



Multitude Group

Creating success stories in fintech

EKF – Frankfurt

Antti Kumpulainen

(CEO of Multitude Group from 1st January 2025 onwards)

25.11.2024

MULTITUDE

Important notice

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

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

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

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

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

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

MULTITUDE



Founded in Finland in 2005



EU wide banking licence



Listed on the Frankfurt Stock Exchange

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



Customers

~400,000

Revenue 2023

EUR 230m

Net profit 2023

EUR 16.4m

Employees

~700

Countries

16



VISION

Building the most
valuable financial
platform
for overlooked
customers



MISSION

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



OUR VALUES

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

Multitude's Growth platform

Our three independent business units focus on sales and customer experience

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

PLATFORM CUSTOMERS



PLATFORM CUSTOMER BENEFITS

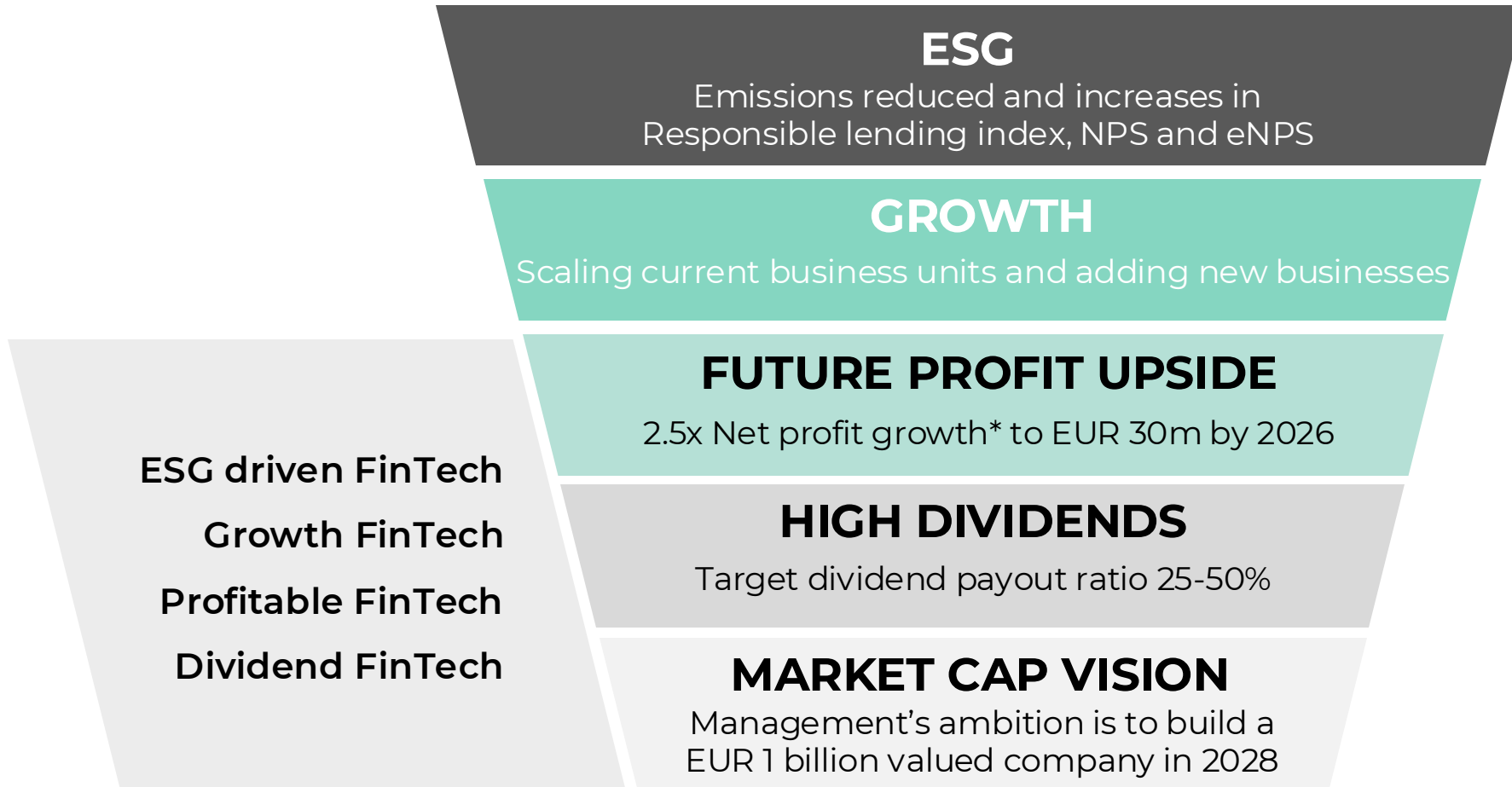


CENTRALISED PLATFORM ELEMENTS



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

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

Our growth is built on three fundamentals: Organic development, partnerships and acquisitions

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ORGANIC DEVELOPMENT

- Enhance customer-facing and internal processes
- Product and country portfolio expansion
- Bolster our unique selling points (USP) for customers

PARTNERS

- With sales allies
- With white-label collaborators
- With service provider partners

ACQUISITIONS

- Entering new countries or introducing new products
- Enhancing our current offerings within existing markets and products
- Integrating new businesses into our Growth platform

Significant growth potential for all our business units*

EUR 24.9_{bn}

Total Outstanding Portfolio



2.3%

Our Current Share-%

EUR
14.8_{bn}

Total Outstanding Portfolio



1.0%

Our Current Share-%

EUR
15.7_{bn}

Total Outstanding Portfolio

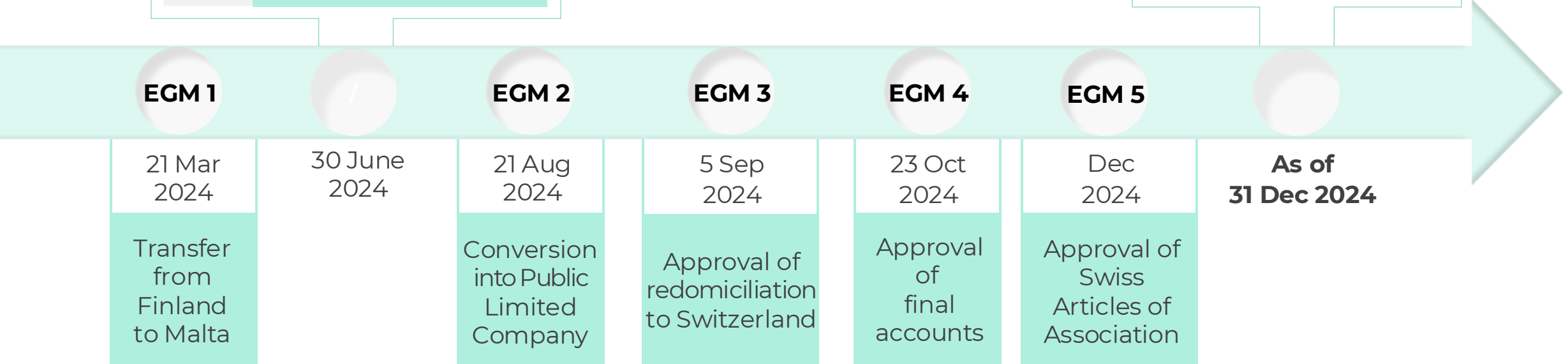
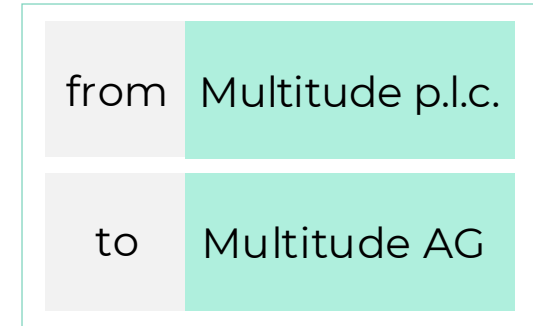
MULTITUDE
BANK

0.3%

Our Current Share-%

*Total Addressable Market; Full Potential For The Products and Markets of The Future

Multitude Group's relocation of registered seat to Switzerland



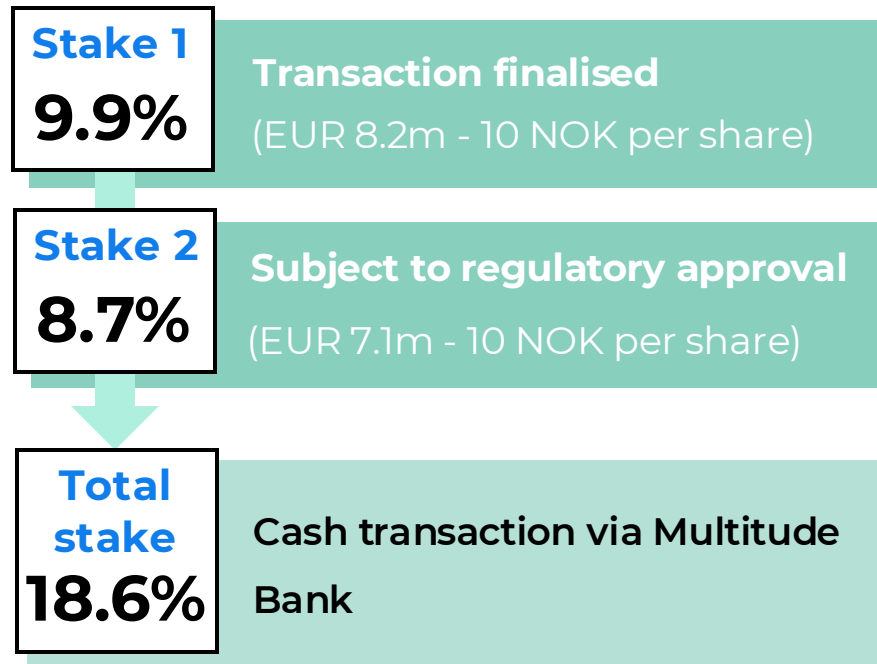
- The operations stay in the current countries and no employee transfers to Switzerland
- Multitude AG will continue to be exclusively listed on the Frankfurt Stock Exchange (no plans for dual-listing)
- The relocation is not expected to cause any adverse tax consequence in respect of the Group's tax management policy and future dividend distribution to Multitude's shareholders

Multitude Bank acquired a strategic stake in Lea Bank ASA

- Great strategic fit with complementary offering and attractive financial return

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Transaction breakdown



Strategic investment

- Lea Bank represents an ideal strategic fit with its complementary product offerings
- This transaction is expected to provide us an attractive financial return in terms of dividend yield and income from associated company
- Additionally, this acquisition creates opportunities for further strategic cooperation
 - Referrals/product cooperations
 - Cross-selling
 - Potential use of payment infrastructure
- After completion of the second stake, Multitude is expected to become the largest shareholder of Lea Bank

Why this change?

The founder seeks to reduce time spent on daily operations, focusing fully on high-impact strategic and value-creative projects

Jorma's future at Multitude

- Board member at Multitude and Multitude Bank
- Exploring potential acquisitions and partnerships
- Leading strategy, innovation, and business development projects
- Mentoring key people across the organization

Antti Kumpulainen

- Nine successful years in Multitude from which first years as country manager, followed by commercial leader and the last four years as the CEO of Multitude Bank
- Before Multitude risk management roles (incl. CRO) in Finnish banks and financial institutions

Highlights as Bank CEO:

- Doubled the lending and investing portfolio
- Increased digitalisation and automation in operations throughout the Group (Bank FTEs from 273 to 186 and contact share in self-service from 0 to 83% in 5 years)
- Creation of the Wholesale Banking business unit
- European-wide regulatory knowledge

Focus

Leading
by data

Accelerating
digitalisation

Enhancing
customer
experience

Improving
efficiency
(Cost / Income ratio)



Multitude group highlights 9M 2024

– Increasing revenue and strong EBIT growth

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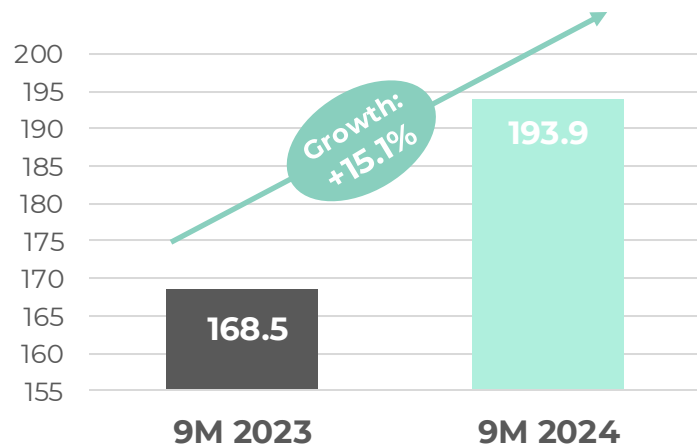
Highlights 9M 2024

- Both revenue and EBIT growing strongly
- All 3 business units growing
- Demand and payment behaviour remains robust
- First share buyback programme completed in July 2024
- Relocation process to Switzerland will be completed on 31st December 2024

Focus going forward

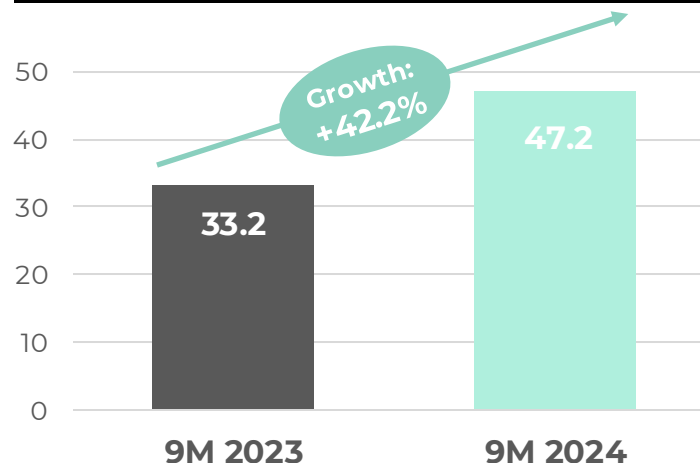
- Focus on 3 growth initiatives: Organic, Partnerships and M&A
- Enhance risk management and AI investments to further improve scalability
- Achieve our communicated guidance:
 - EBIT of EUR 67.5m in 2024, and
 - Net profit of EUR 23m in 2025
 - Net profit of EUR 30m in 2026

Revenue* in EURm

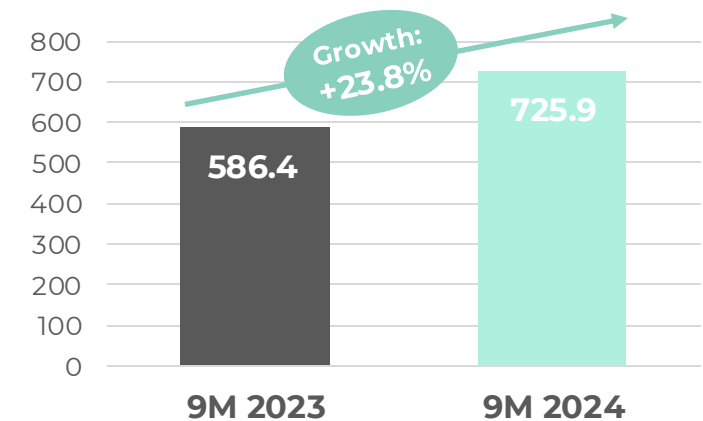


*Includes Interest income and Fee and commission income

EBIT in EURm



NET AR** in EURm



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

Consumer Banking highlights 9M 2024

– Strong performance continues



Highlights 9M 2024

- Improved marketing bidding process in further countries
- Entered Polish market via partnership model in October
- Credit risk improvements done during Q2 and Q3 with visible positive results
- SweepBank banking products integrated to Ferratum offering in Finland and Latvia

Focus going forward

- Continue integrating SweepBank banking products to Ferratum offering in other countries
- Focus on 3 main initiatives to accelerate revenue and profitability growth: Organic, Partnerships and M&A
- Improvements in scalability by automation, data & AI, and risk innovations

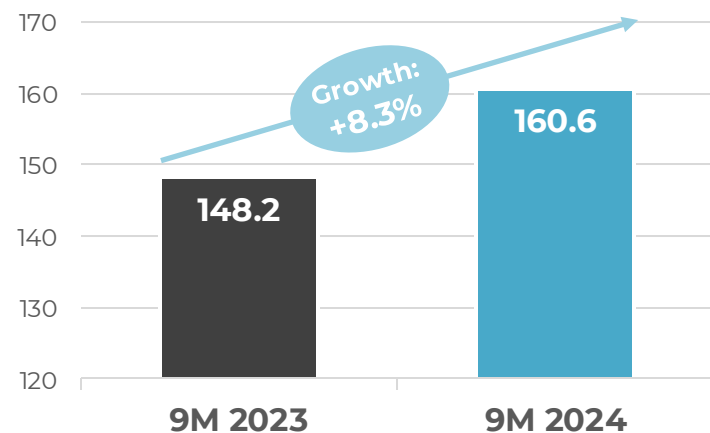
Targets 2024

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

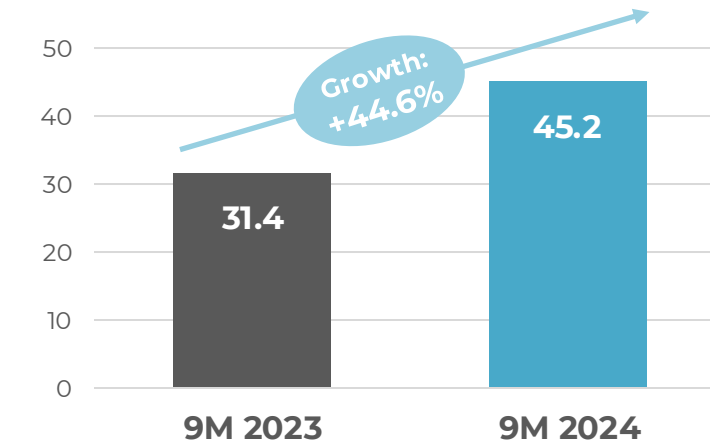
9M 2024 in numbers

Products 3	Markets 13	NPS 63
Contact share in self-service		83%

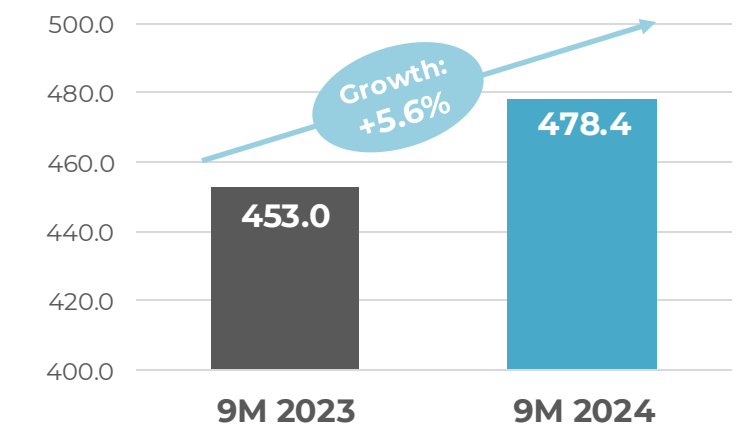
Revenue* in EURm



EBIT** in EURm



NET AR in EURm



*Includes Interest income and Fee and commission income

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

SME Banking highlights 9M 2024

– Strong growth and credit risk provisions decreasing according to plan

Highlights 9M 2024

- Focus on retention of customers: Multi-product offering launched and further development in daily banking solutions
- Secured lending portfolio growing, due to improvements in sales processes
- Improved collection processes
- Finetuned underwriting processes driving probability of default down
- Further automation by launching AI powered invoice scraping solution for factoring product

Focus going forward

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

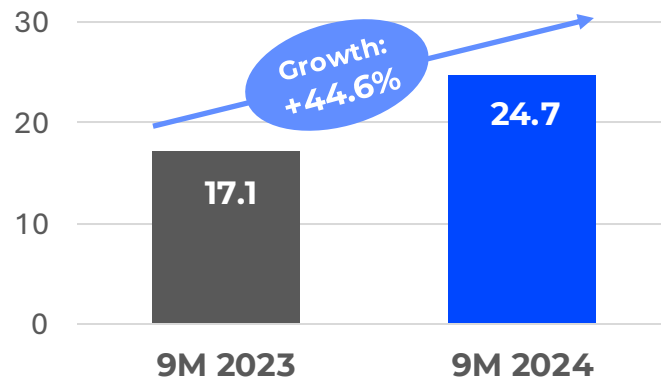
Targets 2024

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

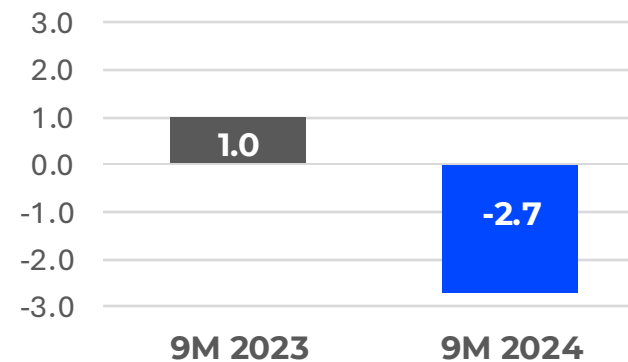
9M 2024 in numbers



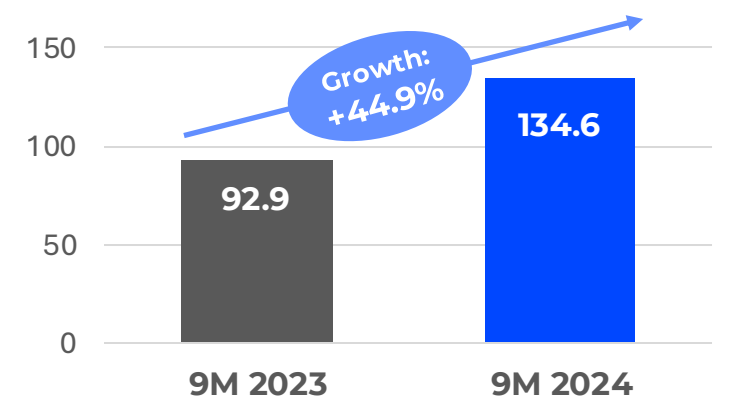
Revenue in EURm



EBIT* in EURm



NET AR in EURm



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

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

Wholesale Banking highlights 9M 2024

– Strong profitable growth with carefully selected institutional clients

Highlights 9M 2024

- Increased expertise and reduced deal origination time: core team from 4 to 15 FTEs
- Enhanced risk management tools with new AI base systems in progress
- Active presence in 7 European countries
- Strong secured debt pipeline over EUR 300m, with EUR 100m in advanced stages
- Currently 2 Payment Institutions live for SEK and EUR payments

Focus going forward

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

Targets 2024

On our way to achieving our 2024 target of EUR 6m EBIT*.

9M 2024 in numbers

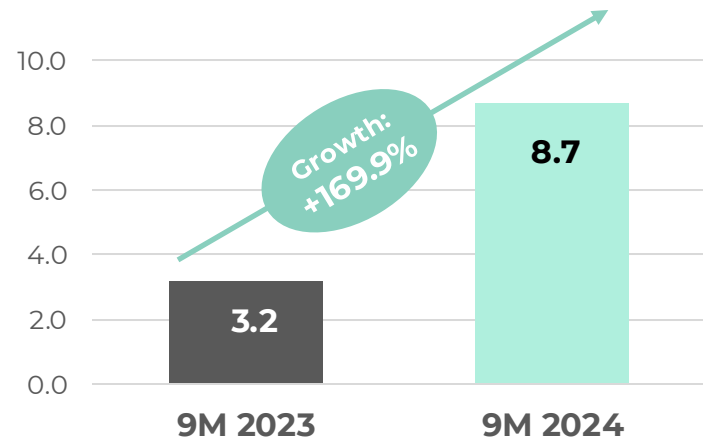
Products

2

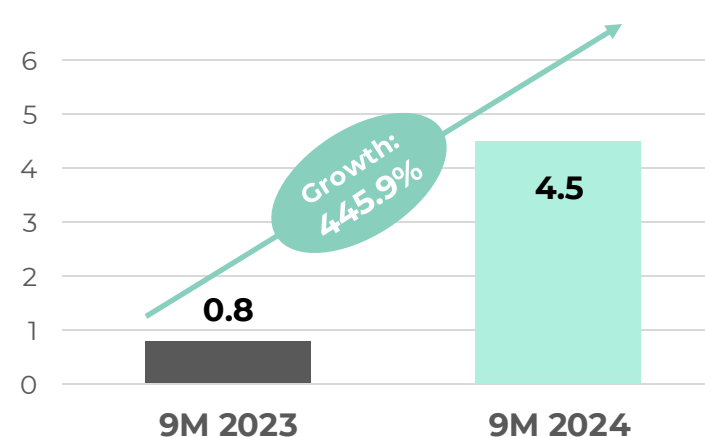
Markets

7

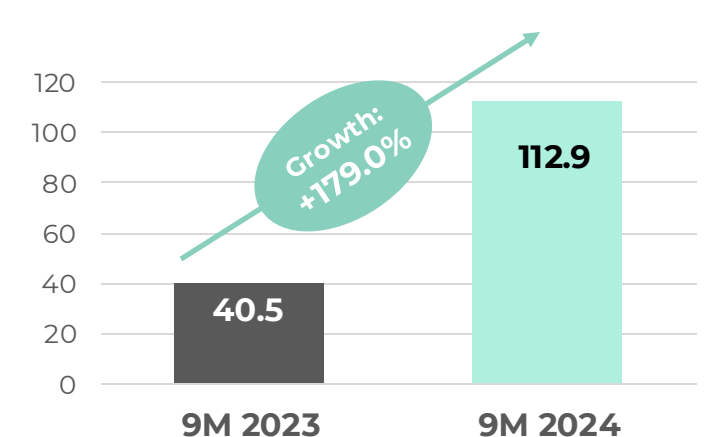
Revenue in EURm



EBIT* in EURm



NET AR** in EURm



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

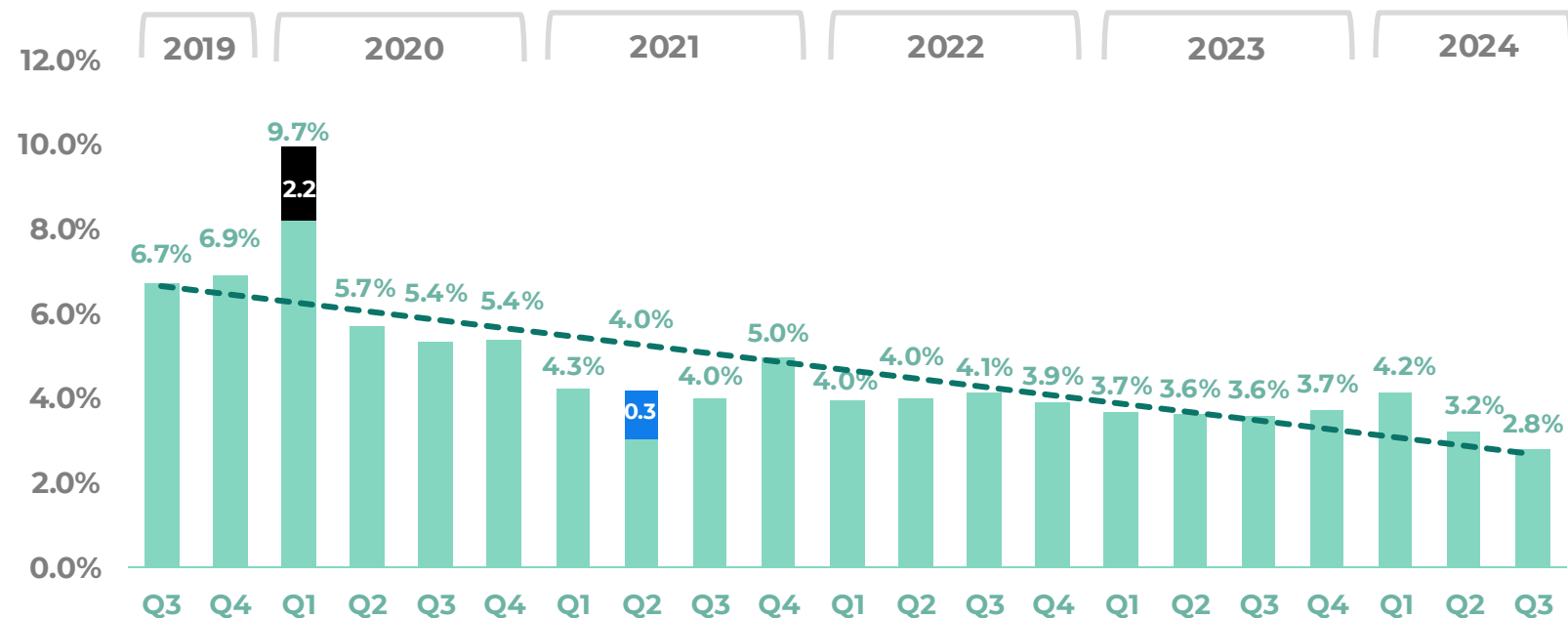
* EBIT=PBT – Interest expense – Fair value and foreign exchange gains/losses

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

Strong asset quality

- impairment losses down to 2.8% on quarterly basis

Impairment losses / NAR



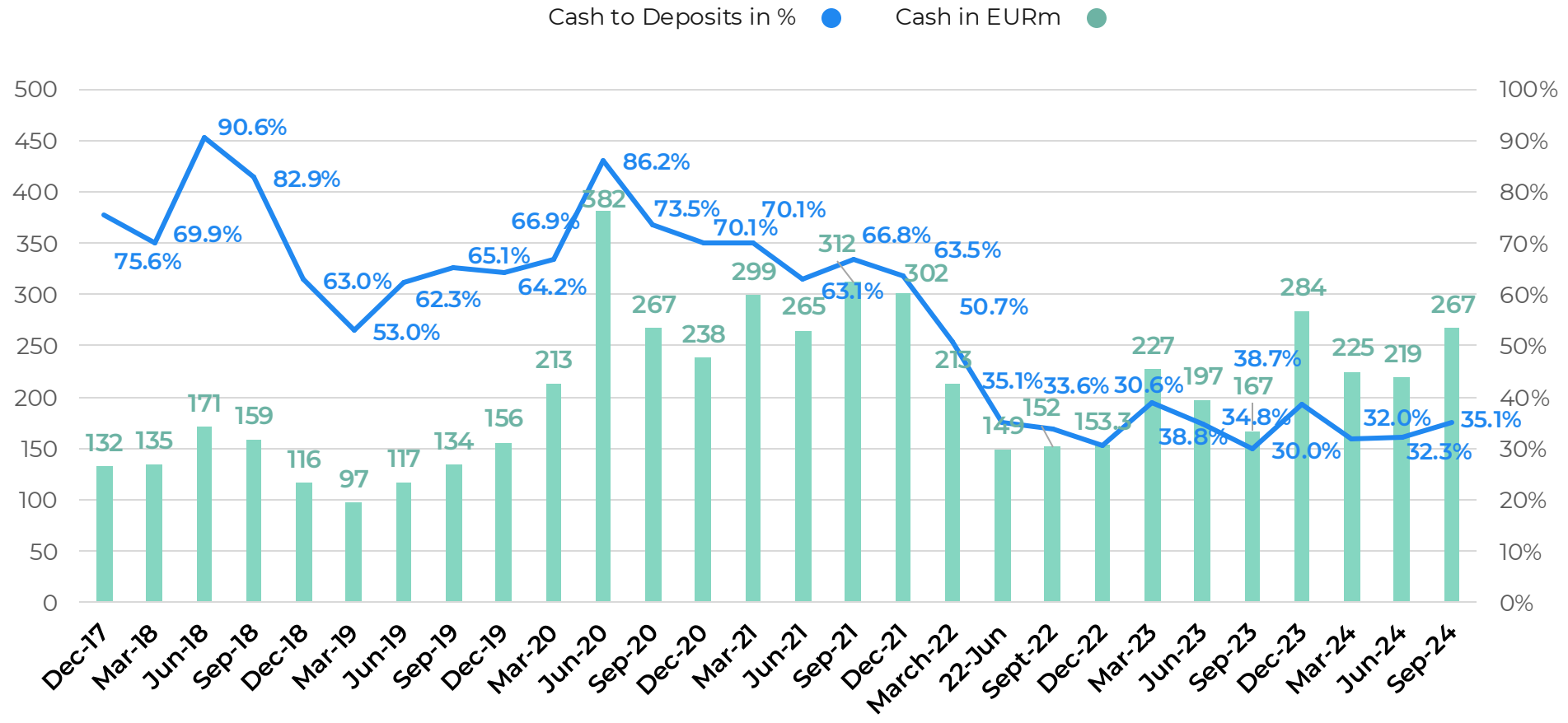
■ EUR 7.8 million COVID-19 related impairment charge of in Q1 2020

■ EUR 1.4 million positive impact of macroeconomic variables in Q2 2021

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Balanced growth strategy drives asset quality improvements:

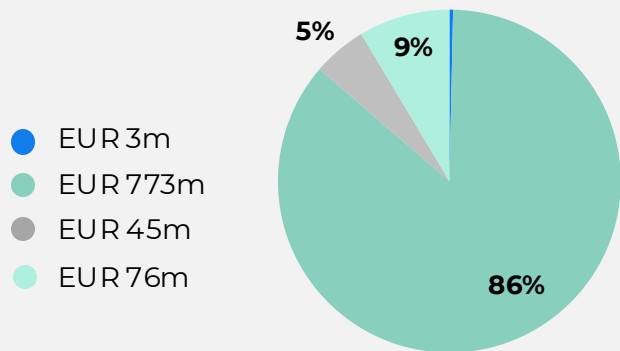
- Long-term trend: Continuous improvement in impairment losses over net accounts receivable (NAR)
- High asset quality maintained during challenging periods – excellent performance in Q2 and Q3
- Key drivers are enhanced scoring and underwriting systems and processes, focus on better asset classes, improved operational processes, and increasing relevance of secured lending.



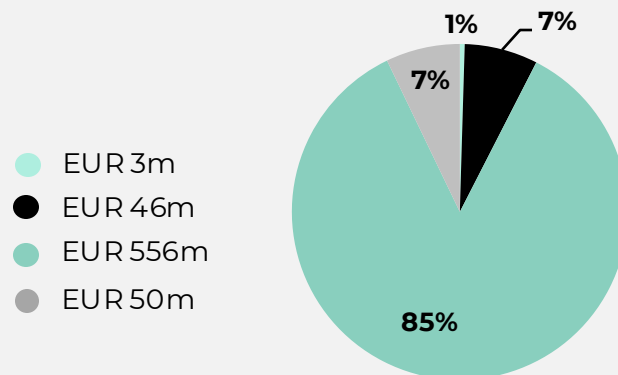
- Cash base within long-term target level corridor
- More than 35% of deposits have a residual maturity of more than 1 year
- Highly granular customer base

Funding structure and cost of debt capital

Financing mix at 30 September 2024

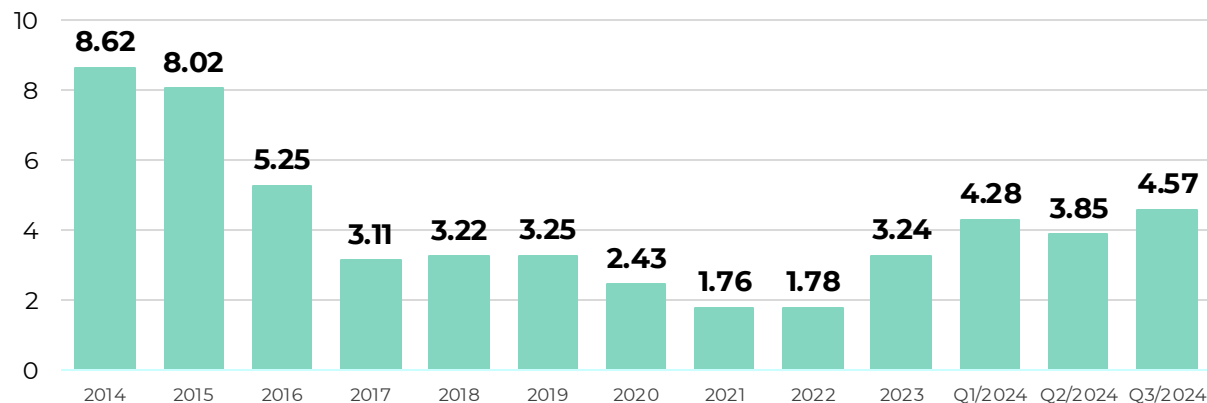


Financing mix at 30 September 2023



- Deposits
- Multitude p.l.c. 8.90% + 3-month Euribor perpetual (IFRS Equity)
- Multitude Bank p.l.c. 6% fixed rate Tier 2 bond 2032 (Reg. Capital)
- Multitude p.l.c. 7.5% + 3-month EURIBOR, due 2025)
- Multitude Capital Oyj 6.75% + 3-month Euribor, due 2028

Cost of capital (%)*

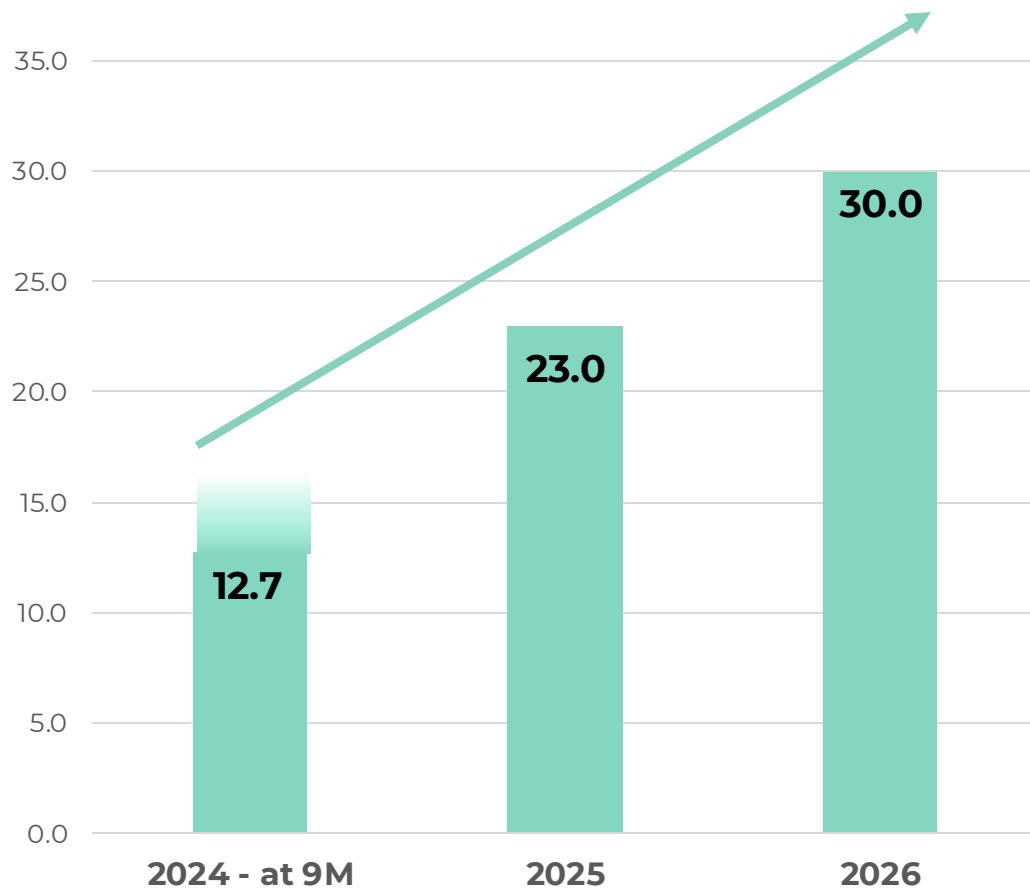


Important events and trends

- Multitude Capital Oyj has successfully launched an EUR 80 m 4-year bond in June 2024 and has subsequently refinanced the 2025 bond of Multitude p.l.c.
- Potential Tap issue during Q4 / Q1 2025
- Opportunistic Debt Capital Markets transactions constantly assessed (regulatory capital)

18 *Excluding perpetual bond

Multitude Group Net Profit



NOTE:

Guidance metrics are subject to adjustments for one-off and/or extraordinary items, as well as to adjustments for the impact of negatively disruptive events. All guidance numbers in EURm.

Our Guidance framework

- EBIT up by 50% each year from EUR 20m in 2021 to 67.5m in 2024 (expected range 66.5m-68.5m)
- EBIT guidance achieved in each period
- Net profit introduced as new guidance metric at Capital Markets Day 2023
- Net profit target 2025: EUR 23m (new)
- Net profit target 2026: EUR 30m (confirmed)

Assumptions, success factors, and net profit drivers

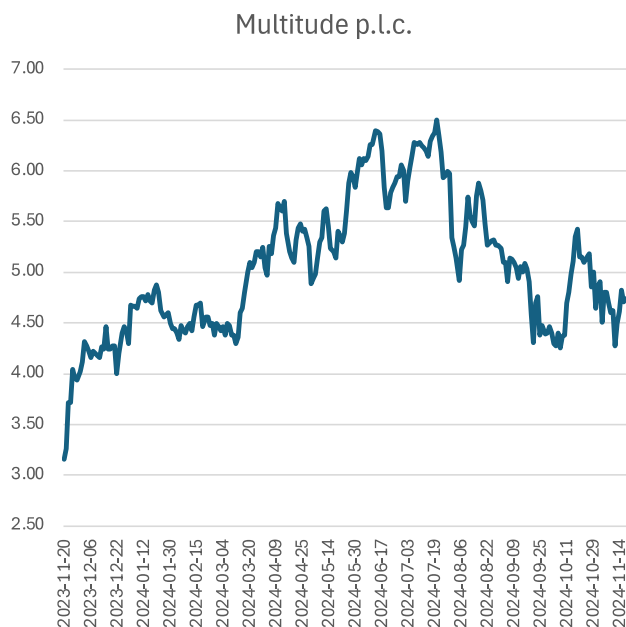
- Profit first: clear focus on profitable markets and business initiatives (target: all initiatives net profit accretive in 24 months)
- Degressive cost development in all organizational units
- Continuous improvements in underwriting and credit risk management
- Ability to reduce weighted average cost of debt funding
- Determination to continue investing in future growth

Consensus estimate for Multitude share is EUR 9.73 vs current price of EUR 4.74 (19.11.2024)

Details of the share

Company: Multitude p.l.c.
 ISIN: MT0002810100
 WKN: A40G1Q
 Ticker: E4I
 Mkt Cap: EUR 103m

Share price performance (12 M)



Current Analyst views of the share

Multitude



Analyst Expectations

Detailed Consensus

Broker	Target Prices (EUR)				Recommendations			
	Current	Previous	Change	Up-/Downside	Current	Previous	Change	Last Update
mwb research	13.20	13.20	0.0%	150.5%	Buy	Buy	No	2024-11-14
NuWays	12.00	12.00	0.0%	127.7%	Buy	Buy	No	2024-11-15
Pareto Securities	5.20	5.20	0.0%	-1.3%	Hold	Buy	Yes	2024-08-22
Warburg Research	8.50	8.50	0.0%	61.3%	Buy	Buy	No	2024-08-28

■ >10% upside
 ■ 10% upside to 10% downside
 ■ >10% downside

Number of Estimates	4	
Highest	13.20	150.5%
Consensus	9.73	84.6%
Median	10.25	94.5%
Lowest	5.20	-1.3%



Thank you!

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UDE
dependencies

CREATING SUCCESS
STORIES
IN FINTECH