Q1 2022 Report

MULTITUDE

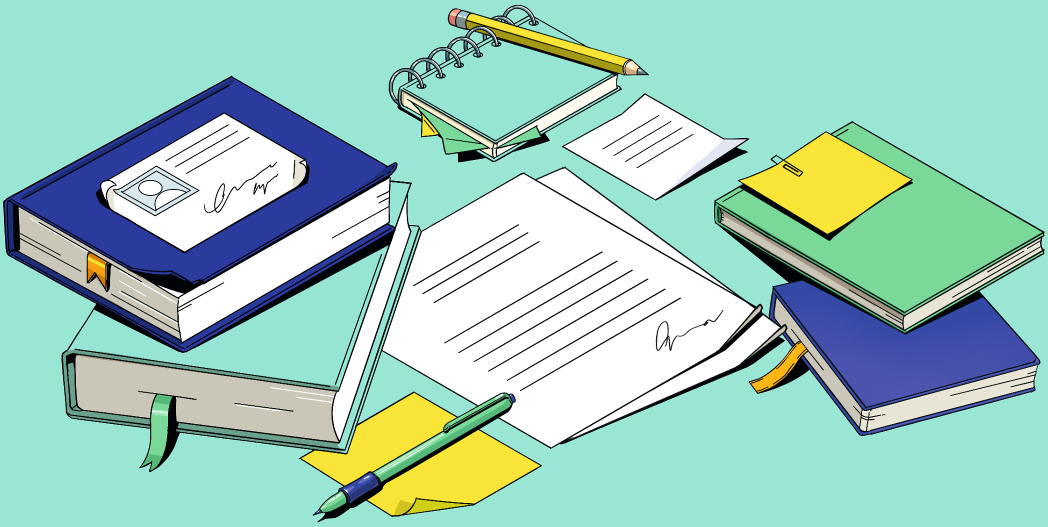
Contents

Board of Directors' Report Q1 2022 Unaudited

Company structure and business model

Multitude SE and its subsidiaries form the Multitude Group ('Multitude' or the 'Group'). Multitude is a fully regulated growth platform for financial technology. Its ambition is to become the most valued financial ecosystem. This vision is backed by 17 years of solid track record in building and scaling financial technology. Through its full European banking license, profound know-how in technology, regulation, cross-selling, and funding, Multitude enables a range of sustainable banking and financial services to grow and scale. Currently, it has three independent business units on this growth platform: Ferratum as a consumer lender, CapitalBox as a business lender, and SweepBank as a shopping and financing app.

Multitude, headquartered in Helsinki, Finland, was established in 2005 and currently serves approx. 390,000 active customers in Q1 2022. These customers have or have had an active loan balance with at least one of the independent business units within Multitude within the past 12 months or are active users of the SweepBank app, or a combination of these. The business units within Multitude operate across 19 countries across multiple continents. Ferratum Bank p.l.c., is a wholly-owned subsidiary of Multitude SE, a credit institution licenced by the Malta Financial Services Authority (MFSA), allowing Multitude to passport financial services and products to all European Economic Area (EEA) member states.



Over the past 17 years, Multitude has developed proprietary data and credit scoring algorithms that can deliver instant credit decisions digitally, allowing to make fully risk-assessed scoring at a pace and scale unmatched by traditional banking, neo banks, or the general lending industry. This technology and data, paired with the regulatory experience from global operations over so many years, brings Multitude a significant competitive advantage in large scale disruption of the financial industry.

Multitude, through its three independent business units SweepBank, Ferratum, and CapitalBox, provides customers with digital financial solutions to suit a wide range of financial needs.

Each offering of the independent business units within Multitude is built based on the combination of behavioural data and direct feedback from customers, ensuring a customer experience focused offering for each segment. Each business unit can leverage centralized core operations such as finance, customer service, IT, and legal for lean operations and strong synergies through data exchange.

Multitude SE is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol ‘FRU’.

Business Unit: SweepBank

SweepBank is the newest and strongest growing venture on Multitude's platform that includes an intuitive shopping and financing mobile application. SweepBank is seen as a key component in achieving Multitude's vision of becoming the most valued financial ecosystem enables connecting different financial services into one place for customers, creating cross-sell opportunities and accelerated revenue generation and profitability.

SweepBank serves the needs of tech-savvy young adults by offering a compelling and flexible, fully digitalised combination of shopping and financing services in one intuitive app. SweepBank's main customer segment in consumers represents approx. 35 million potential customers in the EU and the segment is expected to grow further. This segment of young adults expects nothing less than a strongly personalised experience in everything they do, including financial services. SweepBank offers exactly that and more.

Credit cards

The credit card of SweepBank, a Mastercard, allows financing smaller, unplanned purchases, such as shopping online and in physical stores. The integrations with Apple Pay and NFC payments allow easy usage online and in physical points of sale. After successful onboarding to the app, the free card is immediately ready to use. Every customer is automatically scored during the onboarding process and can be given a maximum credit facility of EUR 8,000. In addition to the card being free of charge, customers have a free liability coverage for their purchases and up to 60 days payment holiday from their purchase.

Prime Loan

Prime Loans are longer-term instalment loans of up to EUR 30,000 for consumers, with loan maturity ranging between 1-10 years.

Bank Account

SweepBank offers a current account with 0.2% interest p.a. and a fixed-term savings account with 1% interest p.a. (max. deposit EUR 100,000) for up to three years. The current account is complemented with a free debit card that is instantly ready to use online and in physical stores after successful onboarding to the app.

Q1 2022 highlights

SweepBank launched its first risk-free revenue stream Sweep Deals. The launch took place in Finland and is a key component of the app to customer loyalty and stickiness. Sweep Deals will offer the customer exclusive deals from top brands, shopping and saving. The tribe doubled its revenue compared to Q1 2021, which was driven by successful initiatives: CRM campaigns, new partners and successful sales promotions. SweepBank App will have its commercial launch in Germany on the 11th of July 2022. It will continue to focus on app monetization and loan portfolio growth.

ferratum

Business Unit: Ferratum

Three services under the Ferratum brand – Micro Loan, Plus Loan and Credit Limit, allow Ferratum to cater to various, immediate financial needs of individuals, such as unplanned, short-term financing needs resulting from unexpected life events. These needs are widely underserved by traditional financial institutions.

Tailored to a variety of situations through standardised categories, all services under Ferratum share some attributes: they are fast, intuitive and available online. Customers choose Ferratum for its speed, digital customer experience, and reputation as a trustworthy and reliable partner. For the Ferratum customer, superior customer experience means that the end-to-end digital process is intuitive, efficient, and easy.

Micro Loan

A Micro Loan is a rapid and easy loan for the instant, short-term need and quick payback. The application takes a few minutes with only a handful of data to insert, while the in-house developed and automated, AI-powered scoring algorithms handle the rest. Within an average of less than 15 minutes from an approved application, the customer has the money in the bank account. Micro Loans range from EUR 25 to EUR 1,000 and are paid back in one single instalment within 7–60 days.

Plus Loan

A Plus Loan is a larger loan, currently ranging from EUR 300-4,000 with maturity periods of between 2–18 months. These longer-term instalment loans with equally distributed repayments throughout the whole term of the loan cater to the more significant needs of individuals. The loan application is as easy, fast, and convenient as with a Micro Loan. From the approved application, the borrowed money is transferred within, on average, less than 15 minutes to the customers' bank account.

Credit Limit

Credit Limit is a pre-approved credit line, also called revolving credit, allowing customers financial flexibility. Eligible customers are pre-approved for up to EUR 5,000 and can draw money or repay without fixed amounts or timelines. Credit Limit is similar to a credit card without a physical card.

Q1 2022 highlights

During Q1 2022, the Ferratum tribe launched a progressive web application pilot to enhance customer experience on mobile devices and increase customer loyalty and customer lifetime value. Customers will have a faster and more convenient way to access their account details for making an additional withdrawal or making repayments. Going forward, the tribe will focus on further Credit Limit product rollout and new country and product opportunities.

CapitalBox

Business unit: CapitalBox

CapitalBox offers small and medium-sized enterprise (SME) financing through credit lines, loans and purchase financing.

With its unique, fully digitalised process, CapitalBox is a one-stop-shop for SMEs needing short- and long-term financing and credit lines. SMEs account for 99.8% of European businesses and are widely under-served by traditional banks as their processes and offer do not match the need of SMEs.

Instalment loans
CapitalBox provides working capital instalment loans of up to EUR 350,000. These 6–36-month solutions are designed to help SMEs, e.g., finance expansion, inventory, marketing, hiring new talent, and purchasing or leasing equipment.

Credit Line
CapitalBox offers a Credit Line as a flexible form of finance to SME's, which can be utilised based on their need. The Credit Line can range from EUR 2,000 to EUR 350,000, and the payback period to extend to up to 50 months.

Purchase Finance
Through partnerships with retailers, CapitalBox financing can be offered to business customers for their purchases at a point of sale.

Q1 2022 highlights

In Q1 2022, CapitalBox launched Credit Line in Finland to accelerate the tribe's strategy to improve customer retention with higher customer lifetime value, longer terms and lower yields. In addition, the brand-building campaign continues. The campaign reached 1M views on YouTube in Sweden with the Olympic Gold medal winners Mondo Duplantis and Daniel Ståhl. Going forward, the tribe will implement a new scoring model with Machine Learning during Q2 2022. This model will help to increase sales and improve the underwriting quality.

Key figures and ratios

EUR '000	Q1 2022	Q1 2021*
Revenue, continuing operations	53,489	51,985
Profit (loss) before interests and taxes ('EBIT'), continuing operations	5,551	6,229
Profit (loss) before tax, continuing operations	2,418	1,408
Profit (loss) before tax ratio, continuing operations, in %	4.5	2.7
Net cash flows from operating activities before movements in loan portfolio and deposits received	23,763	**15,578**
Net cash flows from (used in) operating activities	(84,114)	68,482
Net cash flows used in investing activities	(1,479)	(2,436)
Net cash flows from (used in) financing activities	(1,492)	(1,394)
Net increase (decrease) in cash and cash equivalents	(87,086)	64,653

*Restated to exclude the result of operations and cash flows from Ferratum UK Ltd.

EUR '000	31 Mar 2022	31 Dec 2021
Loans to customers	465,410	443,872
Impaired loan coverage ratio, in %	21.1	21.6
Deposits from customers	418,123	484,764
Cash and cash equivalents	213,123	301,592
Total assets	756,655	819,028
Non-current liabilities	151,770	140,934
Current liabilities	434,393	508,605
Total equity	170,492	169,489
Equity ratio, in %	22.5	20.7
Net debt to equity ratio	2.19	2.05

Calculation of key financial ratios

$$\text{Profit before tax (\%)} = 100 \times \frac{\text{Profit before tax}}{\text{Revenue}}$$

$$\text{Impaired Loan coverage ratio (\%)} = 100 \times \frac{\text{Credit loss allowance}}{\text{Gross loans to customers}}$$

$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Total assets}}$$

$$\text{Net debt to equity ratio} = \frac{\text{Total liabilities – cash and cash equivalents}}{\text{Total equity}}$$

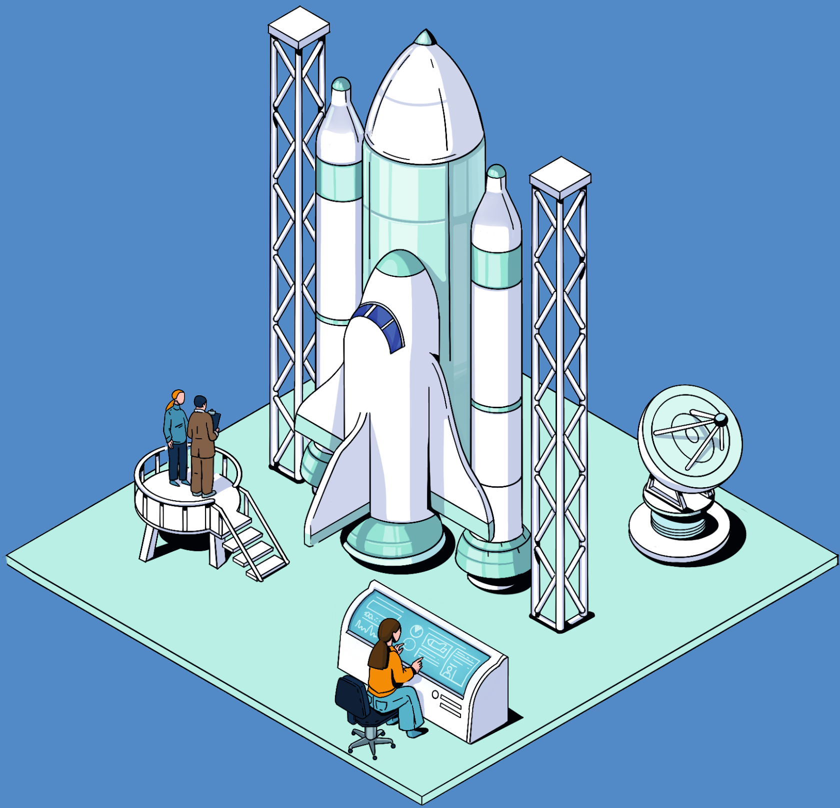
Key developments in Q1 2022

Financial overview

Enhanced financial reporting structure
Following the rebranding of its tribes and the disposal of operations in certain markets, the Group has revised its financial reporting structure in 2021. Segment information are now presented based on the new tribes – Ferratum, CapitalBox, and SweepBank, representing its operating and reportable segments. The Group's consolidated statements of profit or loss, total comprehensive income, and cash flows, including relevant note disclosures for the period ended 31 March 2021, have also been adjusted to reflect the impact of discontinued operations, at the financial statement line item level, relating to the disposal of Ferratum UK Ltd. ('FGB').

The Group has further revised the presentation of certain financial statement line items in its consolidated statements of profit or loss in order to provide more useful information to investors and to better align with IFRS and ESEF reporting taxonomies. This includes presenting gains and losses that do not directly arise from the results of the Group's ordinary course of business operations into 'other income' and 'other expenses' below the 'operating profit or loss' and enhancing the presentation of certain 'operating expenses' to better reflect the nature of the underlying expenditures. Other similar enhancements have been made in the Group's consolidated statement of financial position and accompanying note disclosures.

The financial information presented in this section reflect the results of Continuing operations and as if the new financial reporting structure had been in operation for the period ended 31 March 2021. Results of discontinued operations are separately presented in Note 4 of the Group's unaudited consolidated financial statements. The Group also defines earnings before interests and



taxes ('EBIT') as the sum total of its operating profit (loss) and other income (expenses), before considering the impact of financial income (costs), income tax expense (benefit), and profit (loss) from discontinued operations.

Progressive growth in portfolio size and quality

The Group continues to apply a more strategic approach by selectively increasing its risk appetite, boosting its operations and portfolio in more stable markets and customer bases. At the end of Q1 2022, the Group's collective loan portfolio stood at EUR 465.4 million, an increase of EUR 21.5 million (+4.9%) from EUR 443.9 million at the end of Q4 2021, with a notable increase in Ferratum, SweepBank, and CapitalBox net loans to customers in Q1 2022 amounting to EUR 4.6 million (+1.6%), EUR 10.0 million (+11.7%), and EUR 7.9 million (+10.6%), respectively.

In addition, Multitude's cautious sales strategy and enhanced scoring algorithms continues to be beneficial in improving the overall quality of the Group's underwritings amidst high economic volatility. Despite the EUR 2.3 million (+14.2%) increase in impairment losses to customers when comparing Q1 2022 and Q1 2021, the Group's impaired loan coverage ratio ('ILCR') shows a decreasing trend from 27.6% at the end of Q1 2021 and 21.6% at the end of Q4 2021 all to just 21.1% at the end of Q1 2022.

These factors are considered to further contribute to the Group's revenue growth which already shows an increase of EUR 1.5 million (+2.9%) when comparing Q1 2022 and Q1 2021 results.

Relatively flat operating expenses

With the exception of selling and marketing expenses, which decreased from EUR 6.8 million to EUR 5.5 million, a decrease of EUR 1.3 million (-18.5%), the Group's operating expenses remained relatively stable during Q1 2022 as compared to that of Q1 2021 as the Group's effort to improve overall operational efficiency and profitability started to stabilize. Personnel expenses increased by EUR 0.5 million (+5.5%) in line with a slight increase in headcount from 671 HC in Q1 2021 to 674 HC in Q1 2022. Bank and lending costs, depreciation and amortization expenses, and general and administrative expenses only changed by EUR 0.4 million (increase of 10.4%), EUR 0.4 million (increase of 11.2%) and EUR 0.2 million (decrease of 2.8%), respectively.

Lower net finance costs

Net finance costs decreased by EUR 1.7 million (-35.0%), amounting to EUR 3.1 million in Q1 2022, as compared to EUR 4.8 million in Q1 2021, as a result of overall net foreign exchange gain after hedging expenses and interest expenses during the quarter – the latter of which was a result of the conversion of a portion of the outstanding 2018 and 2019 bonds to the 2021 perpetual bonds, which interests are charged directly against retained earnings instead of profit or loss.

Solid profitability during the quarter

The Group's operations during Q1 2022 have delivered solid profit before interests and taxes ('EBIT'), profit before taxes, and after-tax profit from continuing operations amounting to EUR 5.6 million, EUR 2.4 million, and EUR 2.0 million, respectively. In comparison, the results of the Group's operations for the comparative period Q1 2021 amounted to EUR 6.2 million, EUR 1.4 million, and EUR 0.6 million, respectively.

The Group's profitable results were mainly attributed to a combination of the Group's progressive portfolio growth, relatively stable operating expenses, and lower net finance costs during the quarter.

Stringent cash management, robust portfolio, and highly liquid asset position

During Q1 2022, the Group has actively applied stringent cash management measures to better utilize its excess cash and to lower its outstanding deposits from customers in line with the guidelines provided by the Central Bank of Malta. As a result, cash and cash equivalents was reduced to EUR 213.1 million at the end of Q1 2022 from EUR 301.6 million at the end of Q4 2021, a decrease of EUR 88.5 million (-29.3%). This was slightly offset by the increase in the Group's net loans to customers from EUR 443.9 million at the end of Q4 2021 to 465.4 million, an increase of EUR 21.5 million (+4.9%), as part of the Group's market and portfolio growth efforts.

Overall, the Group's total assets stands at EUR 756.7 million at the end of Q1 2022, a decrease of EUR 62.4 million (-7.6%) as compared to EUR 819.0 million at the end of Q4 2021, with current assets amounting to EUR 701.4 million and representing 92.7% of the Group's total assets at the end of Q1 2022 (Q4 2021 - EUR 765.0 million, 93.4%), and non-current assets amounting to EUR 55.3 million or 7.3% of total assets at the end of Q1 2022 (2021 - EUR 54.1 million, 6.6%).

Significant leap in equity ratio

As a result of a profitable first quarter, the Group's shareholders' equity has increased by EUR 1.0 million (+0.6%) from EUR 169.5 million at the end of Q4 2021 to EUR 170.5 million at the end of Q1 2022. Along with the Group's efforts to lower its outstanding deposits from customers from a total of EUR 484.8 million at the end of Q4 2021 to EUR 418.1 million at the end of Q1 2022 (a decrease of EUR 66.6 million or -13.7%), this resulted into an strong equity ratio of 22.5% at the end of Q1 2022 – a significant leap of +1.8 percentage points from 21.7% at the end of Q4 2021.

Meanwhile, total liabilities amounted to EUR 586.2 million at the end of Q1 2022, out which EUR 434.4 million are classified as current (74.1% of total liabilities) while EUR 151.8 million are classified as non-current (25.9% of total liabilities) as compared to total liabilities of EUR 649.5 million at the end of Q4 2021 (current - EUR 508.6 million or 78.3% of total liabilities; non-current - EUR 140.9 million or 21.7% of total liabilities), which resulted into a +0.14 percentage point increase from 2.05 at the end of Q4 2021 to 2.19 at the end of Q1 2022 – still falling well within the Group's ideal level.

Treasury update

Given the reduced deposit requirements by the Central Bank of Malta and an even more stringent cash management measures, Multitude successfully reduced its cash position by 29.3%, standing at EUR 213.2 million at the end of Q1 2022 as compared to EUR 301.6 million at the end of Q4 2021, and its total customer deposit base by 13.7% from EUR 484.8 million at the end of Q4 2021 to EUR 418.1 million at the end of Q1 2022. Multitude also continues to manage its funding base and shift towards long-term customer deposits resulting into an increase from 17.1% to 21.8% ratio of long-term customer deposits over total customer deposits from Q4 2021 to Q1 2022.

On February 2022, Fitch Ratings affirmed Multitude SE's Long-Term Issuer Default Rating ('IDR') and the long-term rating of the senior unsecured callable floating rate bonds, issued by Ferratum Capital Germany GmbH (ISIN: SE0012453835 and ISIN: SE0011167972), at 'B+' with a 'Stable Outlook'.

During the 2022 Annual General Meeting ('AGM'), the Board of Directors was authorized to repurchase a maximum of 2,172,396 shares of Multitude SE, which represents approximately 10% of all outstanding shares of the company. The Board of Directors were also authorized to issue a maximum of 3,258,594 shares. Board of Directors may issue either new shares or transfer existing shares held by the Group. The authorisation also includes the right to issue special rights, in the meaning of Chapter 10 Section 1 of the Finnish Limited Liability Companies Act, which entitles the shareholders to receive new shares or the treasury shares held by the Group against consideration. Subscribed shares arising from these special rights are included in the maximum number of shares authorized for issue. These authorisations are in force until the next Annual General Meeting, but not later than 30 June 2023.

Personnel update

The average number of employees in Q1 2022 is equal to 674 HC (Q1 2021 - 671 HC) with related payroll expenses amounting to EUR 8.9 million (Q1 2021 - EUR 8.5 million).

Appointment of new Chief Market Officer of SweepBank

As part of organising Multitude's fully regulated growth platform and strengthening the independent business units, Aksels Neilands has assumed the role of Chief Marketing Officer (CMO) of SweepBank starting April 2022.

Aksels has been with Multitude Group for over 10 years in different roles and he felt that he wanted to have a change in his professional life, moving closer with the business and customers. To focus on the new role within SweepBank, Aksels left his role as Multitude Group CMO and a member of the Group Leadership Team.

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 the reputation of the Group. Therefore, it can enhance profitability and shareholder value.

The leadership team and tribe management monitor operations regularly and are ultimately responsible for adequate risk management and ensuring that the Group has access to the appropriate software, including instructions on controlling and monitoring risks. Each member of the leadership team ultimately bears responsibility for identifying and controlling the risks related to their functions in line with instructions from the Board.

Multitude proactively follows all legal regulations and monitor changes that might occur in the countries it operates in and adjusts its operations accordingly.

The Group's risk exposures can be divided into three main categories: credit risks (receivables from customers), market risks (including foreign exchange risks, interest rate risks and other price risks) and operational risks (such as IT risks, legal and regulatory risks and other operational risks).

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

Market risks arise from open positions in interest rate and currency products. They are managed by the Group's treasury functions, which are also, in close cooperation with FP&A, responsible for Group cash flow planning and ensure the necessary liquidity level for all Group entities. Multitude uses derivative financial instruments to hedge foreign exchange risk exposures.

Operational risks, IT risks, as well as legal and regulatory risks, are of high relevance for the Group. Regulatory and legal risks are managed by the Group's legal function 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 company's operations are implemented proactively.

Annual General Meeting

Multitude's Annual General Meeting ('AGM') was held on 27 April 2022 in Helsinki, Finland. In order to limit the spread of the COVID-19 epidemic, the Company's Board of Directors has decided to adopt the exceptional meeting procedure provided for in the Finnish Act 375/2021, which temporarily deviates from some of the provisions of the Finnish Limited Liability Companies Act (the so-called temporary act). The Board of Directors has decided to take the measures permitted by the temporary legislation in order to hold the General Meeting in a predicable manner while also taking into account the health and safety of the Company's shareholders, personnel and other stakeholders. The following matters have been resolved during the AGM:

The AGM adopted the Annual Accounts including the Consolidated Annual Accounts for the financial year 2021 and discharged the members of the Board of Directors and the CEO from liability for the financial year 2021, and in accordance with the proposal of the Board of Directors, no dividends will be distributed for the financial year ended 31 December 2021

The AGM confirmed the number of members of the Board of Directors as eight and decided to re-elect Goutam Challagalla, Michael A. Cusumano, Jorma Jokela, Lea Liigus, Frederik Strange and Juhani Vanhala and elect Kristiina Leppänen and Jussi Mekkonen as new members, each one for a term ending at the end of the next Annual General Meeting. The Chairman and the Vice Chairman of the Board of Directors will be elected by the Board of Directors from amongst its members.

The AGM has also resolved to appoint Audit firm PricewaterhouseCoopers Oy, which had stated that APA Jukka Karinen will act as the responsible auditor, as the auditor of the Group for a term ending at the end of the next Annual General Meeting.

For further information on the Annual General Meeting, please visit the Group's website.

Unaudited Interim Consolidated Financial Statements Q1 2022

Consolidated statement of profit or loss

For the period ended:

EUR '000	Notes	31 Mar 2022	31 Mar 2021
Revenue	6	53,489	51,985
Operating expenses:			
Impairment loss on loans to customers	7	(18,547)	(16,238)
Bank and lending costs		(3,815)	(3,455)
Personnel expense	8	(8,918)	(8,454)
Selling and marketing expense		(5,528)	(6,786)
General and administrative expense		(7,129)	(7,338)
Depreciation and amortisation		(4,073)	(3,662)
Operating profit		**5,479**	**6,052**
Other income	9	72	177
Profit before interests and taxes ('EBIT')		**5,551**	**6,229**
Finance income	10	1,315	1,632
Finance costs	10	(4,448)	(6,453)
Profit before income taxes		**2,418**	**1,408**
Income tax expense	12	(409)	(856)
Profit from continuing operations		**2,009**	**552**
Loss from discontinued operations	4	**-**	**(859)**
Profit (loss) for the year		2,009	**(307)**
Earnings (loss) per share:			
Weighted average number of ordinary shares in issue *		21,578	21,578
Earnings per share from continuing operations, EUR		**0.09**	**0.03**
Earnings (loss) per share from discontinued operations, EUR		**-**	**(0.04)**
Total earnings (loss) per share, EUR		**0.09**	**(0.01)**

*There are no items that have dilutive impact on the weighted average number of ordinary shares, and as such, basic and diluted for the periods ended 31 March 2022 and 2021.

Consolidated statement of comprehensive income

EUR ’000	31 Mar 2022	31 Mar 2021
Profit from continuing operations	2,009	552
Other comprehensive income (expense) from continuing operations:		
Items that may be reclassified to profit or loss		
Currency translation difference from continuing operations	(166)	316
Total other comprehensive income (loss) from continuing operations	**(166)**	**316**
Total comprehensive income from continuing operations	**1,843**	**868**
Total comprehensive loss from discontinued operations	**-**	**(1,462)**
Total comprehensive income (loss) for the period	**1,843**	**(594)**

Consolidated statement of financial position

EUR '000	Notes	31 March 2022	31 December 2021
ASSETS			
Non-current assets:			
Property, plant and equipment		3,240	3,404
Right-of-use assets		3,683	1,618
Intangible assets		34,832	35,850
Deferred tax assets		6,911	6,981
Other non-current financial assets	12	6,625	6,215
Total non-current assets		**55,291**	**54,068**
Current assets:			
Loans to customers	7, 12	465,410	443,872
Other current financial assets	12	11,369	13,344
Derivative financial assets	12	700	324
Current tax assets		2,347	2,200
Prepaid expenses and other current assets		8,415	3,628
Cash and cash equivalents	12	213,123	301,592
Total current assets		**701,364**	**764,960**
Total assets		**756,655**	**819,028**
EQUITY AND LIABILITIES			
Equity:			
Share capital		40,134	40,134
Treasury shares		(142)	(142)
Retained earnings		67,105	67,172
Perpetual bonds		50,000	50,000
Unrestricted equity reserve		14,708	14,708
Translation differences		(3,944)	(5,014)
Other reserves		2,631	2,631
Total equity		**170,492**	**169,489**
Liabilities			
Non-current liabilities:			
Long-term borrowings	12	58,304	57,656
Deposits from customers	12	91,237	82,793
Lease liabilities	12	2,026	282
Deferred tax liabilities		203	203
Total non-current liabilities		**151,770**	**140,934**
Current liabilities:			
Short-term borrowings	12	84,291	84,158
Deposits from customers	12	326,886	401,971
Derivative financial liabilities	12	2,623	1,232
Lease liabilities	12	1,461	1,412
Current tax liabilities		2,081	3,247
Trade payables	12	3,508	1,426
Accruals and other current liabilities	12	13,543	15,159
Total current liabilities		**434,393**	**508,605**
Total liabilities		**586,163**	**649,539**
Total equity and liabilities		**756,655**	**819,028**

Consolidated statement of cash flow

For the periods ended:

EUR '000	Notes	31 Mar 2022	31 Mar 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year		2,009	(307)
Adjustments for:			
Depreciation and amortization		4,062	3,662
Finance costs, net	10	3,133	4,801
Tax on income from operations	11	409	916
Other adjustments		(166)	(122)
Impairments on loans	7	18,547	16,492
Working capital changes:			
Increase (-) / decrease (+) in current receivables		(8)	1,564
Increase (+) / decrease (-) in trade payables and other liabilities		211	(7,349)
Interest paid		(2,953)	(3,228)
Interest received		61	56
Income taxes paid		(1,541)	(907)
Net cash flows from operating activities before movements in loan portfolio and deposits		**23,763**	**15,578**
Deposits from customers	12	(66,268)	96,047
Movements in gross portfolio	7	(41,609)	(43,142)
Net cash flows from (used in) operating activities		**(84,114)**	**68,482**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intagible assets		(2,380)	(1,757)
Proceeds from sale of investments and other assets		900	-
Purchase of investments and other assets		-	(678)
Net cash flows used in investing activities		**(1,479)**	**(2,436)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity bonds		-	-
Repayment of long-term borrowings		-	27
Repayment of short-term borrowings		-	-
Perpetual bonds interests		(729)	-
Repayment of finance lease liabilities		(763)	(1,421)
Proceeds from long-term borrowings		-	-
Net cash flows from (used in) financing activities		**(1,492)**	**(1,394)**
Cash and cash equivalents, as at 1 January	12	301,592	236,564
Exchange gains (losses) on cash and cash equivalents	10	(1,383)	(779)
Net increase (decrease) in cash and cash equivalents		**(87,086)**	**64,653**
Cash and cash equivalents, as at the end of the period	**12**	**213,123**	**300,438**

Consolidated statement of changes in equity

EUR '000	Share capital	Treasury shares	Retained earnings	Perpetual bonds	Unrestricted equity reserve	Translation differences	Other reserves	Total equity
As at 1 January 2021	**40,134**	**(142)**	**73,696**	**-**	**14,708**	**(5,458)**	**2,631**	**125,569**
Comprehensive income								
Profit or loss	-	-	(2,562)	-	-	-	-	(2,562)
Currency translation difference	-	-	(499)	-	-	444	-	(55)
Total comprehensive income	-	-	(3,061)	-	-	444	-	(2,617)
Transactions with owners								
Proceeds from equity bonds	-	-	-	50,000	-	-	-	50,000
Perpetual bonds interests and issuance costs	-	-	(3,342)	-	-	-	-	(3,342)
Share-based payments	-	-	156	-	-	-	-	156
Other changes	-	-	(277)	-	-	-	-	(277)
Total transactions with owners	-	-	(3,463)	50,000	-	-	-	46,537
As at 31 December 2021	**40,134**	**(142)**	**67,172**	**50,000**	**14,708**	**(5,014)**	**2,631**	**169,489**
As at 1 January 2022	**40,134**	**(142)**	**67,172**	**50,000**	**14,708**	**(5,014)**	**2,631**	**169,489**
Comprehensive income								
Profit or loss	-	-	2,009	-	-	-	-	2,009
Currency translation difference	-	-	(1,236)	-	-	1,070	-	(166)
Total comprehensive income	-	-	773	-	-	1,070	-	1,843
Transactions with owners								
Perpetual bonds interests	-	-	(729)	-	-	-	-	(729)
Share-based payments	-	-	(111)	-	-	-	-	(111)
Other changes	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	(840)	-	-	-	-	(840)
As at 31 March 2022	**40,134**	**(142)**	**67,105**	**50,000**	**14,708**	**(3,944)**	**2,631**	**170,492**

1. GENERAL INFORMATION

Multitude SE and its subsidiaries ("Multitude" or the "Group"), is a leading financial technology company that aims to transcend the hassle of physical banking and manual financial transactions by offering a financial ecosystem, comprising of mobile and digital platforms, that promotes paperless, borderless, and real-time banking experience, to end customers and small and medium enterprises ("SMEs"). The parent company Multitude SE (business identity code 1950969-1) was established in 2005 and is headquartered at Ratamestarinkatu 11 A, FI-00520 Helsinki. Multitude SE is listed in the Prime Standard of Frankfurt Stock Exchange under the symbol 'FRU'. The Group also owns Ferratum Bank p.l.c., licensed by the Malta Financial Services Authority ("MFSA"), which allows the Group to provide financial services and products to European Economic Area ("EEA") members states.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Group's unaudited interim consolidated financial statements and accompanying notes have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim consolidated financial statements should be read in conjunction with the Group's audited consolidated financial statements as at and for year ended 31 December 2021, prepared in accordance with IFRS as published by the IASB and adopted by the EU. The same accounting policies, methods of computation, and applications of judgment are followed in this interim consolidated financial statements as was followed in the 2021 Group consolidated financial statements.

The Group's interim consolidated financial statements have been authorized for issue by Multitude's Board of Directors on 12 May 2022.

2.2 New and amended standards and interpretations

On 1 January 2022, the Group adopted the following amendments to the accounting standards issued by the IASB and endorsed by the EU with no material impact on the Group's consolidated financial statements:

- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

- Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the 'Conceptual Framework for Financial Reporting' without changing the accounting requirements for business combinations.

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual improvements make minor amendments to IFRS 1, 'First-time adoption of IFRS', IFRS 9, 'Financial instruments', and the illustrative examples accompanying IFRS 16, ' Leases'.

The Group has not early adopted any new and amended standards and interpretations that have been issued but are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are endorsed by the EU. The following new and amended standards and interpretations issued by the IASB are effective in future periods are not expected to have a material impact on the consolidated financial statements of the Group when adopted:

- Amendments to IAS 1, 'Presentation of financial statements', IFRS Practice Statement 2 and IAS 8, 'Accounting policies, changes in accounting policies and errors' disclosure of accounting policies and definition of accounting estimates presentation of financial statements on classification of liabilities' that aim to help the companies improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements; and distinguish changes in accounting estimates from changes in accounting policies.

- Amendments to IAS 12, 'Income taxes', deferred tax related to assets and liabilities arising from a single transaction that specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future.

- New standard IFRS 17, 'Insurance contracts', which replaces IFRS 4, that currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Further amendments defer the date of application of IFRS 17 by 2 years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

3. Changes in Group companies

The following changes in Group companies have occurred with no significant impact to the Group's interim consolidated financial statemetns as at and for the period ended 31 March 2022:

Changes in legal name

- 'Ferratum Canada Inc.' is now called 'Vector Procurement Solutions, Inc.'
- 'Ferratum International Services Oy' is now called 'Multitude International Services Oy'
- 'Swespar AB' is now called 'Multitude Services Sweden AB'

New legal entity

- Multitude Global Services Corp. was established in the Philippines.

4. Discontinued operations

On 31 October 2021, the Group disposed of its total shareholdings, representing 100% ownership interest in Ferratum UK Ltd. ('FGB'), which was accounted for as discontinued operations. Accordingly, the Group has carved out the results of operations relating to FGB from its consolidated statements of profit or loss and from the accompanying note disclosures at the financial statement line-item level after the elimination of intra-group income and expenses.

Loss from discontinued operations

The after-tax loss from discontinued operations for the period ended 31 March 2021, as presented in the table below, is presented as a single line item in the consolidated statements of profit or loss. The Group has not retained any operations in FGB for the period ended 31 March 2022.

EUR '000	31 Mar 2021
Revenue	(102)
Operating expenses:	
Impairment loss on loans to customers	(254)
Bank and lending costs	(193)
Personnel expense	(155)
Selling and marketing expense	(1)
General and administrative expense	(114)
Operating loss	**(819)**
Other income	-
Loss before interests and taxes ('EBIT')	**(819)**
Finance income, net	-
Loss before income tax	**(819)**
Income tax expense	20
Loss from discontinued operations	**(799)**

Net cash flows from discontinued operations

The net cash flows from operating, investing, and financing activities relating to FGB for the period ended 31 March 2021 are as follows:

EUR '000	31 Mar 2021
Net cash flows from (used in operating activities	(2,105)
Net cash flows from investing activities	2,016
Net cash flows from financing activities	74
Net cash flows from discontinued operations	**15**

5. Segment information

During the second quarter 2021, the Group has rebranded its tribes, which also represented the Group's operating and reportable segments. 'Near Prime', which includes Credit Limit, PlusLoan and MicroLoan, is now called 'Ferratum', 'CapitalBox digital SME Lending' is simply called 'CapitalBox', and 'PrimeLoan' and 'Wallet' are combined into 'SweepBank'.

Accordingly, the Group has restated the comparative information presented within this note to reflect the changes in the Group's structure. The results of operations from the Group's operating and reportable segments for the period ended 31 March 2022 and 2021 are as follows:

Operating and reportable segments for the period ended 31 March 2022:

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Revenue	44,955	3,139	5,395	-	53,489
Share in revenue, in %	**84.0%**	**5.9%**	**10.1%**	**-**	**100%**
Operating expenses:					
Impairment loss on loans to customers	(14,091)	(2,077)	(2,379)	-	(18,547)
% of revenue	**-31.3%**	**-66.2%**	**-44.1%**	**-**	**-34.7%**
Bank and lending costs	(3,288)	(339)	(188)	-	(3,815)
Personnel expense	(4,904)	(2,549)	(1,465)	-	(8,918)
Selling and marketing expense	(3,518)	(750)	(1,260)	-	(5,528)
General and administrative expense	(3,941)	(2,214)	(975)	-	(7,130)
Depreciation and amortisation	(3,452)	(485)	(136)	-	(4,073)
Operating profit (loss)	**11,761**	**(5,275)**	**(1,008)**	**-**	**5,478**
Other income, net	14	1	57	-	72
Profit (loss) before interests and taxes ('EBIT')	**11,775**	**(5,274)**	**(951)**	**-**	**5,550**
EBIT margin, in %	**26.2%**	**-168%**	**-17.6%**	**-**	**10.4%**
Allocated finance costs, net	(2,232)	(744)	(640)	-	(3,616)
Unallocated foreign exchange gain, net	-	-	-	483	483
Profit (loss) before income taxes	**9,543**	**(6,018)**	**(1,591)**	**483**	**2,417**
Profit (loss) before tax margin, in %	**21.2%**	**-192%**	**-29.5%**	**-**	4.5%
Loans to customers	**287,232**	**95,836**	**82,342**	**-**	**465,410**
Unallocated assets				**291,245**	**291,245**
Unallocated liabilities				**586,163**	**586,163**

Operating and reportable segments for the period ended 31 March 2021:

EUR '000	Ferratum	SweepBank	CapitalBox	Central	Total
Revenue	44,972	1,531	5,482	-	51,985
Share in revenue, in %	**86.5%**	**2.9%**	**10.5%**	**-**	**100.0%**
Operating expenses:					
Impairment loss on loans to customers	(13,277)	(1,322)	(1,639)	-	(16,238)
% of revenue	**-29.5%**	**-86.3%**	**-29.9%**	**-**	**-31.2%**
Bank and lending costs	(2,871)	(238)	(346)	-	(3,455)
Personnel expense	(4,891)	(2,132)	(1,431)	-	(8,454)
Selling and marketing expense	(4,905)	(661)	(1,220)	-	(6,786)
General and administrative expense	(4,267)	(2,322)	(749)	-	(7,338)
Depreciation and amortisation	(3,065)	(328)	(269)	-	(3,662)
Operating profit (loss)	**11,696**	**(5,472)**	**(172)**	**-**	**6,052**
Other income, net	177	-	-		177
Profit (loss) before interests and taxes ('EBIT')	**11,873**	(5,472)	**(172)**	**-**	**6,229**
EBIT margin, in %	**26.4%**	**-357%**	**-3.1%**	**-**	**12.0%**
Allocated finance costs, net	(2,777)	(461)	(716)	-	(3,954)
Unallocated foreign exchange losses, net	-	-	-	(867)	(867)
Profit before income taxes	**9,096**	**(5,933)**	**(888)**	**(867)**	**1,408**
Profit before tax margin, in %	**20.2%**	**-388%**	**-16.2%**	**-**	2.7%
Loans to customers	**271,799**	**45,479**	**70,550**	**-**	**387,828**
Unallocated assets				**379,813**	**379,813**
Unallocated liabilities				**642,765**	**642,765**

6. Revenue

Revenue by nature

EUR '000	31 Mar 2022	31 Mar 2021
Interest revenue	52,731	51,155
Loan servicing fees	758	830
Total revenue	**53,489**	**51,985**

Interest revenue are calculated using the effective interest rate method based on loans to customers after considering fees directly attributable to the origination of the loans, whereas loan servicing fees include charges to customers that are not directly attributable to loan origination and are recognised at the point in time when the Group satisfies the underlying performance obligations, normally when such fees are due from the customer upon invoicing.

Revenue by geographic market

The Group further analyses by geographic market that represents how economic factors impact the nature, amount, timing, uncertainty, and cash flows of the above revenue streams. Revenue recognized per geographic market, including the composition of each geographic market, for the comparative periods presented are as follows:

EUR '000		31 Mar 2022	31 Mar 2021
Northern Europe	Finland, Sweden, Denmark, Norway	23,985	24,029
Western Europe	Germany, Netherlands, Spain	8,526	7,734
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	20,416	20,042
Other	Australia, Brazil, Mexico, New Zealand	562	180
Total revenue		**53,489**	**51,985**

* There are no active business or portfolios in Belarus, Ukraine, or Russian Federation.

7. Loans and advances to customers

The Group calculates expected credit losses ('ECL') as a function of the estimated exposure of default ('EAD'), probability of default ('PD'), loss given default ('LGD'), and where applicable, discounting using the effective interest rate ('EIR').

The ECL is measured on either a 12-month or on a lifetime basis depending on whether the underlying loans to customers are not credit-impaired ('Stage 1'), whether a significant increase in credit risk has occurred since initial recognition ('Stage 2'), or whether an asset is considered to be credit-impaired ('Stage 3'). In doing this assessment, the Group considers relevant, reasonable, and supportable information based historical data, credit scoring, delinquency status, and days past due ('DPD'), and other forward-looking factors.

Due to the relatively high volume and low value of the underlying loans to customers, the Group generally considers that a significant increase in credit risk has occurred for Micro Loans, Plus Loans, and Credit Limit facilities when the outstanding loan balances exceed 30 DPD, and accordingly categorises the underlying loans to customers and measures ECL under Stage 2.

Accordingly, the Group considers that default has occurred when outstanding balances for MicroLoans exceed 90 DPD, and outstanding balances for PlusLoans, PrimeLoans, Credit Limit facilities and SME loans exceed 60 to 90 DPD, depending on the market where the portfolio were originated. ECL for the underlying loans to customers are categorised under Stage 3. Loss allowances on loans to customers under Stages 2 and Stage 3 are measured based on expected credit losses occurring throughout the lifetime of the financial assets ('lifetime ECL').

The Group further categorises outstanding loans to customers using 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' considered as 'underperforming' with occurrence of SICR since initial recognition (Stage 2), and 'Sub-standard' and 'Doubtful' considered to be 'non-performing' and credit-impaired (Stage 3).

The tables below shows the Group's gross outstanding loans to customers balances, risk grading, and basis for ECL recognition and measurement, including the movements and balances of loss allowances for loans to customers for the periods presented:

Gross outstanding loans to customers risk grading and basis for ECL recognition

Risk grade	Category	Basis for ECL	Days past due*		31 Mar 2022	31 Mar 2021	31 Dec 2021
			Lower range	Upper range			
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		409,619	304,112	386,621
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	20,545	14,812	20,207
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	11,847	9,158	9,416
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	26,319	29,908	27,971
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		121,315	149,381	121,666
Total					**589,645**	**507,372**	**565,881**

*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.

As at and for the period ended 31 March 2022:

EUR '000				31 March 2022
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2022	**386,621**	**29,623**	**149,637**	**565,881**
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	22,764	2,750	14,939	40,454
Loans and advances written off and sold during the period	-	-	(17,026)	(17,026)
FX and other movements	234	19	84	337
Total net change during the year	22,998	2,679	(2,003)	23,765
Gross loans to customers as at 31 March 2022	**409,619**	**32,392**	**147,634**	**589,645**
LOSS ALLOWANCES				
As at 1 January 2022	**20,608**	**8,806**	**92,595**	**122,009**
Increase in allowances- charge to profit or loss	1,105	500	16,941	18,546
Other movements				
Unwind of discount	-	-	141	141
Loans and advances written off and sold during the period	-	-	(17,026)	(17,026)
Exchange differences	99	43	423	565
Total net change during the year	1,204	543	479	2,226
Loss allowance as at 31 March 2022	**21,812**	**9,349**	**93,074**	**124,235**
Impaired loan coverage ration ('ILCR')	**5.3%**	**28.9%**	**63.0%**	**21.1%**

As at and for the period ended 31 March 2021:

EUR '000				31 March 2021
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2021	**304,112**	**23,970**	**179,290**	**507,372**
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	24,645	(1,508)	14,400	37,537
Loans and advances written off and sold during the period	-	-	(8,347)	(8,347)
FX and other movements	(630)	(43)	(355)	(1,028)
Total net change during the year	24,015	(1,551)	5,698	28,162
Gross loans to customers as at 31 March 2021	**328,127**	**22,419**	**184,988**	**535,534**
LOSS ALLOWANCES				
As at 1 January 2021	20,589	7,818	118,011	146,417
Increase in allowances- charge to profit or loss	(1,288)	(644)	18,928	16,996
Other movements				
Unwind of discount	-	-	192	192
Loans and advances written off and sold during the period	-	-	(16,303)	(16,303)
Exchange differences	53	20	332	404
Total net change during the year	(1,235)	(624)	3,149	1,290
Loss allowance as at 31 March 2021	**19,354**	**7,193**	**121,159**	**147,706**
Impaired loan coverage ration ('ILCR')	**5.9%**	**32.1%**	**65.5%**	**27.6%**

As at and for the year ended 31 December 2021:

EUR '000				31 December 2021
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
GROSS LOANS TO CUSTOMERS				
As at 1 January 2021	304,113	**23,971**	**179,289**	**507,373**
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	83,045	5,575	(12,594)	76,026
Loans and advances written off and sold during the period	-	-	(17,451)	(17,451)
FX and other movements	(537)	77	393	(67)
Total net change during the year	82,508	5,652	(29,652)	58,508
Gross loans to customers as at 31 December 2021	**386,621**	**29,623**	**149,637**	**565,881**
LOSS ALLOWANCES				
As at 1 January 2021	**20,589**	**7,818**	**118,011**	**146,418**
Increase (decrease) in allowances- charge to profit or loss	33	955	(9,522)	(8,534)
Other movements				
Unwind of discount	-	-	787	787
Loans and advances written off and sold during the period	-	-	(17,451)	(17,451)
Exchange differences	(14)	23	770	779
Total net change during the year	19	988	(25,416)	(24,409)
Loss allowance as at 31 December 2021	**20,608**	**8,806**	**92,595**	**122,009**
Impaired loan coverage ration ('ILCR')	**5.3%**	**29.7%**	**61.9%**	**21.6%**

Transfers out of Stage 1 are driven by the underlying gross loans to customers to have 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 to increase (decrease) in loss allowances during the year.

Remeasurements from changes in 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 most recent available information at reporting date. Unwind of discount is driven by the amortisation of the ECL present value for long-outstanding loans to customers.

Macro-economic variables

The Group utilises an 'Error Correction Model' ('ECM') to determine the relationship between the performance of each Market's loan portfolios and the underlying macro-economic factors. ECM establishes a strong statistically significant relationship between the portfolio performance, the underlying macro-economic variables, and market and portfolio-specific spectrum. ECM also takes into account both short and long-term effects of identified macro-economic variables through multiple regression analysis against the time series of defaults observed at a specific market and portfolio. Further, ECM allows for error corrections by providing observed deviations from long-run equilibrium that can influence short-run dynamics. It also takes into account the speed at which defaults return to equilibrium after changing the macroeconomic variables considering the long-term equilibrium. The model also establishes stricter requirements for new loans and overall improvement in the average quality of customer base.

Accordingly, the Group has determined that the key drivers for microloans, PlusLoans, Credit Limit facilities and prime loans are Gross Domestic Product ('GDP'), Personal Disposable Income ('PDI') and Unemployment Rate ('UR'), whereas the Consumption Rate Private ('CRP') is the key driver for SME loans.

For these key drivers, the Group relies on the market level data published by Oxford Economics. In order to capture a range of possible future outcomes, three possible scenarios are considered in the determination of the ECL - 'base line', 'downside' and 'upside'.

The following tables show the outlooks associated with the macro-economic variables ('MEV') utilised in the calculation of expected credit losses ('ECL') for the periods presented herein.

Unemployment rate

In %	Q1 2021			Q1 2022			Q1 2023			Q1 2024		
	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Australia	5.7	5.7	5.7	3.9	3.9	3.9	3.9	4.3	3.4	4.0	4.5	4.0
Bulgaria	6.2	6.2	6.2	5.7	5.8	5.7	5.2	5.6	4.7	4.8	5.4	4.6
Czechia	4.1	4.1	4.1	3.2	3.2	3.2	3.6	4.2	2.9	3.6	4.0	3.4
Denmark	4.4	4.4	4.4	2.6	2.6	2.6	3.3	3.5	2.9	3.6	3.9	3.5
Finland	7.5	7.5	7.5	6.6	6.7	6.6	6.6	7.0	6.3	6.7	7.0	6.6
Hungary	8.1	8.1	8.1	6.6	6.7	6.6	6.5	6.7	6.2	6.5	6.8	6.3
Poland	6.3	6.3	6.3	5.3	5.3	5.3	5.2	5.7	4.7	4.9	5.3	4.7
Romania	3.3	3.3	3.3	3.0	3.0	3.0	3.2	3.4	2.8	3.2	3.5	3.0

Personal disposable income

Billion		Q1 2021			Q1 2022			Q1 2023			Q1 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Denmark	DKK	87	87	87	92	92	92	93	91	93	96	93	96
Spain	EUR	58	58	58	58	58	58	60	59	61	62	60	62
Finland	EUR	10	10	10	10	10	10	10	10	10	11	10	11
Latvia	EUR	1	1	1	1	1	1	1	1	1	1	1	1
Sweden	SEK	204	204	204	211	211	211	214	211	215	217	211	217

Consumption rate private

Billion units		Q1 2021			Q1 2022			Q1 2023			Q1 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Finland	EUR	10	10	10	10	10	10	10	10	10	11	10	11

Gross domestic product

Billion units		Q1 2021			Q1 2022			Q1 2023			Q1 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Brazil	BRL	155	155	155	155	155	155	157	155	158	161	158	161
Bulgaria	BGN	8	8	8	9	9	9	9	9	9	9	9	9
Estonia	EUR	2	2	2	2	2	2	2	2	2	2	2	2
Germany	EUR	259	259	259	267	267	268	276	268	281	283	277	284
Hungary	HUF	33	33	33	33	33	33	35	35	36	36	36	37
Lithuania	EUR	4	4	4	4	4	4	4	4	4	4	4	4
Netherlands	EUR	62	62	62	66	65	66	67	65	68	68	66	68
Norway	NOK	298	298	298	308	308	309	318	314	323	325	321	327

8. Personnel expenses

EUR '000	Note	31 Mar 2022	22 Mar 2021
Wages and salaries		7,703	7,096
Social security costs		583	657
Post-employment benefit expense		468	415
Share-based payment expense		111	100
Other personnel expense		53	186
Total personnel expenses		**8,918**	**8,454**

9. Other income

EUR '000	31 Mar 2022	31 Mar 2021
Gain from disposal of non-current assets	65	-
Other income	7	177
Total other income	**72**	**177**

10. Finance income and costs

EUR '000	31 Mar 2022	31 Mar 2021
FINANCE INCOME		
Net unrealised foreign exchange gain	1,226	-
Interest income	89	57
Net realised foreign exchange gain	-	1,573
Other finance income	**-**	**2**
Total finance income	**1,315**	**1,632**
FINANCE COSTS		
Interest expense on borrowings	(3,520)	(3,935)
Net realised foreign exchange loss	(751)	-
Net unrealised foreign exchange loss on derivatives	(104)	-
Interest expense on lease liabilities	(58)	(51)
Net unrealised foreign exchange loss	-	(2,467)
Other finance costs	(15)	-
Total finance costs	**(4,448)**	**(6,453)**
Net finance costs	**(3,133)**	**(4,821)**

11. Income taxes

EUR '000	31 Mar 2022	31 Mar 2021
Current income tax expense	257	383
Deferred tax expense	152	473
Total income tax expense	**409**	**856**

Income tax expense is recognised based on Group's estimate of the weighted average effective annual income tax rate expected for the full financial year applicable to each Group company.

12. Financial assets and liabilities classification and fair value

The table below summarises the Group's financial assets and 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 being market values for exchange traded products, Level 2 being primarily based on quotes from third-party pricing services and Level 3 requiring most management judgment:

Financial assets

EUR '000	Fair value measure-ment	31 Mar 2022 Carrying amount	31 Mar 2022 Fair value	31 Dec 2021 Carrying amount	31 Dec 2021 Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	700	700	324	324
FINANCIAL ASSETS AT AMORTIZED COST					
Loans to customers	Level 3	465,410	465,410	443,872	443,872
Cash and cash equivalents	Level 3	213,123	213,123	301,592	301,592
Other non-current receivables	Level 3	6,625	6,625	6,215	6,215
Receivables from banks	Level 3	4,402	4,402	5,108	5,108
Receivables from sold portfolios	Level 3	2,677	2,677	4,657	4,657
Other current financial assets	Level 3	4,290	4,290	3,579	3,579
Total		**697,227**	**697,227**	**765,347**	**765,347**

The fair value of derivative financial assets are determined using level 2 fair value measurement and is calculated as the present value of the estimated future cash flows based on observable yield curves.

The fair values of the remaining financial assets measured at amortised cost are determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial assets reasonably approximate their fair values as at the periods presented above.

Financial liabilities

EUR '000	Fair value measurement	31 Mar 2022 Carrying amount	31 Mar 2022 Fair value	31 Dec 2021 Carrying amount	31 Dec 2021 Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	2,623	2,623	1,232	1,232
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	418,123	418,123	484,764	484,764
Short-term borrowings	Level 1	84,291	83,527	84,158	83,949
Long-term borrowings	Level 1	58,304	58,389	57,656	59,038
Lease liabilities	Level 3	3,487	3,487	1,694	1,694
Trade payables	Level 3	3,508	3,508	1,426	1,426
Accruals and other current liabilities	Level 3	12,515	12,515	15,159	15,159
Total		**582,851**	**582,172**	**646,089**	**647,262**

The fair value of derivative financial liabilities are determined using level 2 fair value measurement and is calculated as the present value of the estimated future cash flows based on observable yield curves. Short-term borrowings pertain to the 2018 bonds issued on 25 May 2018 under Ferratum Capital Germany GmbH (ISIN - AS5772809 / SE0011167972) with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, and maturity date of 25 May 2022. The bonds have a total outstanding nominal value of EUR 84.4 million as at 31 March 2022 and 31 December 2021.

Long-term borrowings pertain to the 2019 bonds issued on 24 April 2019 under Ferratum Capital Germany GmbH (ISIN - SE0012453835) with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, and maturity date of 24 April 2023. The bonds have outstanding nominal value of EUR 59.0 million as at 31 March 2022 and 31 December 2021.

The fair value of short-term and long-term borrowings are determined using level 1 fair value measurement based on the published quotes in the Frankfurt Stock Exchange Open Market and Frankfurt Exchange Prime Standard.

The fair values of the remaining financial liabilities measured at amortised cost are determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial liabilities reasonably approximate their fair values as at the periods presented above.

13. Subsequent events

2019 Ferratum Capital Germany GmBH bonds tap issue

On 8 April 2022, the Group has announced a successful placement of EUR 40 million worth of nominal bonds under the existing 2019 Ferratum Capital Germany GmbH bond framework (ISIN - SE0012453835) ('2019 FCGE tap issue'). This brings down the remaining unissued portion of the 2019 FCGE bond framework to EUR 30 million. The bonds, quoted at 99.5% in the Frankfurt Stock Exchange Open Market and Frankfurt Exchange Prime Standard, were issued at 99% of their nominal values on 21 April 2022 and follow the bond covenants associated with the outstanding 2019 FCGE Bonds.

In conjunction with the above issuance, holders of the existing 2018 Ferratum Capital Germany GmbH bonds (ISIN AS5772809/SE0011167972) were given the option to roll-over their bond holdings and effectively convert them into the 2019 FCGE tap issue bonds ('2018 FCGE roll-over bonds') at a 1:1 conversion ratio. The transaction resulted into the extinguishment of the underlying 2018 FCGE roll-over bonds with a nominal and carrying values of EUR 19,889 thousand and EUR 19,877 thousand, respectively.

Ferratum Bank p.l.c. bond issue

On 13 April 2022, the Group has issued a total of EUR 5 million worth of unsecured subordinated bonds with a series no. 1/2022 (ISIN: MT0000911215), Tranche No 1 ('Tranche 1 bonds') through its wholly-owned subsidiary, Ferratum Bank p.l.c. ('FBM') from a base prospectus issued on amounting to a total of EUR 20 million. The Tranche 1 bonds have a coupon rate of 6% maturing on 13 April 2032.

Interests on the Tranche 1 bonds amount to 6% of their nominal values and will be paid annually starting 27 April 2022 until their maturity on 13 April 2022. The Tranche 1 bonds are listed on the Malta Stock Exchange and is available for trading starting 28 April 2022.

Matching share plan - April 2022

On 11 April 2022, the group has granted a total of 31,638 matching shares to participating employees as part of the Group's Matching Share Plan ('MSP') introduced in 2021. The MSP scheme allows employees to invest up to a total of 10% of their annual gross salary in Multitude shares. Investment shares will vest after 2 years provided that the participants have held the shares and have uninterrupted employment during the holding period. After which, the Group will provide free matching shares with a 1:1 ratio for all vested investment shares.

As part of the existing matching share plan ('MSP') that allows all Multitude employees to invest up to a total of 10% of their annual gross salary in Multitude shares in exchange for a 1:1 matching ratio after a 2-year vesting period of holding the shares and continuous employment in Multitude.

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