PRESS RELEASES

Multitude SE: Multitude SE publishes 9M 2021 results

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Multitude SE publishes 9M 2021 results

Helsinki, 18 November 2021 - Multitude SE (ISIN: FI4000106299, WKN: A1W9NS) ("Multitude" or the "Group") announces unaudited results for the first nine months ended 30 September 2021 ("9M 2021").

Financial Highlights

- Q3 revenue exceeds previous quarters

- Strong revenue dynamic in SweepBank

- Profit before income taxes increased significantly by 125%

Key Figures, EUR million	9M 2021	9M 2020

Revenue	158.6	176.7
Operating profit (EBIT)	19.1	19.3
Profit before tax	4.6	2.1
Earnings per share, basic (EUR)	0.13	0.03
Earnings per share, diluted (EUR)	0.13	0.03

Solid Performance in the first 9-month with strong growth, especially in SweepBank

In Q1-Q3 2021, the Group's financial performance and results continued to be affected by the COVID-19 pandemic. In response, Multitude continued to apply a cautious sale and scoring approach while selectively increasing risk appetite and marketing activities. As a result, all tribes have shown revenue growth, with collective loan portfolio increase of EUR 68.1 million (+18.9%) when comparing balances at the end of Q4 2020.

Lower impairment and finance costs resulted in improved profit before taxes. Group revenue amounted to EUR 158.6 million in Q1-Q3 2021, a decrease of EUR 18.1 million (-10.2%), as compared to EUR 176.7 million in Q1-Q3 2020, mainly due to the impact of COVID-19 and the Group's decision to discontinue lending in selected markets. The Group, however, has steadily increased its portfolio in its SweepBank tribe, resulting into an increase in SweepBank's revenue from EUR 2.5 million in Q1-Q3 2020 to EUR 6.1 million in Q1-Q3 2021 - an increase of EUR 3.6 million (+144%).

Impairment on loans positively impacted profit with a decrease of EUR 22.8 million (31.2%), standing at EUR 50.5 million (31.8% of revenue) in Q1-Q3 2021, as compared to EUR 73.3 million (41.5% of revenue) in Q1- Q3 2020. Whereas personnel expenses remained at the same level, amounting to EUR 25.7 million in both periods, despite increase in Group headcount from 654 HC at the end of Q3 2020 to 671 HC at the end of Q3 2021.

Due to the offset in the decreases in revenue and impairment on loans, the operating profit before interests and taxes (EBIT) remained relatively at the same level at EUR 19.1 million in Q1-Q3 2021, as compared to EUR 19.3 million in Q1-Q3 2020, with a slight decrease of EUR 0.2 million (-0.8%).

Net financial costs also decreased by EUR 2.7 million (-15.7%), amounting to EUR 14.5 million in Q1-Q3 2021 (Q1-Q3 2020 - EUR 17.2 million). The decrease was driven by lower foreign exchange losses and interest expense, the latter of which is a result of replacing existing bonds with a hybrid equity instrument, with interests charged directly to retained earnings instead of profit or loss, and of increase in utilization of deposit funding.

Overall, profit before income taxes increased significantly from EUR 2.1 million in Q1-Q3 2020 to EUR 4.6 million in Q1-Q3 2021 - an increase of EUR 2.5 million (+125.0%).

Strong asset quality and balance sheet ratios at the end of 9M 2021

Shareholders' equity increased from EUR 125.6 million at the end of Q4 2020 to EUR 176.2 million at the end of Q3 2021, resulting in a healthy equity ratio of 21.2% (Q4 2020 - 18.6%). This was coupled with a corresponding decrease in net debt-to-equity ratio from 2.49 at the end of Q4 2020 to 1.94 at the end of Q3 2021. These changes were primarily driven by the replacement of older bonds with a hybrid equity instrument.

Current liabilities amounted to EUR 530.3 million, representing 81.1% of the Group's total liabilities at the end of Q3 2021, an increase of EUR 223.7 million (+73.0%), as compared to EUR 306.6 million, representing 55.8% of total liabilities at the end of Q4 2020. The increase in current liabilities is primarily due to the increase in current customer deposits, which stood at EUR 411.1 million at the end of Q3 2021 as compared to EUR 275.8 million at the end of Q4 2020 to - an increase of EUR 135.3 million (+49.0%), and the reclassification of the Ferratum Capital Germany GmbH bonds issued in 2018 maturing in May 2022.

Total current and non-current customer deposits amounted to EUR 475.1 million at the end of Q3 2021 (Q4 2020 - EUR 339.5 million), which contributed positively to the Group's liquidity, enabling the pursuit of strategic growth initiatives such as those in SweepBank and CapitalBox tribes.

Total assets at the end of Q3 2021 amounted to EUR 830.1 million, an increase of EUR 155.0 million (+23.0%), as compared to EUR 675.1 million at the end of Q4 2020. This is mainly due to the increase in loans and advances to customers and cash and cash equivalents.

Cash and cash equivalents increased by EUR 75 million (+31.7%), amounting to EUR 311.5 million at the end of Q3 2021 (Q4 2020 - EUR 236.6 million), whereas loans and advances to customers increased by EUR 68.1 million (+18.9%), amounting to EUR 429.1 million at the end of Q3 2021 (Q4 2021- EUR 361.0 million), resulting from the Group's successful "increased loan disbursement" strategy for its Primeloan product under SweepBank.

Perpetual bond issue

Multitude SE placed on 5 July EUR 50 million in subordinated perpetual capital notes, qualifying in IFRS as equity, under a framework of EUR 100 million to investors. The Capital Notes (ISIN NO0011037327) carry a floating rate coupon of 3 month Euribor + 8.90% and were issued at a price of 99.50% of the nominal amount. The Finnish Financial Supervisory Authority (the "FIN-FSA") has on 20 October 2021 approved the listing prospectus of the capital notes and the FIN-FSA has on 21 October 2021, at the request Multitude SE, notified Finansinspektionen, the competent authority of Sweden, with a certificate of approval attesting that the capital notes were drawn up in accordance with the prospectus regulation.

Proceeds from the transaction are used to buy back or repay outstanding debt instruments and for general corporate purposes. In this context, Ferratum Capital Germany GmbH offered the holders of the company's outstanding senior unsecured floating rate bonds maturing in May 2022 and in April 2023, who were subscribing for Perpetual Bonds to tender any of their 2022 Bonds or 2023 Bonds. In connection with the issuance of Perpetual Bonds, Ferratum Capital Germany purchased EUR 15.6 million of the 2022 Bonds at a price of 101.50% of the nominal amount and EUR 20 million of the 2023 Bonds at a price of 102.00% of the nominal amount for the 2023 Bonds.

Appointment of new leadership team members

Oscar Barkman was appointed as Tribe CEO for Capital Box, succeeding interim Tribe CEO Peter Koning, who will continue to serve as Agile and Transformation coach. Oscar joined Multitude on 9th September 2021 and was appointed as a member of Multitude's Leadership Team with effect on the same date. Oscar joined Multitude as a seasoned executive with more than 15 years' experience working in the financial services industry.

ESG initiative

In Q3 2021 the Group started to formalise its ESG approach and set ambitions to support long-term value creation for stakeholders and a holistic understanding of risks and opportunities.

Our focus is on 3 areas which define Multitude's goals for 2025:

1. Imbed ESG conscious practices within our tribes and chapters

2. Monitor, report on and improve stakeholder well-being

3. Understand and reduce our environmental footprint

Multitude will be further developing ESG approach, including outlining metrics and targets for the Group and tribes that take into consideration existing frameworks and relevance to stakeholders.

About Multitude SE:

Multitude is an international provider of mobile banking and digital consumer and small business loans, distributed and managed by mobile devices. Founded in 2005 and headquartered in Helsinki, Finland, Multitude has expanded to operate across Europe, South and North America, Australia and Asia.

As a pioneer in digital and mobile financial services technology, Multitude is at the forefront of the digital banking revolution. The Group has 465,512 active customers that have an open Mobile Bank or Wallet account or an active loan balance in the last 12 months (as of 30 September 2021).

Multitude SE is listed on the Prime Standard of Frankfurt Stock Exchange under symbol 'FRU.' For more information, visit www.multitude.com.

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Additional features:

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