other financial liabilities	9,468	4,700	14,168
Other liabilities	4,955	5	4,960
Deferred tax liabilities	-	1,197	1,197
Total	**560,614**	**344,364**	**904,978**

The Group's net amounts of non-financial non-current assets are analysed by geographical location as at 31 December 2024:

EUR '000	Intangible assets	Right-of-use assets	Property, plant and equipment	Total	%
Country of domicile - Switzerland	-	325	-	325	0.80%
Eastern Europe	28,286	1,958	317	30,561	75.52%
Northern Europe	2,774	518	1,895	5,187	12.82%
Western Europe	1,818	2,105	327	4,250	10.50%
Other	38	42	67	147	0.36%
Total	**32,916**	**4,948**	**2,606**	**40,470**	**100.00%**

Asset and liability line items by amounts recovered or settled within or after one year as at 31 December 2023:

EUR ’000	Within one year	After one year	Total as at 31 December 2023
ASSETS:			
Cash and cash equivalents	283,712	-	283,712
Derivative financial assets	299	-	299
Loans to customers	400,356	175,592	575,948
Debt investments	1,067	61,047	62,114
Other financial assets	12,483	6,952	19,435
Current tax assets	1,832	-	1,832
Prepaid expenses and other assets	2,840	1	2,841
Intangible assets	-	29,468	29,468
Right-of-use assets	-	4,819	4,819
Property, plant and equipment	-	2,896	2,896
Investments in associates	-	1,022	1,022
Deferred tax assets	-	6,492	6,492
Total	**702,589**	**288,289**	**990,878**
LIABILITIES:			
Derivative financial liabilities	5,323	-	5,323
Deposits from customers	484,230	248,120	732,350
Current tax liabilities	2,268	-	2,268
Debt securities	293	47,512	47,805
Lease liabilities	1,948	3,015	4,963
Other financial liabilities	9,331	-	9,331
Other liabilities	4,041	-	4,041
Deferred tax liabilities	-	1,151	1,151
Total	**507,434**	**299,798**	**807,232**

The Group’s net amounts of non-financial non-current assets are analysed by geographical location as at 31 December 2023:

EUR ’000	Intangible assets	Right-of-use assets	Property, plant and equipment	Total	%
Country of domicile - Switzerland	-	39	-	39	0.10%
Eastern Europe	25,126	2,654	292	28,072	75.50%
Northern Europe	2,158	717	2,173	5,048	13.58%
Western Europe	2,184	1,291	333	3,808	10.24%
Other	-	118	98	216	0.58%
Total	**29,468**	**4,819**	**2,896**	**37,183**	**100.00%**

15. Financial assets

The table below summarises the Group's financial assets presented based on their classification, based on their subsequent measurement, at amortised cost or FVPL; and based on their fair value measurement hierarchy, level 1, 2 or 3; as at 31 December 2024 and as at 31 December 2023:

EUR '000	Fair value measure-ment	December 2024		December 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	53	53	299	299
FINANCIAL ASSETS AT AMORTISED COST					
Loans to customers	Level 3	649,928	649,928	575,948	575,948
Cash and cash equivalents	Level 1	249,458	249,458	283,712	283,712
Debt investments:					
- Debt investments in bonds	Level 3	108,904	108,444	62,114	62,114
- Debt investments in securitisation portfolio	Level 3	3,650	4,576	-	-
Other financial assets:					
- Loans to related parties	Level 3	11,641	11,641	10,048	10,048
- Receivables from banks	Level 3	4,206	4,206	4,362	4,362
- Receivables from sold portfolios	Level 3	8,195	8,195	1,476	1,476
- Other receivables	Level 3	3,062	3,062	3,549	3,549
Total		**1,039,097**	**1,039,563**	**941,508**	**941,508**

The fair value of derivative financial assets is determined using level 2 fair value hierarchy. The derivative assets include only foreign currency forward contracts where the Group agrees to sell a predetermined amount of its foreign currency at a predetermined price.

Cash and cash equivalents are classified as Level 1 because it has a fixed nominal value and is measured using quoted prices in active markets without adjustments, including observable spot exchange rates for foreign currency holdings.

Debt investments include debt investments in bonds and debt investments in securitisation portfolio. The debt investments in securitisation portfolio are made of notes issued by structured unconsolidated entities. In respect of such investments, the Group is the holder of Class A notes, which are senior notes that have a higher credit quality, and rank first in the priority of payment amongst the other creditors. Other debt investments in bonds include investments in secured bonds issued by other companies. The fair values of debt investments were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Other financial assets mainly include loans to related parties, receivables from banks and receivables from sold portfolios. Receivables from banks include mandatory deposits held with other banks as collateral for hedging. Loans to related parties comprise a corporate loan issued by Multitude Bank p.l.c. to Sortter Oy and loans to members of the Leadership Team (See Note 27).

The fair values of the remaining financial assets measured at amortised cost are determined using level 3 fair value measurement based on significantly unobservable inputs. The Group estimates that the carrying amounts of these financial assets reasonably approximate their fair values as they are derived from the purchase price agreed upon in orderly transactions on 31 December 2024 and 31 December 2023.

16. Prepaid expenses and other assets

Disclosure of prepaid expenses and other assets for the current and comparative periods is presented in the table below:

EUR '000	December 2024	December 2023
Prepaid expenses	2,426	2,725
VAT receivables	88	116
Total	**2,514**	**2,841**

17. Intangible assets

EUR '000	Internally generated software	Computer Software	Other intangible assets	Total
ACQUISITION AND DEVELOPMENT COST				
As at 1 January 2024	**64,411**	**24,481**	**2,963**	**91,855**
For the period ended 31 December 2024:				
Assets acquired in business combination	-	513	341	854
Additions	11,636	597	-	12,233
Disposals (Note 10)	-	(11)	-	(11)
Reclassifications*	-	324	-	324
Translation differences	-	-	(23)	(23)
Cost, as at 31 December 2024	**76,047**	**25,904**	**3,281**	**105,232**
ACCUMULATED AMORTISATION				
As at 1 January 2024	**(42,369)**	**(17,304)**	**(2,714)**	**(62,387)**
For the period ended 31 December 2024:				
Amortisation (Note 11)	(7,241)	(2,622)	(40)	(9,903)
Cumulative amortisation on reclassifications*	-	(26)	-	(26)
Cumulative amortisation, as at 31 December 2024	**(49,610)**	**(19,952)**	**(2,754)**	**(72,316)**
Net carrying amount, as at 1 January 2024	**22,042**	**7,177**	**249**	**29,468**
Net carrying amount, as at 31 December 2024	**26,437**	**5,952**	**527**	**32,916**
ACQUISITION AND DEVELOPMENT COST				
As at 1 January 2023	**54,635**	**23,643**	**2,965**	**81,244**
For the year ended 31 December 2023:				
Additions	9,776	851	-	10,627
Disposals	-	(13)	(6)	(19)
Translation differences	-	-	4	4
Cost, as at 31 December 2023	**64,411**	**24,481**	**2,963**	**91,855**
ACCUMULATED AMORTISATION				
As at 1 January 2023	**(32,387)**	**(14,800)**	**(2,657)**	**(49,845)**
For the year ended 31 December 2023:				
Cumulative amortisation on disposals	-	13	6	19
Amortisation (Note 11)	(9,982)	(2,517)	(63)	(12,561)
Cumulative amortisation, as at 31 December 2023	**(42,369)**	**(17,304)**	**(2,714)**	**(62,387)**
Net carrying amount, as at 1 January 2023	**22,248**	**8,844**	**308**	**31,400**
Net carrying amount, as at 31 December 2023	**22,041**	**7,178**	**249**	**29,468**

* The Group conducted a review of the assets by category and reallocated the gross amounts between property, plant, and equipment and intangible assets, resulting in no net impact on the consolidated statement of financial position.

There are no intangible assets pledged as securities for liabilities. Amortisation expenses are included in depreciation and amortisation financial statement line item in the consolidated statement of profit or loss.

18. Leases

The Group leases various office buildings and office equipment. Rental contracts are typically made for fixed periods of one to five years, but they might have extension options as described below.

EUR '000	Office buildings	Office equipment	Total
2024			
Net carrying amount as at 1 January	**2,878**	**1,941**	**4,819**
Depreciation (Note 11)	(1,582)	(503)	(2,085)
Additions	2,258	-	2,258
Cancellation of lease	(44)	-	(44)
Net carrying amount as at 31 December	**3,510**	**1,438**	**4,948**

EUR '000	Office buildings	Office equipment	Total
2023			
Net carrying amount as at 1 January	**3,774**	**839**	**4,613**
Depreciation (Note 11)	(1,517)	(498)	(2,015)
Additions	591	1,600	2,191
Cancellation of lease	30	-	30
Net carrying amount as at 31 December	**2,878**	**1,941**	**4,819**

There are no material translation differences recognised on right-of-use asset. During the reporting period 2024, the Group wrote off fully depreciated old lease agreements. This write-off had no financial impact on the consolidated statement of profit or loss. This Note provides information for leases where the Group is a lessee. There are no leases where any Group company is a lessor.

Amounts recognised in the consolidated statement of profit or loss for the year ended 31 December 2024 and 31 December 2023:

EUR '000	2024	2023
Expenses relating to short-term leases	(4)	(2)
Expenses relating to low value leases	-	(5)

Rent expenses related to short-term and low-value leases and depreciation of right-of-use assets are presented under general and administrative expense and depreciation and amortisation, respectively, in operating expenses (Note 11). Interest expense on lease liabilities is presented under interest expense (Note 7). There is no expense in relation to variable lease payments.

Payments associated with short-term leases, and all leases of low-value assets, are generally recognised on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less without a purchase option. Low-value assets comprise of IT equipment and small items of office furniture. Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Amounts presented in the consolidated statement of cash flows for the year ended 31 December 2024 and 31 December 2023:

EUR '000	2024	2023
Total cash outflow for leases	(2,398)	(2,219)

19. Property, plant and equipment

EUR '000	Office building and office renovations	Furniture, fittings, and equipment	Total
ACQUISITION COST			
As at 1 January 2024	**2,725**	**3,790**	**6,515**
For the period ended 31 December 2024:			
Additions	-	494	494
Reclassifications*	-	(324)	(324)
Cost, as at 31 December 2024	**2,725**	**3,960**	**6,685**
ACCUMULATED DEPRECIATION			
As at 1 January 2024	**(921)**	**(2,697)**	**(3,618)**
For the period ended 31 December 2024:			
Depreciation (Note 11)	(162)	(325)	(487)
Cumulative depreciation on reclassifications*	-	26	26
Cumulative depreciation, as at 31 December 2024	**(1,083)**	**(2,996)**	**(4,079)**
Net carrying amount, as at 1 January 2024	**1,804**	**1,092**	**2,896**
Net carrying amount, as at 31 December 2024	**1,642**	**964**	**2,606**
ACQUISITION COST			
As at 1 January 2023	**2,707**	**3,533**	**6,240**
For the year ended 31 December 2023:			
Additions	18	338	356
Disposals**	-	(81)	(81)
Cost, as at 31 December 2023	**2,725**	**3,790**	**6,515**
ACCUMULATED DEPRECIATION			
As at 1 January 2023	**(761)**	**(2,399)**	**(3,160)**
For the year ended 31 December 2023			
Depreciation (Note 11)	(160)	(280)	(440)
Impairment (Note 10)	-	(19)	(19)
Cumulative depreciation, as at 31 December 2023	**(921)**	**(2,698)**	**(3,619)**
Net carrying amount, as at 1 January 2023	**1,946**	**1,134**	**3,080**
Net carrying amount, as at 31 December 2023	**1,804**	**1,092**	**2,896**

* The Group conducted a review of assets by category and reallocated gross amounts between property, plant, and equipment and intangible assets, resulting in no net impact on the consolidated statement of financial position.

** Loss of EUR 81 thousand was recorded as other expense for the disposals of furniture, fittings, and equipment in 2023.

Depreciation expenses are included in depreciation and amortisation financial statement line item in the consolidated statement of profit or loss. There are no contractual commitments to acquire property, plant and equipment. No property, plant and equipment are pledged as securities for liabilities. There are no material translation differences recognised on property, plant and equipment.

20. Financial liabilities

The table below summarises the Group's financial liabilities presented based on their classification, based on their subsequent measurement, at amortised cost or FVPL; and based on their fair value measurement hierarchy, level 1, 2 or 3; as at 31 December 2024 and as at 31 December 2023:

		December 2024		December 2023	
EUR '000	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	735	735	5,323	5,323
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	800,805	800,805	732,350	732,350
Debt securities	Level 1	76,850	79,816	47,805	46,676
Other financial liabilities	Level 3	14,168	14,168	9,331	9,331
Lease liabilities		5,138	-	4,963	-
Total		**897,696**	**895,524**	**799,772**	**793,680**

The fair value of derivative financial liabilities is determined using level 2 fair value hierarchy. Derivative financial liabilities include only foreign currency forward contracts where the Group agrees to sell a predetermined amount of its foreign currency at a predetermined price.

The fair value of debt securities that includes only listed bonds (2024 Multitude Capital Oyj senior unsecured bonds and 2022 Multitude Bank p.l.c. tranche bonds) is determined using level 1 fair value hierarchy based on the published quotes in the Frankfurt Stock Exchange Open Market and Malta Stock Exchange, respectively.

The fair value of the remaining financial liabilities measured at amortised cost is determined using level 3 fair value hierarchy based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial liabilities reasonably approximate their fair values as it is derived from the purchase price agreed upon in orderly transactions on 31 December 2024 and 31 December 2023.

2024 Multitude Capital Oyj senior unsecured bonds

The Multitude Capital Oyj senior unsecured bonds (ISIN: NO0013259747) were issued in June 2024 with a coupon rate of 3-month Euribor plus 6.75%, maturing in June 2028. The Group paid EUR 3.4 million of issue costs and discount that are included in the proceeds from debt securities line item of the consolidated statement of cash flows. At 31 December 2024, the senior unsecured bonds are presented as debt securities in the Group's consolidated statement of financial position, have outstanding nominal and carrying amounts of EUR 77.0 million and EUR 73.9 million, respectively. On 17 December 2024, Multitude Capital Oyj issued an additional EUR 20 million of bonds which were fully subscribed by the issuer and not recognised on the statement of financial position as at 31 December 2024.

2022 Multitude Bank p.l.c. tranche bonds

The Multitude Bank p.l.c. tranche bonds (series no. 1 / 2022 - ISIN: MT0000911215) were issued on 27 April 2022 with a coupon rate of 6% maturing on 27 April 2032. Of the EUR 5.1 million bonds issued, EUR 2.0 million was issued to Multitude AG, which was eliminated at the Group level as part of the consolidation process. At 31 December 2024, the tranche bonds are presented as debt securities in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 3.1 million (EUR 3.1 million in 2023) and EUR 2.9 million (EUR 2.9 million in 2023), respectively.

Redemption of the 2022 Multitude AG senior unsecured bonds

Multitude AG senior unsecured bonds (ISIN: NO0012702549) were issued on 7 December 2022 with a coupon rate of 3-month Euribor plus 7.5%, maturing in December 2025.

On 13 June 2024, Multitude AG announced the exercise of its option to redeem all outstanding senior unsecured floating rate bonds maturing in December 2025, under Clause 9.3 (Voluntary Total Redemption (call option)) of the bond terms. The final redemption was executed on 8 July 2024, with each bond redeemed at a call option price of 103.75% of the nominal value, plus accrued and unpaid interest. The redemption amount was paid to the bondholders on record as of 1 July 2024. Following the redemption, these bonds were delisted from the Frankfurt Stock Exchange Open Market (Freiverkehr) and Nasdaq Stockholm.

As a result of this early redemption, an expense of EUR 3.0 million was recorded in the consolidated statement of profit or loss under interest expense, covering the amortisation of previously capitalised issuance costs and the call premium. The call premium for the amount of EUR 1.8 million was included in the repayment of debt securities line item in the consolidated statement of cash flows. At 31 December 2023, these bonds are presented as debt securities in the Group's consolidated statement of financial position, have outstanding nominal and carrying amounts of EUR 46.0 million and EUR 44.9 million, respectively.

Other financial liabilities

As at December 2024, other financial liabilities amounting to EUR 14.2 million (2023: EUR 9.3 million) include loans and security deposits received, trade payables and accrued financial liabilities for services rendered but not yet invoiced by the suppliers.

Deposits from customers by contractual terms

EUR '000	December 2024	December 2023
Term deposits	682,044	697,968
Call accounts	118,761	34,382
Total	**800,805**	**732,350**

21. Other liabilities

Disclosure of other liabilities for the current and comparative periods is presented in the table below:

EUR '000	December 2024	December 2023
Accrued personnel expenses	4,395	3,445
Provisions	565	596
Total	**4,960**	**4,041**

22. Issued capital and reserves

Share capital

The table below shows the composition of the authorised share capital of Multitude AG:

	2024, N '000	2023, N '000	2024, EUR '000	2023, EUR '000
AUTHORISED SHARE CAPITAL				
At 1 January	21,724	21,724	40,134	40,134
Increase in share capital	-	-	56	-
At the end of reporting period	21,724	21,724	40,189	40,134

On 21 March 2024, the Extraordinary General Meeting resolved to increase the parent company's share capital by EUR 55,766 from EUR 40,133,560 to EUR 40,189,326 and to indicate the nominal value of one share of EUR 1.85. The increase is shown as other changes in the consolidated statement of changes in equity.

The table below shows the movement of issued capital of Multitude AG:

	2024, N '000	2023, N '000
ORDINARY SHARES ISSUED AND OUTSTANDING		
At 1 January	21,618	21,578
Share-based payment during the period	88	40
Purchases during the period	(163)	-
At the end of reporting period	21,543	21,618

The Group holds 181 thousand shares, held as treasury shares, as at 31 December 2024 and 106 thousand shares as at 31 December 2023. The movement in the number of treasury shares is due to both the reissuance of treasury shares under the Matching Share Plan and purchases made as part of the share buyback programmes. In connection with the Matching Share Plan, the Group reissued 88,146 shares in 2024 and 40,134 shares in 2023.

	2024, N '000	2023, N '000	2024, EUR '000	2023, EUR '000
TREASURY SHARES				
At 1 January	106	146	103	142
Share-based payment during the period	(88)	(40)	(85)	(39)
Purchase during the period	163	-	928	-
At the end of reporting period	181	106	946	103

2021 Multitude AG perpetual bonds

Multitude AG issued a EUR 50 million worth of unsecured and subordinated perpetual capital bonds ("perpetual bonds") on 5 July 2021, at 99.50% of the nominal amount. The perpetual bonds (ISIN: NO0011037327) were drawn against the total authorised framework of EUR 100 million with a floating coupon rate of 8.90% plus 3-month Euribor. The Group has a right to postpone the interest payment indefinitely due on the perpetual bonds, provided it has informed the bondholders of the postponement within the timeframe specified in the terms and conditions. Any discretionary dividend distribution by Multitude triggers an interest payment obligation on the perpetual bonds. As at 31 December 2024, the Group cumulatively redeemed a portion of the bond for EUR 5.0 million (2023: EUR 5.0 million).

Unrestricted equity reserve

The unrestricted equity reserve includes the amount paid for shares in a share issue exceeding their par value.

Other reserves

Other reserves of Multitude Group include compulsory regulatory reserves. In the previous years, the Group maintained a Reserve for General Banking Risks which refers to the amount allocated by Multitude Bank from its retained earnings to a non-distributable reserve against potential risks linked to the Bank's non-performing loans. Banking Rule BR/09 also requires the recognition of a separate non-distributable reserve for Excessive Non-Performing Loans composed of allocations from retained earnings when the Bank deviates from any phase of the non-performing loans (NPL) reduction plan in order to strengthen its resiliency to the risks associated with high NPL. Banking Rule 09 was revised as from 1 January 2023 and under the new rule banks are no longer required to hold these reserves. Therefore, the Bank released most of these amounts back to retained earnings during 2023. The reserve balance as at 31 December 2024 amounted to EUR 31 thousand (2023: EUR 31 thousand).

23. Dividends

The Board of Multitude AG proposed a gross dividend of EUR 0.44 per share in the total amount of EUR 9.5 million for the financial year 2024. Previously, the Board approved EUR 0.19 per share of dividend distribution in the total amount of EUR 4.1 million in relation to the results of operations for the year ended 31 December 2023 that was paid in May 2024 (2023: EUR 2.6 million).

The proposed dividend results in a dividend / net profit of 46.8%. The last trading day entitling shareholders to receive the dividend is 14 May 2025. As of 15 May 2025, the shares will trade ex-dividend and the record day will be 16 May 2025. The payment, after deduction of applicable withholding tax, will be made on 19 May 2025. The appropriation of retained earnings and the dividend distribution are based on the profit appropriation proposal by the Board of Directors, as contained in this report. In accordance with Art. 698 para. 2 no. 4 of the Swiss Code of Obligations, the AGM is responsible for approving the appropriation of retained earnings and the dividend distribution.

24. Share-based payments

Performance share plan

During 2021, the Group introduced an equity-settled Performance Share Plan (PSP) wherein key personnel are awarded several Multitude shares subject to defined vesting conditions at the end of the performance period. The shares will be awarded net of payroll taxes.

The PSP issued on 1 June 2021 has a maximum reward share of 1,159,175, of which 10% to 100% would be awarded to eligible participants if Multitude's market share price reaches EUR 12 to EUR 30, respectively, and provided that participants will have uninterrupted employment in Multitude at the end of the performance period, 31 December 2023. In 2022, the plan was modified with a new target share price between EUR 6 to EUR 25 and extended the performance period to 31 December 2024. The plan expired without reaching the minimum target share price. Multitude applies the Monte Carlo simulation model to the valuation of PSP at the grant date. The Group determines the total fair value of outstanding PSP reward shares by reference to their fair value at the grant date, calculated by determining the present value of average payoffs at the end of the performance period based on a range of potential outcomes regarding Multitude's market share price.

The tables below summarise the outstanding PSP reward shares and related expenses as at and for the year ended 31 December 2023 as well as for the year ended 31 December 2024:

Grant date						December 2024				
Performance period	Reward shares	Dividend adj. share price	Realised volatility	Risk-free volatility	Total FV in EUR	Outstanding at the beginning of period	Forfeited during the period	Expired during the period	Outstanding total FV in EUR	Expense in EUR
1 Jun 21 - 31 Dec 24	1,159,175	4.11	62.1%	(0.4%)	743,285	1,092,778	72,080	1,020,698	-	195,127

Grant date						December 2023				
Performance period	Reward shares	Dividend adj. share price	Realised volatility	Risk-free volatility	Total FV in EUR	Outstanding at the beginning of period	Forfeited during the period	Outstanding at the end of the period	Outstanding total FV in EUR*	Expense in EUR
1 Jun 21 - 31 Dec 24	1,159,175	4.11	62.1%	(0.4%)	743,285	1,114,985	22,207	1,092,778	869,875	225,310

*The fair value includes the incremental fair value arising from the modification of the plan in 2022.

The difference between the number of reward shares outstanding at the grant date and the reporting dates pertains to reward shares attributable to participants who have ceased employment at Multitude and are no longer eligible to receive reward shares.

Matching share plan

In 2021, the Group introduced an equity-settled Matching Share Plan (MSP), allowing all employees to invest up to 10% of their annual gross salary in Multitude shares. Investment shares will vest after 2 years, provided the participants have held the shares and have uninterrupted employment during the holding period. The Group will then provide free matching shares with a 1:1 ratio for all vested investment shares. The shares will be awarded net of payroll taxes.

The Group determines the total fair value of outstanding MSP investment shares by reference to Multitude's share price at the grant date, the assessed number of forfeited shares, and the applicable social security costs. The table below summarises the outstanding MSP investment shares and related expenses as at and for the year ended 31 December 2023 as well as 31 December 2024:

Grant date			December 2024					
Holding period	Investment shares	Share price in EUR	Outstanding at the beginning of period	Forfeited shares	Vested shares	Outstanding at the end of the period	Total FV in EUR	Expense in EUR
16 Mar 22 - 13 Apr 24	31,602	3.50	29,781	41	29,740	-	117,276	20,607
19 Sep 22 - 18 Oct 24	58,598	2.70	56,257	4,306	51,951	-	172,399	71,565
6 Apr 23 - 13 Apr 25	35,951	3.69	35,488	3,845	-	31,643	127,008	61,699
28 Sep 23 - 31 Oct 25	49,723	3.10	49,723	2,652	-	47,071	163,042	79,203
5 Apr 24 - 15 Apr 26	21,208	4.61	-	2,562	-	18,646	88,910	32,560
3 Oct 24 - 3 Oct 26	30,925	3.56	-	1,358	-	29,567	108,586	13,189
31 Dec 2024 - 31 Dec 28	349,265	2.63	-	-	-	349,265	1,214,688	245,593
31 Dec 2024 - 31 Dec 28	349,265	0.58	-	-	-	349,265	498,695	100,829
31 Dec 2024 - 31 Dec 28	40,000	3.37	-	-	-	40,000	134,800	184
31 Dec 2024 - 31 Dec 28	40,000	0.18	-	-	-	40,000	7,200	10
31 Dec 2024 - 31 Dec 28	360,000	0.18	-	-	-	360,000	380,580	521
Total	**1,366,537**		**171,249**	**14,764**	**81,691**	**1,265,457**	**3,013,184**	**625,960**

The new MSP issued on 28 December 2023 and vesting on 31 December 2028 allows participants to subscribe to company's shares during the Investment Period (1 January 2024 - 31 December 2024) and earn additional shares after a four-year Holding Period. Participants who hold their Investment Shares and remain employed will earn Free Shares at a 1:1 ratio relative to their investment. They can also earn Free Unicorn Shares at a 1:1 ratio if the company's market value exceeds one billion euros for at least three months during the Holding Period with market value determined by the share price. The requirement to invest in company's shares is a non-vesting condition, affecting the fair value of the instruments. All earned shares will be delivered within six months after the Holding Period with fair values adjusted for the expected dividend yield.

	Grant date		December 2023					
Holding period	**Investment shares**	**Share price in EUR**	**Outstanding at the beginning of period**	**Forfeited shares**	**Vested shares**	**Outstanding at the end of the period**	**Total FV in EUR**	**Expense in EUR**
31 Mar 21 - 13 Apr 23	39,746	6.05	35,819	951	34,868	-	226,567	35,453
30 Sep 21 - 30 Sep 23	27,784	4.94	22,609	995	21,614	-	114,822	39,963
16 Mar 22 - 13 Apr 24	31,602	3.50	30,317	536	-	29,781	112,476	57,484
19 Sep 22 - 18 Oct 24	58,598	2.70	57,055	798	-	56,257	168,336	84,978
6 Apr 23 - 13 Apr 25	35,951	3.69	-	463	-	35,488	132,740	48,369
28 Sep 23 - 31 Oct 25	49,723	3.10	-	-	-	49,723	154,927	19,064
Total	**243,404**		**145,800**	**3,743**	**56,482**	**171,249**	**909,868**	**285,311**

Differences between the number of investment shares outstanding at the grant date and reporting date, before the end of the holding period, pertain to either those investment shares withdrawn from the plan or those that are attributable to participants who have seized employment in Multitude, and therefore are no longer eligible to receive matching shares. Forfeited shares include a number of shares removed from the share plan during the reporting period compared to the previous reporting date or grant date (if the reporting period includes the grant date). Vested shares include the number of shares vested during the reporting period compared either to previous reporting date or grant date (if the reporting period includes the grant date).

25. Details to cash flow statement

Other adjustments in operating activities

EUR '000	December 2024	December 2023
Gain from cancellation of lease	(3)	(30)
Loss on disposal of intangible assets	11	-
Loss on disposal of property, plant and equipment	-	98
Share-based payment expense	821	511
Loss on disposal of subsidiaries	-	404
Share of results of associates	93	(6)
Other (income) / expense	(251)	37
Total	**671**	**1,014**

Non-cash investing activities

Non-cash investing activity pertains to the acquisition of right-of-use assets in Note 18.

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

EUR '000	Lease liabilities	Debt securities	Total
Net debt as at 1 January 2023	**4,566**	**47,416**	**51,982**
Non-cash movements:			
New leases (Note 18)	2,191	-	2,191
Interest expense	425	6,096	6,521
Cash movements:			
Payments of lease liabilities	(1,794)	-	(1,794)
Interest paid	(425)	(5,707)	(6,132)
Net debt as at 31 December 2023	**4,963**	**47,805**	**52,768**
Non-cash movements:			
New leases (Note 18)	2,258	-	2,258
Cancellation of lease	(49)	-	(49)
Interest expense	364	10,599	10,963
Cash movements:			
Payments of lease liabilities	(2,034)	-	(2,034)
Proceeds from debt securities	-	76,956	76,956
Discount and directly attributable transaction costs on issue of debt securities (Note 20)	-	(3,446)	(3,446)
Repayment of debt securities	-	(46,000)	(46,000)
Premium on redemption of debt securities (Note 20)	-	(1,825)	(1,825)
Interest paid	(364)	(7,239)	(7,603)
Net debt as at 31 December 2024	**5,138**	**76,850**	**81,988**

Repayment of lease liabilities presented as part of the financing activities in the consolidated statement of cash flow includes the principal and interest portion.

26. Commitments given

Commitments due to undrawn customer balances

In terms of credit risk associated with commitments to extend credit, the Group faces potential exposure to losses equivalent to the total unused commitments should those amounts be utilised. It is essential to note, however, that commitments to extend credit are contingent on customers adhering to specific credit standards outlined in the terms of product in all circumstances.

With respect to debt investments and loans of the Wholesale Banking business unit, the Group has outstanding commitment as at 31 December 2024 to provide additional investment for amount of EUR 10.5 million (2023: EUR 8.0 million). There is no separate ECL provision created for these commitments due to the conditional character of investment and the low-risk profile of already drawn debt facilities.

Commitment to acquire additional equity stake in Lea Bank AB

During 2024, the Group entered into an agreement to acquire an additional 8.7% stake in Lea Bank AB, pending regulatory approval and the fulfilment of certain contractual conditions. Upon completion, the Group's total ownership interest in Lea Bank would increase from 9.9% to 18.6%. This additional acquisition reflects the Group's strategic intent to deepen its involvement in Lea Bank's operations and strategic direction. This agreement does not impact the Group's consolidated statement of financial position at the end of the reporting period, as the conditions precedent to completion have not yet been met. However, the Group considers this agreement as a significant off-balance-sheet commitment. The key terms of the commitment are as follows:

- Agreed purchase price: EUR 7.0 million;
- Conditions precedent: The acquisition is subject to the Swedish Financial Supervisory Authority's approvals and compliance with the Swedish Banking and Financing Business Act;
- Timeline for completion: The acquisition was finalised on 4 February 2025.

27. Related party transactions

The Group is controlled by Jorma Jokela, who ultimately owns 55.34% of issued shares and 55.81% of outstanding shares as at 31 December 2024 (31 December 2023 - 55.29% and 55.56%), who is also the Member of Multitude AG's Board and Leadership Team. The Group's related parties include Sortter Oy (accounted as an investment in associates), Members of the Board of Directors and the Leadership Team members. This includes their close family members, the companies in which the Member of the Board or Leadership Team and their close family members have control or joint control.

As a main principle, all transactions with related parties are conducted at arm's length and are part of the ordinary course of business. Cash transactions with related parties for services rendered and received for the year ended 31 December 2024 and 31 December 2023 are as follows:

EUR '000	2024	2023
Sortter Oy:		
Lead sales fees received	24	47
Broker fees paid for introducing customers	(49)	(35)
Other related parties*:		
Professional fees paid for key management personnel services	(978)	(1,137)
Payments for office lease and maintenance	(174)	(125)
Total	**(1,177)**	**(1,250)**

*Other related parties include the companies related to Leadership Team members.

Transactions and outstanding balances for loans to related parties for the year ended 31 December 2024 and 31 December 2023 are as follows:

EUR '000	December 2024	December 2023
Sortter Oy:		
Beginning of the year	8,148	7,764
Interest charged	739	726
Interest received	(936)	(535)
(Increase) decrease in loss allowance	(10)	193
End of year	**7,941**	**8,148**
Leadership Team members:		
Beginning of the year	1,900	-
Loans advanced	1,988	1,900
Loan repayments received	(231)	-
Interest charged	43	-
End of year	**3,700**	**1,900**
Total	11,641	10,048

In 2023, the Group has issued loans in the total amount of EUR 1.9 million to the Leadership Team members to purchase Multitude's shares. In 2024, the Board of Directors resolved to grant additional loans by increasing the amount to EUR 3.7 million. No ECL provision was recognised for these loans as at 31 December 2024 and 31 December 2023. The loans accrue a fixed interest of 5.5% per annum which is to be paid annually. The principal on the loans shall be repaid on 31 December 2028.

The Group issued a loan in the total amount of EUR 8.0 million to Sortter Oy in December 2022 to finance the development of the business. Sortter Oy pays an interest on the loan at the rate of the 3-month Euribor plus a 5.5% per annum margin. Should the 3-month Euribor be less than zero, it shall be deemed to be zero. Sortter Oy shall repay the loan principal in one instalment on 11 December 2026. The Group has recognised an ECL provision for this loan amounting to EUR 58 thousand as at 31 December 2024 (EUR 48 thousand as at 31 December 2023) and the amount of impairment loss recognised was EUR 10 thousand for 2024 (impairment gain of EUR 193 thousand for 2023).

Key management compensation

The table below outlines the related party transactions involving Members of Multitude's Board and Leadership Team, encompassing gross salary and short-term benefits, share-based payments (expense recognised during the period), employer contributions to defined contribution post-employment plans, and dividend payments:

EUR '000	2024	2023
COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS AND CEO:		
Jorma Jokela, CEO*		
Salaries and other short-term employee benefits	252	246
Share-based payments	41	14
Dividend payments	2,283	1,441
Ari Tiukkanen, Chairman		
Salaries and other short-term employee benefits**	96	212
Share-based payments	-	2
Post-employment benefits	-	104
Dividend payments	4	2
Frederik Strange, Ex Chairman		
Salaries and other short-term employee benefits	-	16
Dividend payments	-	1
Michael Cusumano, Ex Member		
Salaries and other short-term employee benefits	16	48
Goutam Challagalla, Ex Member		
Salaries and other short-term employee benefits	48	48
Kristiina Leppänen, Member		
Salaries and other short-term employee benefits	48	49
Juhani Vanhala, Ex Member		
Salaries and other short-term employee benefits	-	16
Dividend payments	-	10
Jussi Mekkonen, Ex Member		
Salaries and other short-term employee benefits	-	16
Marion Khüny, Member		
Salaries and other short-term employee benefits	32	-
Lea Liigus, Member		
Salaries and other short-term employee benefits	60	60
Share-based payments	83	6
Dividend payments	25	15
Total	**2,988**	**2,306**
COMPENSATION OF LEADERSHIP TEAM MEMBERS AND CEO:		
Salaries and other short-term employee benefits	2,648	3,024
Share-based payments	576	241
Post-employment benefits	167	229
Dividend payments	2,377	1,488
Total	**5,768**	**4,982**

*The retirement age of CEO is 65 years, and he has no defined benefit pension plan. Jorma Jokela stepped down from position of CEO on 1 January 2025.
**Including remuneration in the role of Deputy CEO in 2023.

28. Events after the reporting period

Antti Kumpulainen appointed as CEO of Multitude Group

Effective 1 January 2025, Antti Kumpulainen, who has been the CEO of Multitude Bank p.l.c. since April 2021, transitioned to the role of Multitude Group CEO. He succeeded Jorma Jokela, who has effectively led the company for the past 20 years and will remain on the Board of Directors. In his new full-time role within Multitude, he will focus on high-impact strategic projects, partnerships, acquisitions, and mentoring key talents. This leadership transition is designed to ensure continuity and stability. Antti Kumpulainen brings nearly a decade of invaluable experience within Multitude and deep expertise in the banking and FinTech sectors. His leadership will be instrumental as he oversees the Group's operational business.

Acquisition of additional equity in Lea Bank AB

In January 2025, the Group applied for the approval of the Swedish Financial Supervisory Authority to acquire an additional stake in Lea Bank AB. This was subsequently approved by the authority and the Group acquired 6.39% in several transactions during the following months. After the end of 2024, the Group acquired a total of 15.09% stake (including committed amount disclosed in Note 26) which increased the total stake to 24.99% as of the date of approval of this report.

Organisational Restructuring

As part of a restructuring initiative pending approval from the Malta Financial Services Authority, the Group is working to transfer lending-related and other selected entities under Multitude Bank p.l.c., streamlining the subsidiary structure of Multitude AG. Additionally, following the relocation, the Group aims to enhance efficiency by reducing the number of non-essential entities.

Leadership Changes

Mr. Clemens Krause, Chief Risk Officer, retired on 31 March 2025 after serving the Group since 2012. On 3 February 2025, Mr. Adam Jezierski joined the Leadership Team as Chief Credit Risk Officer, succeeding Mr. Krause. Other leadership transitions included the departures of Mr. Lasse Mäkelä, Chief Strategy and IR Officer, and Mr. Goutam Challagalla, Member of the Board of Directors of Multitude AG.

Fitch rating affirmation

Fitch Ratings has affirmed Multitude AG's and its operating bank Multitude Bank p.l.c.'s Long-Term Issuer Default Ratings (IDRs) at 'B+' with Positive Outlooks. Multitude's senior unsecured notes have been affirmed at 'B+' with a Recovery Rating of 'RR4' and its subordinated hybrid perpetual capital notes at 'B-'/'RR6'.

Report of the statutory auditor

to the General Meeting of Multitude AG, Zug, Switzerland

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Multitude AG and its subsidiaries (the Group), which comprise the consolidated statement of profit or loss and the consolidated statement of comprehensive income for the year ended 31 December 2024, the consolidated statement of financial position as at 31 December 2024, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 80 to 190) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by European Union (EU-IFRS) and comply with Swiss law.

Basis of opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall group materiality: EUR 1’938’000

We audited the parent company, and we performed audit procedures related to nine significant subsidiaries. This resulted in a full scope audit on entities contributing 78% to total Group’s assets and audit of financial statement line items (FSLI) on entities contributing 8% to total Group’s assets. Furthermore, we performed audit procedures centrally on certain FSLI for other entities due to risk or size. Where the risk is concentrated to a limited number of assertions, we have instructed component auditors to report on a specified procedure basis. Finally, we conducted audit procedures centrally for the consolidation, disclosures, and presentation of the consolidated financial statements as part of our group audit activities.

As key audit matter the following area of focus has been identified:

Adequacy of expected credit loss allowance on loans to customers

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	EUR 1'938'000
Benchmark applied	Net assets
Rationale for the materiality benchmark applied	We chose net assets as a benchmark because, in our view, they are a key indicator used when assessing drivers of the business and determinants of the Multitude AG Group's profit potential as well as the solvency and stability of the Group. Net assets also reflect the Group's ability to meet its debt covenants and is of major relevance for economic decisions made by the Board of Directors, management and investors.

We agreed with the Audit Committee that we would report to them misstatements above EUR 97'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, complexity and risks of individual subsidiaries, the accounting processes and controls, and the industry in which the Group operates.

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Using these criteria, we selected companies and accounts into our Group audit scope and at the same time ensured that we get sufficient coverage to our audit, in order to issue an audit opinion for the Group. We determined the type of work that needed to be performed at Group companies by us, as the group engagement team, or by auditors from other PwC network firms operating under our instruction and supervision. Audits were performed in Group companies which are considered significant either because of their individual financial significance or due to their specific nature, covering the vast majority of revenue, assets and liabilities of the group. Selected specified procedures as well as analytical procedures were performed to cover the remaining companies.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Adequacy of expected credit loss allowance on loans to customers

Key audit matter	How our audit addressed the key audit matter
As of 31 December 2024, the Group's net loans to customers amounted to EUR 650 million, representing 59% of total assets. Loans to customers are measured at amortised cost using the effective interest method as described in Note 2 to the consolidated financial statements. Further, as described in Note 4, the Group’s allowance for expected credit losses (“ECL”) on loans to customers was EUR 139 million as of 31 December 2024 Due to the significant judgement and estimation by management in developing future macroeconomic scenarios and related probability weights, a high degree of auditor judgement, subjectivity, and effort in performing procedures and evaluating audit evidence obtained, and the audit effort involved the use of professionals with specialized skills and knowledge, we consider the adequacy of expected credit loss allowance as key audit matter. Credit loss allowances relating to retail loans to customers in the group’s lending portfolio (Stages 1-3) are determined on a collective portfolio basis and are calculated as a function of the probability of default (“PD”), the exposure at default (“EAD”) and the loss given default (“LGD”) as well as the timing of the loss. The Group’s management uses a complex model and makes significant assumptions about customer payment behaviour, whether it gives rise to significant increase in credit risk (“SICR”) or unlikeliness to pay (“UTP”) and future conditions. The estimation and application of forward-looking information requires a combination of expert judgement and quantitative analysis. The scenarios are probability-weighted according to management’s best estimate of their relative likelihood based on historical frequency, an assessment of the current business and credit cycles as well as the macroeconomic factor trends.	Our approach to addressing this key audit matter included the following procedures: • Understanding and testing the design and effectiveness of key management controls over ECL assumptions applied in the ECL model, • Evaluating the appropriateness of the model methodologies used to determine the expected credit loss allowance, • Testing the completeness and accuracy of data used in the estimate, • Testing the reasonableness and accuracy of historical PDs and forward-looking macro-economic adjustments for different credit products by involving IFRS 9 and modelling experts, • Testing the determination of the definition of default, SICR and UTP and challenging the reasonableness of the quantitative criteria for the definition of SICR and determination of the definition of default on the basis of credit history of the particular products and territory, • Challenging the reasonableness of the assumptions used in the determination of the LGD, particularly loan sales price assumptions and the estimated time to recovery, and • For a sample of products and territories, performing a full recalculation of the ECL for the purpose of determining the accuracy of the overall ECL result. The procedures included the use of our experts with specialized skills and knowledge to assist in evaluating the appropriateness of model methodologies and to assist in evaluating the audit evidence. Finally, we assessed the appropriateness of disclosures made in the consolidated financial statements in relation to ECL and the inherent judgements involved.

The Group also originates loans to corporate entities which are considered to be individually significant. Whilst forming part of the Group's loans to customers, such loans, given the distinct inherent nature, are assessed and managed separately. These exposures are evaluated and assessed at inception in order to determine the credit quality of the exposure and potential credit risks that may arise. These exposures are principally secured by a number of loan portfolios which are pledged in favour of the Group, and are subject to a number of covenants including predetermined ratios of aging portfolios and advance rates. Such covenants are monitored on a regular basis by management and the Investments Committee. Moreover, the Group also has additional collateral in the form of cash deposited in its accounts and/or pledged financial instruments in its favour in respect of a number of these exposures. Additionally, these exposures encompass several clauses and covenants structured in a way which enable an effective management of credit risk.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the separate financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards adopted by EU and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Philippe Bingert
Licensed audit expert
Auditor in charge

Daniela Bencic

Zurich, 17 April 2025

Multitude AG Separate Financial Statements 2024

Separate statement of financial position

	Notes	As of 31 December			
		2024		2023	
		EUR '000	CHF '000	EUR '000	CHF '000
ASSETS					
Current assets					
Cash and cash equivalents		149	140	333	308
Trade accounts receivable	4	2,438	2,295	5,703	5,281
Other short-term receivables	5	29,417	27,687	16,778	15,536
Prepaid expenses and accrued income	6	954	898	2,534	2,347
Financial assets	7	18,000	16,942	-	-
Total current assets		**50,958**	**47,962**	**25,348**	**23,472**
Non-current assets					
Financial assets	7	27,157	25,560	22,100	20,465
Investments in subsidiaries and associates	8	235,179	221,350	183,378	169,808
Tangible assets	9	1,438	1,353	1,584	1,467
Intangible assets	10	115	108	1,806	1,672
Total non-current assets		263,889	248,371	208,868	193,412
Total assets		**314,847**	**296,333**	**234,216**	**217,884**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Short-term liabilities					
Trade accounts payable	11	1,164	1,096	1,869	1,731
Other short-term payables	12	2,361	2,221	1,176	1,089
Accrued expenses and deferred income	13	4,372	4,115	4,186	3,875
Provisions		76	72	137	127
Total short-term liabilities		**7,973**	**7,504**	**7,368**	**6,822**
Long-term liabilities					
Long-term interest-bearing liabilities	14	170,609	160,577	132,583	122,771
Total long-term liabilities		**170,609**	**160,577**	**132,583**	**122,771**
Total liabilities		**178,582**	**168,081**	**139,951**	**129,593**
Shareholders' equity					
Share capital	15	40,189	37,826	40,134	37,164
Other capital reserves					
Reserves from capital contributions	16	14,653	13,791	14,708	13,620
Treasury shares	17	(946)	(890)	(103)	(95)
Statutory retained earnings					
Earnings brought forward	18	35,767	33,664	33,299	30,835
Net result for the period		46,602	43,861	6,227	5,767
Total shareholders' equity		**136,265**	**128,252**	**94,265**	**87,291**
Total liabilities and shareholders' equity		**314,847**	**296,333**	**234,216**	**216,884**

Separate statement of profit or loss

	Notes	For the period ended on 31 December			
		2024		2023	
		EUR '000	CHF '000	EUR '000	CHF '000
Revenue from services	19	13,503	12,709	15,330	14,196
Other income		86	81	39	36
Net Revenue		**13,589**	**12,790**	**15,369**	**14,232**
Personnel expenses	20	(3,324)	(3,129)	(4,099)	(3,796)
Professional services expenses	21	(5,611)	(5,281)	(5,119)	(4,740)
Other operating expenses	22	(6,566)	(6,180)	(10,814)	(10,014)
Earnings before interest, tax, depreciation, amortisation and non-operating items		**(1,912)**	**(1,800)**	**(4,663)**	**(4,318)**
Depreciation & valuation adjustments to tangible assets		(178)	(168)	(169)	(156)
Amortisation & valuation adjustments to intangible assets		(305)	(287)	(650)	(602)
Impairment of investments in subsidiaries		(2)	(2)	(5,488)	(5,082)
Earnings before interest, tax and non-operating income		**(2,397)**	**(2,257)**	**(10,970)**	**(10,158)**
Financial income	23	61,888	58,249	26,063	24,134
Financial expenses	24	(19,279)	(18,145)	(12,887)	(11,933)
Non-operating income	25	6,405	6,028	4,045	3,746
Non-operating expenses	26	(13)	(12)	-	-
Net operating result		**46,604**	**43,863**	**6,251**	**5,789**
Direct taxes		(2)	(2)	(24)	(22)
Net result for the Period		**46,602**	**43,861**	**6,227**	**5,767**

Notes to the Separate Financial Statements

1. Basis of preparation of the Separate Financial Statements

General information

Multitude AG (the "Company"), identified with business identity code CHE-445.352.012, is the ultimate parent company of the Multitude Group. The Company was established in 2005 in Helsinki and is currently registered at Grafenauweg 8, 6300 Zug, Switzerland.

Until 30 June 2024, the Company was headquartered at Ratamestarinkatu 11 A, FI-00520 Helsinki. From 30 June to 30 December 2024, it was located at ST Business Centre 120, The Strand, Gzira, GZR 1027, Malta, before relocating to the canton of Zug, Switzerland, on 30 December 2024.

On 30 June 2024, following the relocation of the Company to Malta, a Finnish branch has been established. The Company has no other branches.

Multitude AG is listed on the Prime Standard of the Frankfurt Stock Exchange. Until 30 June 2024 it was traded under the ticker symbol "FRU". Between 30 June 2024 and 30 December 2024, the ticker symbol was "E4I". Since 30 December 2024, the ticker symbol has been "MULT".

For more information on the relocation, please refer to Note 1.1. of the consolidated financial statements.

Basis of preparation

These financial statements are prepared according to the provisions of the Swiss Code of Obligations (SCO) on Accounting and Financial Reporting.

In accordance with Art. 961d CO, as Multitude AG prepares consolidated financial statements in accordance with a recognised financial reporting standard, it is exempt from disclosing additional information in the notes to the financial statements, as well as preparing the cash flow statement and the management report.

2. Significant changes in the reporting period

First time adoption of Swiss Code of Obligation

Prior to its relocation to Switzerland, the Company applied Finnish Accounting Standards (in Finland) and International Financial Reporting Standards (in Malta). Considering that the Company has never dissolved or ceased to exist during the relocation, the Management has decided to voluntarily apply the accounting principles of the Swiss Code of Obligation from the beginning of the financial period and restate comparatives as if the Company has always applied these accounting standards.

The adoption of the Swiss Code of Obligation has resulted in the following changes in accounting policies:

Provision for Matching Share Plan

Under Finnish Generally Accepted Accounting Principles (Finnish GAAP), expenses related to the Matching Share Plan have been recognised when the shares were distributed to employees. This approach results in the recognition of expenses at the point of share transfer, without an accrual over the vesting period.

In contrast, under Swiss Code of Obligations, expenses related to the matching share plan are accrued over the vesting period. A corresponding provision is recognised progressively as employees earn the right to receive the shares. This method aligns the recognition of expenses with the period in which employees provide services, ensuring that costs are systematically allocated over the relevant performance period.

Rate adjustment long term assets in terms of the imparity principle

The imparity principle in the Swiss Code of Obligations (Art. 960a CO) requires companies to recognise all foreseeable risks and losses up to the balance sheet date. Profits, on the other hand, are only recognised if they have been realised by the balance sheet date. This principle promotes a prudent assessment of the financial position and protects creditors from an overly positive presentation of the Company's finances.

This requirement is in contrast with the requirements under Finnish GAAP, where both losses and profits are recognised at the balance sheet date.

Depreciation of Real estate stocks and shares

Under Finnish GAAP, the shares in real estate were classified as tangible assets, but no depreciation was recognised, as the market value was considered to exceed the acquisition cost.

The investment is now treated as property, and systematic depreciation is recognised over a 50-year useful life. As a result, depreciation expenses have been recorded, leading to a reduction in asset value and an increase in depreciation expenses in the financial statements.

Transition from Finnish GAAP to Swiss Code of Obligations

The above changes in accounting policies have had the following impact in the profits brought forward at the adoption date:

	As of 01 January 2023	
	EUR '000	CHF '000
Profit brought forward as per Finnish GAAP	45,436	42,074
Adjustment for matching share plan	(59)	(55)
Adjustment for property depreciation	(183)	(169)
Profit brought forward as per Swiss Code of Obligations	**45,194**	**41,850**

No other differences that would impact the equity were identified during the transition from Finnish GAAP to Swiss Code of Obligation.

Sale of business to Multitude International Services Oy

Prior to its relocation to Malta and subsequently to Switzerland, Multitude AG was providing management and other support services to certain Group entities. In line with the strategic restructuring and to align with the target operational model, Management decided to sell this part of the business to Multitude International Services Oy, a wholly owned subsidiary of the Company.

The transaction, which was completed on 1 June 2024, included the transfer of:

- Employees engaged in the management and support services
- Intangible assets related to the service business
- Existing commercial agreements with external service providers and Group entities
- Liabilities associated with the transferred operations

The selling price for the transaction was EUR 7.6 million, determined based on the fair value of the transferred assets, liabilities and overall revenue generating activities.

Despite the sale of the mentioned business operations, key management personnel have remained employed by Multitude AG in Finland. Their continued employment ensures continuity in strategic oversight and governance.

3. Summary of accounting policies

3.1 Functional and presentation currency

The functional currency of the Company is the Euro, the currency in which the Company also keeps its accounting records.

In compliance with legal requirements, these financial statements are presented in both EUR and disclosed in CHF. The translation from EUR to CHF was performed by using the rates applicable at the balance sheet date:

		2024	2023
Exchange rate as of 31 December	EUR/CHF	0.9412	0.9260

3.2 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, short-term highly liquid investments readily convertible to known amounts of cash with maturities of three months or less, and bank deposits with maturities or contractual call periods of three months or less.

3.3 Trade accounts receivable and other short-term receivables

Trade accounts receivable are stated at nominal value, but not higher than realisable value.

3.4 Trade payables and other short-term payables

Liabilities are stated at nominal value.

3.5 Financial assets

Securities and other financial assets are carried at cost or, if lower, at their realisable value at the balance sheet date.

Financial assets include investments in debt instruments (bonds) that are quoted on active markets. Despite the availability of observable market prices, these assets are measured at amortized cost, in accordance with the Company's business model and with intent to hold them until maturity. The fair value of these quoted instruments is disclosed in the notes.

3.6 Financial liabilities

Liabilities are stated at nominal value.

3.7 Investments in subsidiaries and associates

Equity securities in a company which are owned by the Company qualify as an investment in subsidiary if these securities are held for the purpose of permanent investment, irrespective of the percentage of voting shares held, or, if these equity securities are in a banking and financial market infrastructure enterprise, in particular participations in joint organizations. Participations can be held by the Company in Switzerland and its foreign branches.

Investments are initially recognized at acquisition cost, including any directly attributable transaction costs.

After initial recognition, investments are measured at cost, adjusted for impairment losses where necessary. If there are indicators of impairment, the recoverable amount is estimated. The recoverable amount is defined as the lower of value in use and fair value less costs of disposal. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. Impairments are reversed if justified by a change in circumstances.

Additions to investments (e.g., capital increases or share purchases) are recognized at cost. Disposals are derecognized at the date in which control or significant influence is lost, with any resulting gain or loss recognized in profit or loss.

Dividends received from subsidiaries are generally recognized as financial income. However, if the dividend represents a return of capital (e.g., repayment of paid-in capital or distribution not based on sustainable profits), it is accounted for as a reduction in the carrying amount of the investment.

3.8 Tangible assets

The company owns shares in Kiinteistö Oy Ratamestarinkatu 11, a Finnish entity that holds leasehold rights to land and owns the office building constructed on it. The Multitude AG Finnish Branch and other subsidiaries have their headquarters in the mentioned office building. Although the investment is formally structured through corporate shares, the legal and economic substance of the arrangement resembles co-ownership of immovable property.

In line with the principle of substance over form, and in accordance with the definitions under Article 655 of the Swiss Civil Code, we consider that the investment meets the characteristics of category 4: co-ownership shares in immovable property. As such, the shares are accounted for as property rather than as a financial investment.

Tangible assets are valued at acquisition cost less accumulated depreciation and impairment. They are depreciated using the straight-line method over the useful life. On an annual basis or when there are indicators that book values may be overstated, they are reviewed and, if necessary, an impairment is considered.

Category	Useful life (in years)
Property	50
Office improvements	10
Vehicles	4
Equipment	4

3.9 Intangible assets

Internally generated intangible assets are capitalised if they meet the following conditions cumulatively at the date of recognition:

- the intangible assets generated internally will generate a measurable benefit for the entity for more than one year;
- the expenses incurred in the creation of the intangible assets generated internally can be separately identified and measured;
- it is likely that the resources required to complete and market or use the intangible assets for the entity's own purpose are available or will be made available.

Intangible assets are valued at cost, less accumulated amortisation and impairment. The amortisation is calculated using the straight-line method over the useful life. On an annual basis or when there are indicators that book values may be overstated, they are reviewed and, if necessary, an impairment is considered.

Amortisation is calculated on the basis of the following useful lives as shown below:

Category	Useful life (in years)
Internally developed intangible assets	2 - 5

3.10 Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholder equity at the time of acquisition. In case of a resale or reissue, the gain or loss is allocated or charged to the statutory retained earnings.

3.11 Share-based payments

Share-based payments programmes are normally recognised as an expense over the vesting period, when all of the specified vesting conditions are satisfied.

At the end of each reporting period, the Company revises its estimates of the number of shares expected to vest based on the vesting and service conditions. Any change in the estimate is recognised in profit and loss.

3.12 Leases

Leasing and rental contracts are recognised based on legal ownership. Leasing or rental expenses are recognised as expenses in the period they are incurred. The leased or rented assets themselves are not recognised in the balance sheet.

3.13 Revenue

Revenue is recorded when the services have been delivered or performed, and the risks and rewards have been transferred to the buyer. It is measured at the fair value of the consideration received or receivable, adjusted for any trade discounts, rebates, or allowances, ensuring that the amount is both reliably measurable and reflective of the underlying economic transaction.

3.14 Dividend Income

Dividend income is recognized in profit or loss when the Company's right to receive payment is established. This typically occurs when the dividend has been formally declared by the distributing entity's competent body.

3.15 Interest Income

Interest income is recognized using the effective interest method. This method allocates interest income over the relevant period and reflects a constant periodic rate of return on the carrying amount of the financial asset.

3.16 Group contributions

Group contributions are financial transfers made between entities under common control, typically for tax optimization or capital allocation purposes. Group contributions received are recognized in profit or loss as financial income when the Company has an established right to receive the amount, and it is probable that the economic benefits will flow to the Company.

3.17 Events after the reporting period

The Company monitors events or transactions occurring after the end of the reporting period and before the separate financial statements are authorised for issue. For each event, the Company assesses:

- Whether it provides evidence of conditions that existed at the end of the reporting period (adjusting event);
- Whether it indicates conditions that arose after the reporting period (non-adjusting event).

Based on this assessment, the Company either adjusts the financial statements for significant adjusting events or provides appropriate disclosure for significant non-adjusting events.

Any significant subsequent events occurring after 31 December 2024 and before 16 April 2025, when the Company's Board of Directors authorises the financial statements, are reported in the financial statements (Note 29).

4. Trade accounts receivable

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due from third parties	**163**	**153**	**27**	**25**
Receivables	163	153	27	25
Due from subsidiaries	**2,275**	**2,142**	**5,676**	**5,256**
Receivables	2,275	2,142	5,676	5,256
Total	**2,438**	**2,295**	**5,703**	**5,281**

5. Other short-term receivables

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due from third parties	**-**	**-**	**99**	**92**
VAT receivable	-	-	99	92
Interest on loans	4,137	3,894	4,137	3,831
Valuation adjustments	(4,137)	(3,894)	(4,137)	(3,831)
Due from subsidiaries	**29,374**	**27,647**	**16,679**	**15,444**
Interest on loans	1,058	996	153	141
Other receivables from subsidiaries	28,316	26,651	16,526	15,303
Due from related parties	**43**	**40**	**-**	**-**
Interest on loans	43	40	-	-
Total	**29,417**	**27,687**	**16,778**	**15,536**

6. Prepaid expenses and accrued income

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due from third parties	**596**	**561**	**2,534**	**2,347**
Prepaid expenses	596	561	2,534	2,347
Due from subsidiaries	**358**	**337**	**-**	**-**
Accrued receivables	358	337	-	-
Total	**954**	**898**	**2,534**	**2,347**

7. Financial assets

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
SHORT-TERM FINANCIAL ASSETS				
Due from subsidiaries	**18,000**	**16,942**	**-**	**-**
Capital loan from subsidiaries	18,000	16,942	-	-
Total short-term financial assets	18,000	16,942	-	-
LONG-TERM FINANCIAL ASSETS				
Due from third parties	**-**	**-**	**200**	**186**
Loans	857	807	857	794
Valuation adjustments	(857)	(807)	(657)	(608)
Due from related parties	**3,657**	**3,443**	**1,900**	**1,759**
Loans	3,657	3,443	1,900	1,759
Due from subsidiaries	**23,500**	**22,117**	**20,000**	**18,520**
Debt securities	2,000	1,882	2,000	1,852
Capital loan	21,500	20,235	18,000	16,668
Total long-term financial assets	**27,157**	**25,560**	**22,100**	**20,465**
Total	**45,157**	**42,502**	**22,100**	**20,465**

In 2023, the Company has issued loans in the total amount of EUR 1.9 million (CHF 1.7 million) to the members of the Leadership Team with the purpose of purchasing Multitude's shares.

In 2024, an additional loan of EUR 1,9 million (CHF 1,9 million) has been issued to members of the Leadership team and EUR 231 thousand (CHF 217 thousand) from the original loan has been paid back. The balance of the loan as of 31 December 2024 is EUR 3,7 million (as of 31 December 2023 EUR 1.9 million – CHF 1.76 million).

All shares purchased with these loans are pledged to the Company and used as collateral. There is no expected credit loss provision created for these loans as of 31 December 2024 and 2023. The loan accrues a fixed interest of 5.5% per annum and is paid annually. The principal on the loan shall be repaid on 31 December 2028.

The financial assets include a subordinated bond (ISIN MT0000911215) issued by Multitude Bank plc, which is listed on the Malta Stock Exchange. Although the bond is listed, it is not actively traded, and observable market prices are limited. In line with the Company's accounting policy and Art. 960b para. 1 CO, the bond is therefore measured at amortized cost. The estimated fair value is disclosed below for transparency and is based on the information published by the Malta Stock Exchange. A difference between the carrying amount and fair value would not be recognized in the financial statements.

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Carrying amount	2,000	1,882	2,000	1,852
Fair value	2,000	1,882	1,950	1,806
Unrealized reserve/loss	-	-	-	-

8. Investments in subsidiaries and associates

Direct investments 2024

Company	Domicile	Currency	Share capital '000	Participation %	Gross book value EUR '000	Impairment EUR '000	Net book value EUR '000	Net book value CHF '000
CapitalBox AB	Sweden	SEK	70,100	100%	9,684	-	9,684	9,115
Fe Business Services OÜ	Estonia	EUR	3	100%	1	-	1	1
Ferratum (Malta) Holding Limited	Malta	EUR	130,175	100%	130,500	-	130,500	122,827
Ferratum Bulgaria EOOD	Bulgaria	BGN	1,500	100%	772	-	772	727
Ferratum Capital Oy	Finland	EUR	35,003	100%	35,001	-	35,001	32,942
Ferratum Latvia SIA	Latvia	EUR	427	100%	423	-	423	398
Ferratum México S. de R.L. de C.V.	Mexico	MXN	45,505	99,99%	2,134	(2,134)	-	-
Ferratum Portfolio S.à r.l.	Luxemburg	EUR	12	100%	12	-	12	11
Ferratum Romania I.F.N. S.A.	Romania	RON	1,000	99,1%	477	-	477	449
Guarantee Services OÜ	Estonia	EUR	3	100%	1	-	1	1
Multitude Bank p.l.c.	Malta	EUR	130,500	0,00001%	-	-	-	-
Multitude Capital Oyj	Finland	EUR	80	100%	80	-	80	75
Multitude International Services Oy	Finland	EUR	8,551	100%	8,551	-	8,551	8,048
Multitude IT Labs s.r.o.	Slovakia	EUR	31,453	100%	40,034	-	40,034	37,680
Multitude Services Lithuania UAB	Lithuania	EUR	3	100%	3	-	3	3
Multitude Services Sweden AB	Sweden	SEK	15,000	100%	1,668	-	1,668	1,570
Numeratum d.o.o.	Croatia	EUR	3	100%	3	-	3	3
Pactum Collections GmbH	Germany	EUR	5,175	100%	5,451	(1,656)	3,795	3,572
Suomen Joustava Oy	Finland	EUR	10	100%	104	-	104	98
Vector Procurement Solutions Inc.	Canada	EUR	3,127	100%	3,054	-	3,054	2,874
Sortter Oy	Finland	EUR	2,500	19,9%	1,016	-	1,016	956
Total					**238,969**	**(3,790)**	**235,179**	**221,350**

Indirect investments 2024

Company	Domicile	Currency	Share capital '000	Participation %
Bhawana Capital Private Ltd	India	INR	89,606	99.68%
Multitude Global Services Co.	Philippines	PHP	5	99.94%
Multitude Services GmbH	Switzerland	CHF	22	100%
Multitude Bank p.l.c.	Malta	EUR	130,500	100%
Saldodipje S.L.U.	Spain	EUR	3	100%

Direct investments 2023

Company	Domicile	Currency	Share capital '000	Participation %	Gross book value EUR '000	Impairment EUR '000	Net book value EUR '000	Net book value CHF '000
CapitalBox AB	Sweden	SEK	100	100%	3,666	-	3,666	3,395
Fe Business Services OÜ	Estonia	EUR	3	100%	1	-	1	1
Ferratum (Malta) Holding Limited	Malta	EUR	88,174	100%	88,500	-	88,500	81,951
Ferratum Bulgaria EOOD	Bulgaria	BGN	1,500	100%	772	-	772	715
Ferratum Capital Oy	Finland	EUR	35,003	100%	35,001	-	35,001	32,409
Ferratum Latvia SIA	Latvia	EUR	427	100%	423	-	423	392
Ferratum México S. de R.L. de C.V.	Mexico	MXN	45,505	99,99%	2,134	(2,134)	-	-
Ferratum Portfolio S.à r.l.	Luxemburg	EUR	12	100%	12	-	12	11
Ferratum Romania I.F.N. S.A.	Romania	RON	1,000	99,1%	477	-	477	442
Guarantee Services OÜ	Estonia	EUR	3	100%	1	-	1	1
Multitude Bank p.l.c.	Malta	EUR	88,500	0,00001%	-	-	-	-
Multitude Capital Oyj	Finland	EUR	-	-	-	-	-	-
Multitude International Services Oy	Finland	EUR	951	100%	951	-	951	881
Multitude IT Labs s.r.o.	Slovakia	EUR	31,453	100%	40,034	-	40,034	37,071
Multitude Services Lithuania UAB	Lithuania	EUR	3	100%	3	-	3	3
Multitude Services Sweden AB	Sweden	SEK	15,000	100%	1,668	-	1,668	1,545
Numeratum d.o.o.	Croatia	EUR	3	100%	3	-	3	3
Pactum Collections GmbH	Germany	EUR	5,175	100%	5,451	(1,656)	3,795	3,514
Saldodipje S.L.U.	Spain	EUR	3	100%	3,897	-	3,897	3,609
Suomen Joustava Oy	Finland	EUR	10	100%	104	-	104	96
Vector Procurement Solutions Inc.	Canada	EUR	3,127	100%	3,054	-	3,054	2,828
Sortter Oy	Finland	EUR	2,500	19,9%	1,016	-	1,016	941
Total					**187,168**	**(3,790)**	**183,378**	**169,808**

Indirect investments 2023

Company	Domicile	Currency	Share capital '000	Participation %
Bhawana Capital Private Ltd	India	INR	57,137	99.27%
Multitude Global Services Co.	Philippines	PHP	5	99.94%
Multitude Services GmbH	Switzerland	CHF	22	100%
Multitude Bank p.l.c.	Malta	EUR	88,500	100%
Saldo Geston S.L.U.	Spain	EUR	3	100%

9. Tangible assets

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Property – Real estate shares				
Cost	1,308	1,231	1,308	1,211
Accumulated depreciation	(235)	(221)	(209)	(194)
Property – Real estate shares, net	**1,073**	**1,010**	**1,099**	**1,017**
Vehicles and equipment				
Cost	640	602	640	593
Accumulated depreciation	(553)	(520)	(523)	(484)
Vehicles and equipment, net	**87**	**82**	**117**	**109**
Office improvements				
Cost	1,248	1,174	1,216	1,126
Accumulated depreciation	(970)	(913)	(848)	(785)
Office improvements, net	**278**	**261**	**368**	**341**
Tangible assets, net	**1,438**	**1,353**	**1,584**	**1,467**

10. Intangible assets

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Internally developed intangible assets, cost	13,660	12,857	17,592	16,290
Accumulated amortisation	(13,545)	(12,749)	(15,786)	(14,618)
Intangible assets, net	**115**	**108**	**1,806**	**1,672**

The decrease in intangible assets during the period is primarily attributable to the sale of business operations to Multitude International Services Oy (MINS), as detailed in Note 2. As part of this transaction, intangible assets in amount of EUR 1.4 million (CHF 1.32 million) related to the transferred business, including internally developed intangible assets, were derecognised from the Company's balance sheet.

11. Trade accounts payable

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due to third parties	**303**	**285**	**314**	**291**
Payables	303	285	314	291
Due to subsidiaries	**861**	**811**	**1,555**	**1,440**
Payables	861	811	1,555	1,440
Total	**1,164**	**1,096**	**1,869**	**1,731**

12. Other short-term payables

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due to third parties	**1,162**	**1,093**	**924**	**855**
Interest	635	597	523	484
VAT payables	401	376	-	-
Salaries	58	55	156	144
Withholding tax	57	54	140	129
Social insurance	7	7	46	43
Pension fund	-	-	55	51
Other payables	4	4	4	4
Due to subsidiaries	**1,199**	**1,128**	**252**	**234**
Interest on loans received	788	741	252	234
Other payables	411	387	-	-
Total	**2,361**	**2,221**	**1,176**	**1,089**

13. Accrued expenses and deferred income

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due to third parties	**4,108**	**3,876**	**3,006**	**2,783**
Accruals for services received	2,473	2,328	2,495	2,310
Audit fees	1,178	1,109	204	189
Staff bonus	360	339	-	
Holiday allowances	97	91	307	284
Due to subsidiaries	**264**	**248**	**1,180**	**1,092**
Accruals for services received	264	248	1,180	1,092
Total	**4,372**	**4,115**	**4,186**	**3,875**

14. Long-term interest-bearing liabilities

	As of 31 December			
	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Due to third parties	**49,700**	**46,778**	**91,000**	**84,266**
Issued bonds	45,000	42,354	91,000	84,266
Long-term loans	4,700	4,424	-	-
Due to subsidiaries	**120,909**	**113,799**	**41,583**	**38,505**
Long-term loans	120,909	113,799	41,583	38,505
Total	**170,609**	**160,577**	**132,583**	**122,771**

Long-term liabilities include unsecured and subordinated perpetual capital notes amounting to EUR 50 million (CHF 47 million, 31 December 2023: EUR 50 million (CHF 46 million), issued on 5 July 2021 at 99.50% of the nominal amount. These capital notes, identified by ISIN NO0011037327, carry a floating coupon rate of 8.90% plus 3-month Euribor. As of the reporting date, the Company has repurchased and holds capital notes with a nominal amount of EUR 5 million, which are presented as a deduction from the outstanding balance.

Long-term liabilities include EUR 4.7 million loan provided by a third party to Multitude AG for general corporate purposes. The loan was drawn in July 2024 and is due for full repayment in August 2027. It accrues interest at EURIBOR (with a minimum floor of 2%) plus a 6.5% margin, with quarterly interest payments.

15. Share capital

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Opening balance as of 1 January	**40,134**	**37,774**	**40,134**	**37,164**
Reclassification from other capital reserves to share capital	55	52	-	-
Closing balance at of 31 December	**40,189**	**37,826**	**40,134**	**37,164**

The share capital is composed of 21,723,960 registered shares with a par value of EUR 1.85 each. The capital is fully paid in.

As part of the relocation to Switzerland, on 21 March 2024, the shareholders approved the temporary relocation of the Company's registered office to Malta and authorised a capital increase of EUR 55,000 (CHF 52,000). This increase was achieved by converting the other capital reserves into share capital.

16. Other capital reserves

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Opening balance as of 1 January	**14,708**	**13,843**	**14708**	**13,620**
Reclassification to share capital	(55)	(52)	-	-
Closing balance as of 31 December	**14,653**	**13,791**	**14,708**	**13,620**

17. Treasury shares

	2024			2023		
	No. of shares	EUR '000	CHF '000	No. of shares	EUR '000	CHF '000
Opening balance as of 1 January	**105,836**	**103**	**97**	**146,200**	**142**	**131**
Acquisitions	162,867	927	875	-	-	-
Allocation to board members & employees	(88,146)	(84)	(80)	(40,364)	(39)	(36)
Closing balance as of 31 December	**180,557**	**946**	**890**	**105,836**	**103**	**95**

In 2024, 162,867 shares were purchased at an average price of EUR 5.13 (CHF 4.828) and 88,146 shares were allocated to board members and employees at an average purchase price of EUR

0.97 (CHF 0.913). The difference between the purchase price and the fair value of the shares has been recorded in statutory retained earnings.

18. Earnings brought forward

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Opening balance as of 1 January	**33,299**	**31,341**	**45,194**	**41,850**
Result for the previous period	6,227	5,861	(9,304)	(8,616)
Dividends paid	(4,116)	(3,874)	(2,591)	(2,399)
Share based payments	357	336	-	-
Closing balance as of 31 December	**35,767**	**33,664**	**33,299**	**30,835**

19. Revenue from services

Revenue from services consists of intra-group service income such as advisory risk management, marketing operations and other mobile banking services.

In 2024 and 2023, the revenue was primarily driven by advisory services provided to Group companies amount to EUR 13,1 million (CHF 12,3 million) in 2024 and EUR 15,3 million (CHF 14,2 million) in 2023.

20. Personnel expenses

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Wages and salaries	2,202	2,074	2,714	2,514
Bonuses	399	375	214	198
Social costs	332	312	575	532
Recruiting, training and education	182	171	157	145
Travel costs employees	93	88	126	117
Other staff costs	116	109	313	290
Total	**3,324**	**3,129**	**4,099**	**3,796**

All personnel are employed in Finland through Multitude AG's Finnish Branch.

21. Professional services expenses

	2024 (audited)		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Professional services fees	2,027	1,908	1,917	1,774
Legal and tax services	1,440	1,355	1,329	1,231
Audit fees	1,372	1,291	841	779
Intercompany professional services fees	772	727	1,032	956
Total	**5,611**	**5,281**	**5,119**	**4,740**

22. Other operating expenses

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Intercompany services received	4,166	3,921	8,619	7,982
Software licenses	513	483	848	785
Marketing and promotional expenses	217	204	351	325
Rent expenses	137	129	114	106
Insurance	102	96	98	91
Equipment lease	44	41	40	37
Repairs and maintenance vehicle & building	43	41	64	59
Expensed IT equipment	10	9	51	47
Intercompany rent expenses	-	-	22	20
Credit loss	224	211	(27)	(25)
Other operating and administrative expenses	1,110	1,045	634	587
Total	**6,566**	**6,180**	**10,814**	**10,014**

23. Financial income

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Dividends received	37,530	35,324	8,014	7,420
Group contributions received	21,414	20,155	15,974	14,792
Interest income – loans to group companies	2,900	2,729	1,950	1,806
Interest income – loans to related parties	44	41	74	69
Foreign exchange gains	-	-	50	46
Total	**61,888**	**58,249**	**26,063**	**24,134**

24. Financial expenses

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Interest expenses	12,127	11,414	11,293	10,457
Interest expense – loans from group companies	6,689	6,296	1,103	1,021
Loss on foreign exchange	119	112	199	184
Bank charges	34	32	32	30
Other financial expenses	310	292	260	241
Total	**19,279**	**18,145**	**12,887**	**11,933**

25. Non-operating income

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Intercompany gain from sale of business and financial instruments	6,450	6,028	4,000	3,704
Gain disposal of fixed asset	-	-	45	42
Total	**6,405**	**6,028**	**4,045**	**3,746**

The gain on the sale of business is related to the sale of certain business activities to Multitude International Services Oy that has taken place in 2024 as disclosed in Note 2.

The gain on sale of the financial instruments refers to the sale of the option held to acquire the remaining unpurchased shares of Sortter Oy to Multitude Bank, which took place in 2023.

26. Non-operating expenses

	2024		2023	
	EUR ‘000	CHF ‘000	EUR ‘000	CHF ‘000
Loss disposal of fixed asset	13	12	-	-
Total	**13**	**12**	**-**	**-**

27. Other information

Full-time equivalents

The full-time equivalent employees for the reporting year 2024 was 12 (2023: 46).

Leasing obligations

The Company has entered into lease commitments for building rental and vehicle lease as follows. The value of the lease commitments as at 31 December 2024 is as follows:

	EUR ‘000	CHF ‘000
Less than 1 year	43	40
1 - 5 years	60	56
More than 5 years	-	-
Total	**103**	**97**

Shares held by management members of the board and employees

	2024			2023		
	No. of shares	EUR ’000	CHF ‘000	No. of shares	EUR ‘000	CHF ‘000
Shares held by Members of the Board	12,298,698	58,419	54,984	12,157,995	57,750	53,477
Shares held by Leadership team*	884,299	4,200	3,953	293,018	1,392	1,289
Total	**13,182,997**	**62,610**	**58,937**	**12,451,013**	**59,142**	**54,766**

*excludes Jorma Jokela, Founder and majority shareholder, and Lea Liigus, Head of Legal and compliance, who are also members of the Board of Directors.

28. Commitments and guarantees

Guarantee provided to Multitude Capital

During 2024, Multitude AG has entered into a Guarantee and Adherence Agreement with Multitude Capital Oyj, its wholly owned subsidiary, in connection with the issuance of senior guaranteed unsecured callable floating rate bonds amounting to EUR 150 million with ISIN: NO0013259747.

Under this agreement, the Company has provided an irrevocable and unconditional guarantee for the due and punctual payment of all present and future obligations of the Multitude Capital under the terms and conditions of the bond, including the payment of principal and interest on the bonds. The guarantee is provided on a joint and several basis, whereby the Company acts as a principal obligor.

The Company's obligations under the guarantee remain in effect until all amounts due under the terms and conditions of the bonds have been fully and irrevocably settled. The guarantee also extends to potential amendments, extensions, or refinancing of the obligations without requiring further consent from the Company.

The guarantee does not result in the recognition of a liability in the Company's financial statements.

Guarantee provided to Ferratum Capital Oy

The Company has also provided a guarantee of EUR 650 thousand to Ferratum Capital Oy, its wholly owned subsidiary, to enable the latter to enter into agreements to purchase derivative financial instruments used to cover currency exposure. This guarantee serves as security for Ferratum Capital Oy's obligations under derivative contracts and is intended to facilitate risk management activities related to financial instruments.

Comfort letter to CapitalBox AB

On 22 October 2024, the Company issued a comfort letter confirming its commitment to provide financial support to CapitalBox AB, its fully owned subsidiary in the event of financial difficulties. The commitment included executing such support by the end of January 2025, should it become necessary, and to provide immediate financial assistance upon submission of a reasoned request by the Management Board of CapitalBox AB. The letter also stated that Multitude AG was willing to invest additional funds required to ensure that CapitalBox AB continues as a going concern.

In line with this commitment, the Company made an equity investment of EUR 6 million into CapitalBox AB by the end of 2024.

29. Events after the reporting period

Sale of non-material subsidiaries

In Q1 2025, Management approved the sale the following non-material subsidiaries:

- Ferratum Latvia
- Suomen Joustava Oy

These transactions will have no material impact in the Company's financial statements

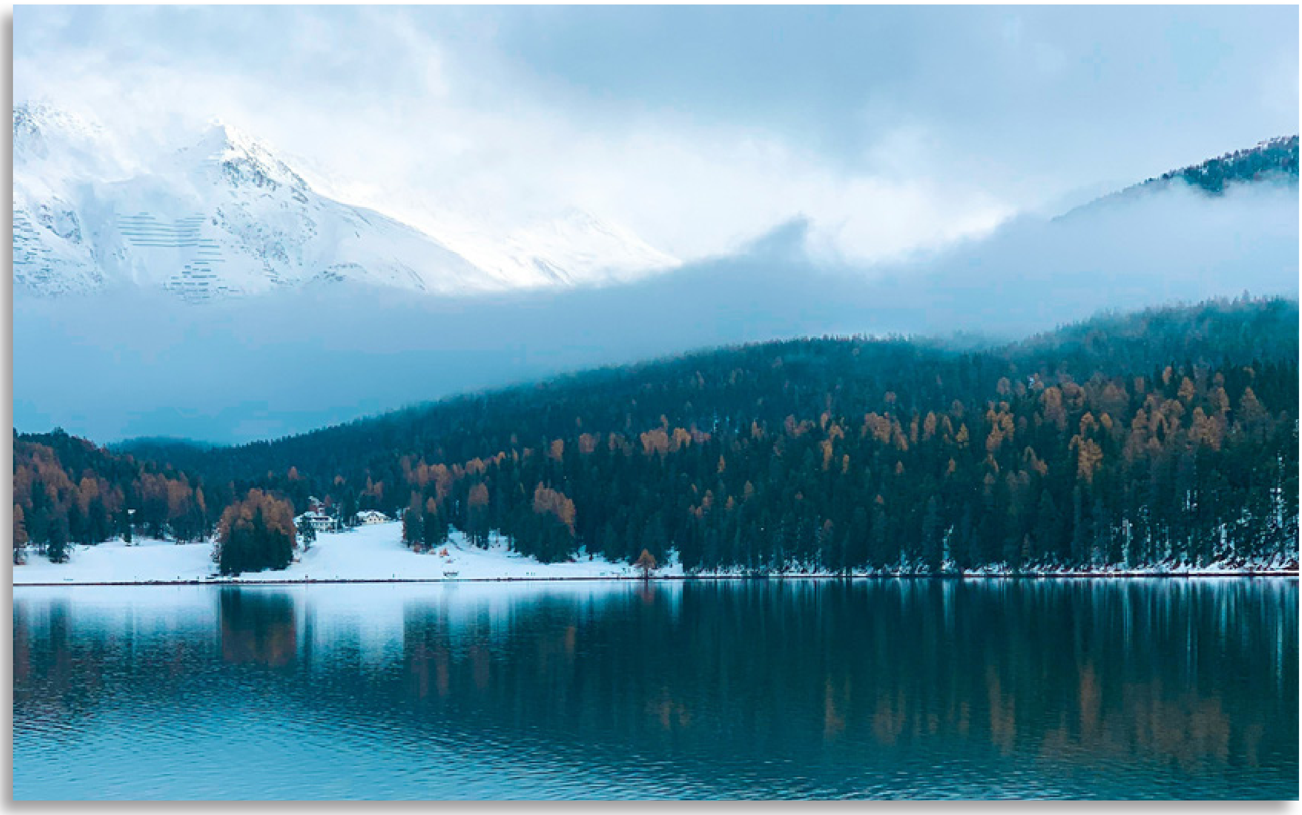
Appropriation of available earnings

The Board of Directors proposed the following appropriation of available earnings:

	2024		2023	
	EUR '000	CHF '000	EUR '000	CHF '000
Earnings brought forward	35,410	33,328	33,299	30,835
Share-based payments	357	336	-	-
Net result for the period	46,602	43,861	6,227	5,767
Retained earnings available to the Annual General Meeting	**82,369**	**77,525**	**39,526**	**36,602**
Proposed appropriation of available earnings				
Allocation to statutory retained earnings	(2,330)	(2,193)	-	-
Distribution of a dividend	(9,421)	(8,867)	(4,116)	(3,811)
Retained earnings to be carried forward	**70,618**	**66,465**	**35,410**	**32,791**

The Board of Directors has proposed a dividend of EUR 0.44 per share. The final amount of the dividend to be paid will depend on the number of outstanding treasury shares at the record date. As the Company currently has an active share buy-back program, the number of treasury shares may vary, which could impact the total amount of dividends distributed.

Note: The appropriation of the retained earnings and the distribution of the dividend are based on the profit appropriation proposal by the Board of Directors, as included above. According to Art. 698 para. 2 item 4 of the Swiss Code of Obligations, the Annual General Meeting is responsible for approving the appropriation of retained earnings and the distribution of the dividend.



Approval of the Consolidated and Separate Financial Statements and the Board of Directors' Report

We hereby approve the annual financial statements and the Board of Directors' report of Multitude AG for the financial year from 1 January 2024 to 31 December 2024.

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair representation of the assets, liabilities, financial position and profit or loss of Multitude AG, and the management report gives a fair review of the development and performance of the business and the position of the Multitude AG, together with a description of the principal opportunities and risks associated with the expected development of Multitude AG.

Zug, 16 April 2025

Ari Tiukkanen	Signed by: Ari Tiukkanen 096ECD87AF9B4E5...	Chairman of the Board
Jorma Jokela	DocuSigned by: Jorma Jokela D0F919545E60493...	Member of the Board
Lea Liigus	Signed by: Lea Liigus 148BF671E0C6403...	Member of the Board
Kristiina Leppänen	DocuSigned by: Kristiina Leppänen 63FE734C3DE3443...	Member of the Board
Marion Khüny	Signiert von: Marion Khüny 3219F9365D89462...	Member of the Board

Report of the statutory auditor

to the General Meeting of Multitude AG, Zug, Switzerland

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Multitude AG (the Company), which comprise the separate statement of financial position as at 31 December 2024, the separate statement of profit or loss for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements (pages 192 to 211) comply with Swiss law and the Company's articles of incorporation.

Basis of opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the separate financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall group materiality: EUR 1'574'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Recoverability of the carrying value of investments in subsidiaries

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the separate financial statements as a whole.

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich
Telefon: +41 58 792 44 00, www.pwc.ch

Overall materiality	EUR 1’574’000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as a benchmark because, in our view, they are a key driver of the business of the holding entity and determinants of the entity’s performance.

We agreed with the Audit Committee that we would report to them misstatements above EUR 78’000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the separate financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of the carrying value of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
As set out in the balance sheet line item “Investments in subsidiaries” and as described in Note 8 to the separate financial statements, Multitude AG held investments in subsidiaries with a carrying value of EUR 234 million as of 31 December 2024. Investments in subsidiaries are carried at acquisition cost adjusted for impairment where necessary. If indications of impairment exist, the carrying amount is assessed and reduced to the recoverable amount. Recoverable amount is determined using the Discounted Cash Flow Method (“DCF”). Due to the high level of sensitivity of the fair value to the assumptions used in the impairment assessment and the significance of the investments in subsidiaries to the separate financial statements of Multitude AG, we identified the impairment assessment of investments in subsidiaries as a key audit matter. As part of the DCF, Multitude AG is basing itself on business plans of its investments in subsidiaries.	In executing our audit approach, we performed the following, amongst other procedures: • Assessed the Multitude AG’s accounting policy for investments in subsidiaries and its application to the preparation of the separate financial statements. Further, for a sample of investments, we: • Reviewed management’s business plans approved by the Board of Directors, which were the basis for the calculation. We relied, among other things, on independent data and information regarding growth assumptions, market environment, and industry trends. We compared the equity cost rate used with our own assumptions, external sources, and peer groups. • Performed sensitivity analysis concerning the growth rates and equity cost rate. • Compared investment carrying value and the net asset value of the subsidiaries. • Engaged our valuation experts to:

The value of the Investments in subsidiaries depends to a large extent on the achievement of the objectives in the business plan for the investment in subsidiaries approved by the Board of Directors. When preparing these business plans, those responsible have considerable discretion, especially with regard to estimating future results and cash flows as well as the cost of equity used. If actual future results and cash flows are lower than the forecast, there is a risk that the value of the investments will be impaired.

- assess the technical correctness of the valuation model and the consistency of the principles applied for sampled investment, including the technical assumptions such as discount rate and multiples contained therein and the mathematical accuracy of the calculations.
- determine a fair value on the basis of the dividend discount model ("DDM") utilizing our own assumptions as an alternative income approach; and
- conduct a sensitivity analysis to assess the impact of changes in main valuation assumptions on the enterprise and equity values derived by us based on the DCF and DDM method.

Finally, we reviewed the appropriate presentation of the Investments in subsidiaries in the separate financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the separate financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the separate financial statements

The Board of Directors is responsible for the preparation of separate financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the separate financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposals comply with Swiss law and the Company's articles of incorporation. We recommend that the separate financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Benčić Daniela

Philippe Bingert
Licensed audit expert
Auditor in charge

Daniela Bencic

Zurich, 17 April 2025

PricewaterhouseCoopers AG has provided Multitude AG with confirmation from the Chamber of Public Accountants (WPK) pursuant to Section 134(4), sentence 8 of the Public Accountants Act (WPO), confirming the exemption from the registration requirement.

For further information on the Multitude share and all publications, please visit

www.multitude.com

MULTITUDE