# Auditor’s Report (Translation of the Finnish Original)

To the Annual General Meeting of Multitude SE

## Report on the Audit of the Financial Statements

### Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU

- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

**What we have audited**

We have audited the financial statements of Multitude SE (business identity code 1950969-1) for the year ended 31 December 2023. The financial statements comprise:

- the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes, which include material accounting policy information and other explanatory information

- the parent company’s balance sheet, income statement, statement of cash flows and notes.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 11 to the Financial Statements.

## Our Audit Approach

**Overview**


- Overall group materiality: € 3.0 million, which represents 0.3 % of the Group's total assets

- We audited the parent company and we have performed audit procedures related to seven significant subsidiaries. In addition, we have performed analytical procedures to assess unusual movements across all entities.

- Credit loss allowances in respect of loans to customers
- Change of presentation

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

**Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 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 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 on the financial statements as a whole.

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| **Overall group materiality** | € 3.0 million |
| **How we determined it** | 0.3 % of total assets |
| **Rationale for the materiality benchmark applied** | We chose total assets as the benchmark because, in our view, key drivers of the business and determinants of the group's profit potential are best reflected in the balance sheet.<br>The benchmark determined is within the range of acceptable quantitative materiality thresholds in auditing standards. |

**How we tailored our group audit scope**

We tailored the scope of our audit, taking into account the structure of the Multitude group, the size, complexity and risks of individual subsidiaries, group's processes and controls related to financial reporting, and the industry in which the group operates. 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. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 matter in the audit of the group | How our audit addressed the key audit matter |
|---|---|
| Credit loss allowances in respect of loans to customers<br><br>*Refer to Notes 4.2 in the consolidated financial statements*<br><br>As at 31 December 2023 the group's loans to customers gross balance amounted to € 690.6 million. Loans to customers are measured at amortized cost using the effective interest method. A credit loss allowance is recorded to adjust the balance to the present value of estimated future cash flows. The credit loss allowance of loans to customers amounted to € 114.7 million as at 31 December 2023.<br><br>Expected credit losses (ECL) 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.<br><br>The group categorises loans into three stages depending on the level of credit risk related to the loan. Credit loss allowances relating to all loans to customers in the group's lending portfolio (Stages 1-3) | Our audit included a combination of testing of internal controls over financial reporting and substantive testing.<br><br>We obtained an understanding of the loan origination process, credit risk management and the loss allowances for loans to customers.<br><br>We tested the completeness and accuracy of the critical data, extracted from the underlying systems, that are utilised within the ECL model.<br><br>We challenged the reasonableness of the quantitative criterion for the definition of Significant Increase in Credit Risk (SICR).<br><br>We assessed whether the determination of the definition of default is reasonable on the basis of credit history of the particular products and territory. |

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| are determined on a collective portfolio basis.<br><br>We have identified calculation of credit loss allowances as a key audit matter as the estimation of ECLs is subjective in nature and inherently judgmental, especially in the context of the current macroeconomic conditions being experienced which have significantly increased the level of estimation uncertainty around the calculation of credit loss allowances. The calculation of expected credit loss is a complex area and requires management to make significant assumptions on customer payment behaviour and other relevant risk characteristics when assessing the group's statistics of historical information and estimating the level and timing of expected future cash flows | We tested the reasonableness of macro-economic variables used to determine PDs under different forward-looking scenarios.<br><br>We tested to recovery rates used to determine the LGD parameter in the ECL model. |
| **Change of presentation**<br><br>*Refer to Notes 26. in the consolidated financial statements*<br><br>During the financial period, the group has made changes in the presentation of the financial statements in order to provide more relevant and reliable information on the financial position and performance of the group and to align the presentation of the primary statements with the common practice within the financial industry.<br><br>We have considered the change of presentation to be a key audit matter as there is a significant foreign subsidiary in the group holding a banking license. Furthermore, the impacts of the change are widely reflected in the information presented in the consolidated financial statements. | We have evaluated the revised presentation of the primary statements against the fair presentation requirements of IFRS accounting standards and assessed whether the changed presentation gives more relevant information on the nature of the group's business operations.<br><br>We have assessed the disclosures related to the change of presentation. |

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of

Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 good auditing practice 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 financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's 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 parent company's or 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 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 parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

## Other Reporting Requirements

### Appointment

We were first appointed as auditors by the annual general meeting on 17.11.2009. Our appointment represents a total period of uninterrupted engagement of 14 years. Multitude SE became a public interest entity on 6 February 2015 as a result of the initial public offering.

## Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 28 March 2024

**PricewaterhouseCoopers Oy**
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)