H1 2022 Report

MULTITUDE

Contents

Board of Directors' Report H1 2022 Unaudited

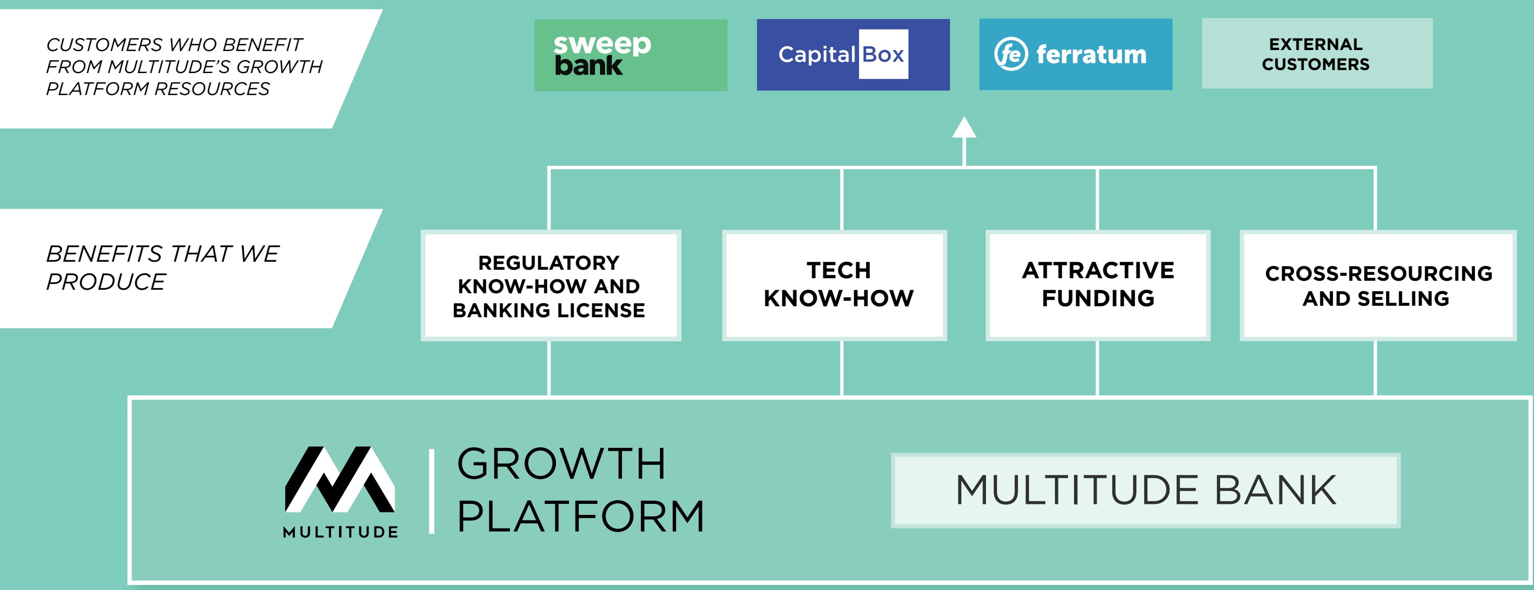
Company structure and business model

Multitude Group is an international provider of digital financial services. Nordic born and globally focused with operations in 19 countries, backed by 17+ years of solid track record in building and scaling financial technology, its ambition is to become the most valued financial ecosystem. How is Multitude reaching its ambitious vision?

The leading feature of this ecosystem is the growth platform, which offers four specific benefits to FinTech businesses. These are: access to funding, regulatory and scoring expertise including the utilisation of Multitude's full European banking license, technological support, and cross-selling opportunities. This growth platform enables the businesses to grow and scale faster, than if they were on their own. Based on a unique combination of these four features complemented with a solid track record despite macroeconomic challenges, Multitude Group continues to build an ecosystem for sustainable finance for our business units as well as for external customers.

Currently, the growth platform supports three business units: Ferratum as a consumer lender, CapitalBox as a business lender, and SweepBank as a shopping and financing app. We have also started to add external customers to this growth platform, such as Cream Finance Holding Ltd.

MULTITUDE GROWTH PLATFORM



Each offering of the independent business units within Multitude is built based on the combination of behavioral 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, headquartered in Helsinki, Finland, was established in 2005 and currently serves approx. 400,000 active customers in H1 2022 through its combined business units. 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.

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 SE is listed on the Prime Standard of Frankfurt Stock Exchange under the symbol 'FRU'.

sweep
bank

Business Unit: SweepBank

SweepBank is the newest 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. It 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 card
The credit card of SweepBank, a Mastercard, allows financing smaller purchases and is immediately ready to use after successful onboarding to the app. The integrations with Apple Pay and NFC payments allow easy usage online and in physical points of sale. 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 and up to 60 days interest free payment period on their purchases.

Prime Loan
Prime Loans are longer-term instalment loans helping customers financing medium to higher size purchases/expenses of up to EUR 30,000, with loan maturity ranging between 1-10 years. The Prime Loan is fully digitalised from application to repayment. In case of need the customers have option to top up their Prime Loans by applying for additional amount to their open loan.

Bank Account
SweepBank offers a current account with up to 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.

Sweep Deals with cashback
SweepBank wants to be the everyday sidekick to shopping by offering exclusive deals from top brands. SweepDeals has handpicked great offers from the various local and global brands to meet the customers shopping needs while offering great shopping experience on smart device within the app. For every Sweep Deals purchase made, SweepBank will reward customers with up to 5% loyalty points that can be exchanged for money, 1 point = 0.01€.

H1 2022 highlights

In H1 2022 SweepBank launched its first risk-free revenue stream Sweep Deals in Finland. On 11 July 2022 the tribe successfully launched the SweepBank App in Germany. As part of the launch, Sweep Deals features partnerships with 22 German merchants offering discounts on products ranging from clothing brands and cosmetics to audio books. SweepBank is also giving up to 5% cash back in loyalty points for the Sweep Deals purchases. Compared to H1 2021, SweepBank was able to increase revenues by 72.4% due to successful sales and retention campaigns, pricing changes, new sales partners, and improved onboarding process. SweepBank has for the past 1.5 years built up valuable customer, tech, and product assets in five countries, via launches of new products and expanding their offer into new markets. Going forward, SweepBank will focus on accelerating profitability in existing countries.

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 revolving credit, allowing customers financial flexibility. Eligible customers are approved a limit up to EUR 5,000 to be easily withdrawn and instantly paid into their bank account. Customers have the flexibility to choose a repayment amount from minimum of 2% from the loan capital to full repayment.

H1 2022 highlights

During H1 2022, Ferratum 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. In addition, Ferratum launched an AI video avatar in H1 2022. The video avatar is an AI-based system which converts written text into a video with a talking avatar. The avatar is helping the customers to understand our products and services better and to have a more enjoyable interaction using multimedia instead of text-based interactions. Going forward, Ferratum will focus on further Credit Limit product rollout and new country and product opportunities.

Business Unit: CapitalBox

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

With its unique 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.

H1 2022 highlights

In H1 2022 CapitalBox launched Credit Line in all existing markets to improve customer retention with higher customer lifetime value, longer terms and lower yields. In addition, CapitalBox is piloting a new scoring model with Machine Learning implemented to increase sales in better risk segments, increase automation, and improve overall underwriting quality and measurability. Going forward CapitalBox will focus on the diversification of distribution channels through new partnerships and initiatives. It will continue to explore and develop new underwriting and product offering and proceed with full automation of underwriting and sales of all loans.

Key figures and ratios

EUR '000	Q2 2022	Q1 - Q2 2022	Q2 2021*	Q1 - Q2 2021*
Revenue, continuing operations	53,538	107,027	52,821	104,806
Profit (loss) before interests and taxes ('EBIT'), continuing operations	6,478	12,029	9,522	15,751
Profit (loss) before tax, continuing operations	501	2,919	5,014	6,422
Profit (loss) before tax margin, continuing operations, in %	0.9	2.7	9.5	6.1
Net cash flows from operating activities before movements in loan portfolio and deposits received	21,638	45,401	4,614	**20,192**
Net cash flows from (used in) operating activities	(2,741)	(86,856)	(24,831)	38,532
Net cash flows from (used in) investing activities	(17,270)	(18,749)	(3,793)	(6,229)
Net cash flows from (used in) financing activities	(42,838)	(44,330)	(346)	(1,740)
Net increase (decrease) in cash and cash equivalents	(62,849)	(149,935)	(28,970)	30,563

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

EUR '000	30 Jun 2022	31 Dec 2021
Loans to customers	477,426	443,872
Impaired loan coverage ratio, in %	20.3	21.6
Deposits from customers	424,439	484,764
Cash and cash equivalents	149,065	301,592
Total assets	712,501	819,028
Non-current liabilities	93,016	140,934
Current liabilities	449,926	508,605
Interest-bearing liabilities, excluding deposits from customers	102,703	143,508
Total equity	169,559	169,489
Equity ratio, in %	23.8	20.7
Net debt to equity ratio	2.32	2.05

Calculation of key financial ratios

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

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

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

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

***Note: As defined in the bond covenants.**

Key developments in H1 2022

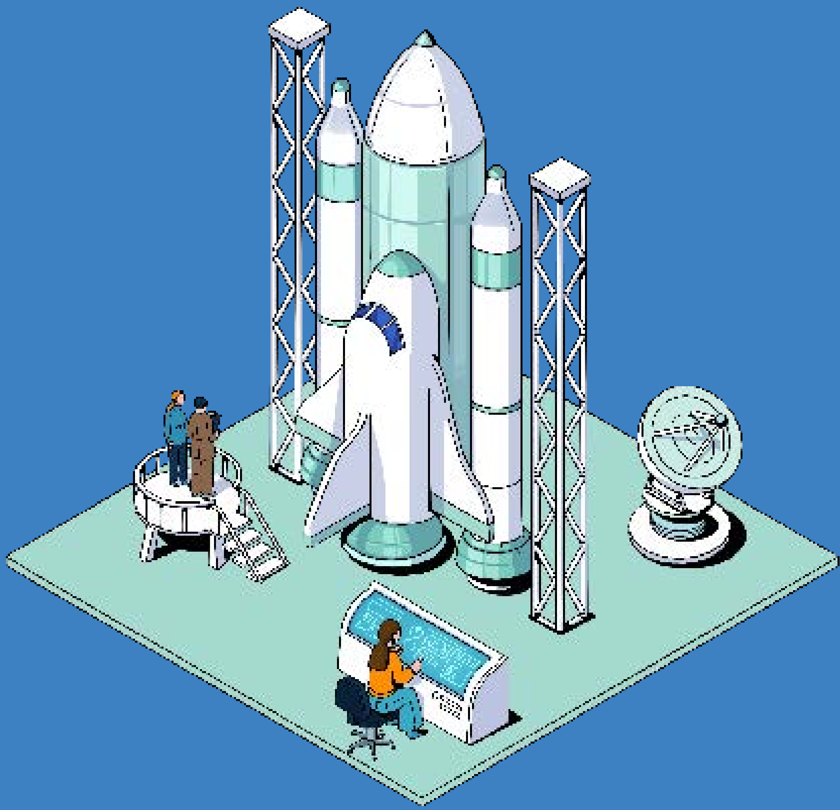
Financial overview

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 is now presented based on the new tribes – Ferratum, CapitalBox, and SweepBank, representing their operating and reportable segments. The Group's consolidated statements of profit or loss, total comprehensive income, and cash flows, including relevant note disclosures for comparative periods of Q2 2021 and Q1-Q2 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 to the Group's consolidated statement of financial position and accompanying note disclosures.

The financial information presented in this section reflects the results of continuing operations and as if the new financial reporting structure had been in operation as of 30 June 2021 and for the periods Q2 2021 and Q1-Q2 2021. The results of discontinued operations are separately presented in Note 4 of the Group's unaudited interim consolidated financial statements. The Group also



defines earnings before interests and taxes ('EBIT') as the sum 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.

Growth in portfolio size and solid asset 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. The Group's collective loan portfolio stood at EUR 477.4 million at the end of Q2 2022 – a steady increase from EUR 465.4 million (+2.6%) and EUR 443.9 million (+7.5%) at the end of Q1 2022 and Q4 2021, respectively. Increase in net loan receivable portfolio at the end of Q2 2022 as compared to end of Q4 2021 amounted to EUR 4.7 million (+1.7%) in Ferratum, EUR 22.2 million (+25.9%) in SweepBank, and EUR 6.6 million (+8.8%) in CapitalBox.

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 5.5 million (+17.1%) increase in impairment losses to customers when comparing H1 2022 and H2 2021, the Group's impaired loan coverage ratio ('ILCR') shows a decreasing trend from 27.0% at the end of Q2 2021 and 21.6% at the end of Q4 2021 all to just 20.3% at the end of Q2 2022.

These factors are considered to further contribute to the Group's revenue growth, which already shows an increase of EUR 2.2 million (+2.1%) when comparing H1 2022 and H1 2021 results.

Relatively flat operating expenses

Overall, the Group's operating expenses, excluding impairment losses, remained relatively flat with a slight net increase of EUR 0.8 million (+1.4%) when comparing H1 2022 and H1 2021. Selling and marketing expenses decreased by EUR 2.6 million (-19.5%), driven by improved procurement activities. This decrease was offset by the increases in personnel, depreciation and amortization, and general and administrative expenses amounting to EUR 1.1 million (+6.8%), EUR 0.8 million (+10.3%), and EUR 1.3 million (+10.3%).

The increase in personnel costs is primarily driven by the increase in Group personnel from 671 HC in H1 2021 to 690 HC in H1 2022 and the increase in share-based exepenses amounting to EUR 0.2 million (+312%) when comparing H1 2022 and H1 2021. The increase in depreciation and amortization expenses was driven by upward remeasurements in IFRS 16 right-of-use assets during H1 2022, whereas the increase in general and administrative expenses was driven by higher administrative and legal costs in relation to purchase of investment in form of non-current financial assets in Ferratum Bank Plc during H1 2022.

Lower net finance costs

Net finance costs are relatively stable year-on-year, with a slight decrease of EUR 0.2 million (-2.3%) when comparing EUR 9.1 million in H1 2022 to EUR 9.3 million in H1 2021. Interest expense decreased by EUR 0.4 million (-5.5%) as a result of the conversion 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. This was partially offset by a slight increase in net foreign exchange losses amounting to EUR 0.2 million when comparing H1 2022 and H1 2021 results.

Solid profitability despite worsening macroeconomic conditions

The Group's operations during H1 2022 have delivered solid profit before interests and taxes ('EBIT'), profit before taxes, and after-tax profit from continuing operations amounting to EUR 12.0 million, EUR 2.9 million, and EUR 2.0 million, respectively. In comparison, the results of the Group's operations for the comparative period H1 2021 amounted to EUR 15.8 million, EUR 6.4 million, and EUR 4.9 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 H1 2022.

Stringent cash management, significant financing and investing activities

During H1 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.

The Group also paid out a total of EUR 19.9 million to exchange a portion of its outstanding 2018 bonds issued by Ferratum Capital Germany GmbH ('FCGE') as part of the 2019 FCGE tap issue made in April 2022, and EUR 63.6 million to fully redeem the remaining 2018 FCGE bonds in May 2022. The Group further invested EUR 10 million in Cream Finance bonds in June 2022. These were partially offset by the net proceeds from the 2019 FCGE bonds tap issue and the first tranche issue of unsecured subordinated bonds by Ferratum Bank Plc ('FBM') in April 2022, amounting to EUR 39.4 million and EUR 2.8 million, respectively.

As a result, cash and cash equivalents decreased from EUR 301.6 million at the end of Q4 2021 to EUR 149.1 million at the end of Q2 2022 – a decrease of EUR 152.5 million (-50.6%).

Highly liquid asset position

The Group's total assets stand at EUR 712.5 million at the end of Q2 2022, which shows a decrease of EUR 106.5 million (-13.0%) from EUR 819.0 million at the end of Q4 2021. The Group's current assets as at the end of Q2 2022 amounted to EUR 648.1 million and current assets over total assets ratio remains high at 91.0% – a decrease of EUR 116.9 million or -2.4 percentage points as compared to EUR 765.0 million and 93.4% current assets and current over total assets ratio, respectively, as at the end of Q4 2021, which were driven by the net decrease in cash and cash equivalents and increase in loans to customers.

Whereas the Group's non-current assets and non-current assets over total assets ratio increased by EUR 10.4 million (+2.4 percentage points) from EUR 54.1 million and 6.6%, respectively, as at the end of Q4 2021 to EUR 64.4 million and 9.0%, respectively, as at the end of Q2 2022, which were driven by the investment in Cream Finance bonds and IFRS 16 right-of-use asset upward remeasurements.

Significant leap in equity ratio

The Group's shareholders' equity remains stable with a slight decrease of EUR 0.1 million (+0.1%) from EUR 169.5 million at the end of Q4 2021 to EUR 169.6 million at the end of Q2 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 424.4 million at the end of Q2 2022 (a decrease of EUR 60.3 million or -12.4%), this resulted into a strong equity ratio of 23.8% at the end of Q2 2022 – a significant leap of +3.1 percentage points from 20.7% at the end of Q4 2021.

Total liabilities decreased by EUR 106.6 million (-16.4%) from EUR 649.5 million at the end of Q4 2021 to EUR 542.9 million at the end of Q2 2022. The decrease was primarily driven by the repayments made to the 2018 FCGE bonds and outstanding current deposits from customers partially offset by the 2019 FCGE tap bonds tap issue and the first tranche issue of FBM unsecured subordinated bonds, which resulted into a +0.27 percentage points increase in the Group's net debt-to-equity ratio from 2.05 at the end of Q4 2021 to 2.32 at the end of Q2 2022 – still well within the Group's ideal level.

Out of the Group total liabilities, EUR 449.9 million are classified as current as at the end of Q2 2022 (Q4 2021 - EUR 508.6 million) – a decrease of EUR 58.7 million (-11.5%), which is due to the repayment of current deposits from customers and the 2018 FCGE bonds. Despite this, the Group's current liabilities over total liabilities ratio increased from 78.3% at the end of Q4 2021 to 82.9% at the end of Q2 2022, since the Group's non-current liabilities has decreased significantly from EUR 140.9 million at the end of Q4 2021 to EUR 93.0 million at the end of Q2 2022 due to the reclassification of the 2019 FCGE bonds from non-current to current liabilities, partially offset by the first tranche issue of FBM unsecured subordinated bonds.

Treasury update

Given the reduced deposit requirements by the Central Bank of Malta and an even more stringent cash management measures, Multitude further reduced its cash position by 30%, standing at EUR 149.1 million at the end of Q2 2022 as compared to EUR 213.1 million at the end of Q1 2022, and decrease its total customer deposit base by 12.4% from EUR 484.8 million at the end of Q4 2021 to EUR 424.4 million at the end of Q2 2022. Multitude also continues to manage its funding base and shift towards long-term customer deposits and managed to keep the ratio of long-term customer deposits over total customer deposits at 20.8% at the end of Q2 2022 as compared to 17.1% at the end of Q4 2021.

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'.

On 8 April 2022 Ferratum Capital Germany GmbH has successfully completed a subsequent bond issue of EUR 40 million under its existing senior unsecured bond framework (SE0012453835) with maturity in April 2023. The net proceeds from the subsequent bond issue were, together with existing cash in the Group, used towards refinancing the Group's outstanding bond maturing in May 2022 (ISIN SE0011167972) and to execute the Group's growth path and business strategy. The outstanding bond maturing on 25 May 2022 was repaid on the maturity date. The subsequent bond issue was priced at 99.00 per cent of the nominal amount. After the subsequent bond issue, the total outstanding amount of the Group's bonds with maturity in April 2023 amounted to EUR 99.0 million.

On 13 April 2022, the Group has issued a total of EUR 5,052 thousand worth of unsecured subordinated bonds, out of the EUR 20 million base prospectus, listed in the Malta Stocks Exchange with a series no. 1/2022 (ISIN: MT0000911215), Tranche No 1 ('Tranche 1 bonds') through its wholly-owned subsidiary, Ferratum Bank Plc ('FBM'). The Tranche 1 bonds will mature on 13 April 2032 and includes a coupon rate of 6%.

Personnel update

The average number of employees in H1 2022 is equal to 690 HC (H1 2021 - 671 HC) with related payroll expenses amounting to EUR 17.9 million (H1 2021 - EUR 16.8 million).

Oscar Barkman and the company decided to part ways and discontinue the cooperation. A successor will be announced in due course. In the interim, the Group CEO together with other senior leaders and Tribe management team are supporting in this transition.

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. 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 monitors 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:

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.

The AGM confirmed the number of members of the Board of Directors as eight and decided to re-elect Frederik Strange (Chairman), Jorma Jokela (Vice-Chairman), Goutam Challagalla, Michael A. Cusumano, Lea Liigus, 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 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 H1 2022

Consolidated statement of profit or loss

EUR '000	Notes	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Revenue	6	53,538	107,027	52,821	104,806
Operating expenses:					
Impairment loss on loans to customers	7	(19,207)	(37,754)	(16,016)	(32,254)
Bank and lending costs		(3,039)	(6,854)	(3,155)	(6,610)
Personnel expense	8	(9,024)	(17,942)	(8,346)	(16,800)
Selling and marketing expense		(5,253)	(10,781)	(6,601)	(13,387)
General and administrative expense		(6,420)	(13,549)	(4,941)	(12,279)
Depreciation and amortisation		(3,998)	(8,071)	(3,655)	(7,317)
Operating profit		**6,597**	**12,076**	**10,107**	**16,159**
Other income	9	-	2	83	83
Other expense	**9**	**(119)**	**(49)**	**(668)**	**(491)**
Profit before interests and taxes ('EBIT')		**6,478**	**12,029**	**9,522**	**15,751**
Finance income	10	137	669	2,577	4,207
Finance costs	10	(6,114)	(9,779)	(7,085)	(13,536)
Profit before income taxes		**501**	**2,919**	**5,014**	**6,422**
Income tax expense	11	(465)	(874)	(644)	(1,500)
Profit (loss) from continuing operations		**36**	**2,045**	**4,370**	**4,922**
Loss from discontinued operations	**4**	**-**	**-**	**(1,652)**	**(2,511)**
Profit (loss) for the year		36	**2,045**	2,718	**2,411**
Earnings (loss) per share:	**12**				
Weighted average number of ordinary shares in issue		21,578	21,578	21,578	**21,578**
Earnings (loss) per share from continuing operations, EUR		**(0.04)**	**0.03**	**0.20**	**0.23**
Earnings (loss) per share from discontinued operations, EUR		**-**	**-**	**(0.08)**	**(0.12)**
Total earnings (loss) per share, EUR		**(0.04)**	**0.03**	**0.13**	**0.11**

*There are no items that have dilutive impact on the weighted average number of ordinary shares, and as such, basic and diluted for all periods presented.

Consolidated statement of comprehensive income

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Profit (loss) from continuing operations	36	2,045	4,370	4,922
Other comprehensive income (expense) from continuing operations:				
Items that may be reclassified to profit or loss				
Currency translation difference from continuing operations	(545)	(711)	9	325
Total other comprehensive income (loss) from continuing operations	**(545)**	**(711)**	**9**	**325**
Total comprehensive income (loss) from continuing operations	**(509)**	**1,334**	**4,379**	**5,247**
Total comprehensive loss from discontinued operations	**-**	**-**	**(1,571)**	**(3,033)**
Total comprehensive income (loss) for the period	**(509)**	**1,334**	**2,808**	**2,214**

Consolidated statement of financial position

EUR '000	Notes	30 June 2022	31 December 2021
ASSETS			
Non-current assets:			
Property, plant and equipment		3,099	3,404
Right-of-use assets		3,456	1,618
Intangible assets		34,593	35,850
Deferred tax assets		6,571	6,981
Other non-current financial assets	13	16,706	6,215
Total non-current assets		**64,425**	**54,068**
Current assets:			
Loans to customers	7, 13	477,426	443,872
Other current financial assets	13	15,085	13,344
Derivative financial assets	13	2,007	324
Current tax assets		2,081	2,200
Prepaid expenses and other current assets		2,412	3,628
Cash and cash equivalents	13	149,065	301,592
Total current assets		**648,076**	**764,960**
Total assets		**712,501**	**819,028**
EQUITY AND LIABILITIES			
Equity:			
Share capital		40,134	40,134
Treasury shares		(142)	(142)
Retained earnings		67,022	67,172
Perpetual bonds		50,000	50,000
Unrestricted equity reserve		14,708	14,708
Translation differences		(4,794)	(5,014)
Other reserves		2,631	2,631
Total equity		**169,559**	**169,489**
Liabilities			
Non-current liabilities:			
Long-term borrowings	13	2,765	57,656
Deposits from customers	13	88,486	82,793
Lease liabilities	13	1,570	282
Deferred tax liabilities		195	203
Total non-current liabilities		**93,016**	**140,934**
Current liabilities:			
Short-term borrowings	13	97,644	84,158
Deposits from customers	13	335,953	401,971
Derivative financial liabilities	13	106	1,232
Lease liabilities	13	724	1,412
Current tax liabilities		210	3,247
Trade payables	13	3,254	1,426
Accruals and other current liabilities	13	12,035	15,159
Total current liabilities		**449,926**	**508,605**
Total liabilities		**542,942**	**649,539**
Total equity and liabilities		**712,501**	**819,028**

Consolidated statement of cash flows

EUR '000	Notes	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) for the year		36	2,045	2,718	2,411
Adjustments for:					
Depreciation and amortization		3,998	8,060	3,600	7,262
Finance costs, net	10	5,371	8,504	4,327	9,128
Tax on income from operations	11	465	874	666	1,582
Other adjustments		446	280	683	561
Impairments on loans	7	19,560	38,107	(8,782)	7,710
Working capital changes:					
Increase (-) / decrease (+) in current receivables		(2,857)	(2,865)	3,424	4,988
Increase (+) / decrease (-) in trade payables and other liabilities		(285)	(74)	2,340	(5,009)
Interest paid		(3,798)	(6,751)	(4,513)	(7,741)
Interest received		127	188	69	125
Income taxes paid		(1,425)	(2,966)	80	(827)
Net cash flows from operating activities before movements in loan portfolio and deposits		**21,638**	**45,401**	**4,614**	**20,192**
Deposits from customers	13	6,321	(59,947)	(5,875)	90,172
Movements in gross portfolio	7	(30,701)	(72,310)	(23,570)	(71,832)
Net cash flows from (used in) operating activities		**(2,741)**	**(86,856)**	**(24,831)**	**38,532**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current financial investments	1.1	(10,000)	(10,000)	-	-
Purchase of investments and other assets		(3,781)	(2,883)	(364)	(364)
Purchase of tangible and intangible assets		(3,373)	(5,753)	(2,404)	(4,161)
Proceeds from sale of investments and other assets		(116)	(113)	(1,026)	(1,704)
Net cash flows used in investing activities		**(17,270)**	**(18,749)**	**(3,793)**	**(6,229)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of short-term borrowings	1.1, 13	(83,521)	(83,521)	-	-
Proceeds from short-term borrowings	1.1, 13	39,400	39,400	-	-
Perpetual bonds interests		(1,125)	(1,854)	-	-
Proceeds from long-term borrowings	1.1, 13	2,765	2,765	-	-
Repayment of finance lease liabilities		(357)	(1,120)	(319)	(1,740)
Repayment of long-term borrowings		-	-	(27)	-
Net cash flows from (used in) financing activities		**(42,838)**	**(44,330)**	**(346)**	**(1,740)**
Cash and cash equivalents, at the beginning of the period	13	213,123	301,592	295,318	236,564
Exchange gains (losses) on cash and cash equivalents	10	(1,209)	(2,593)	3,849	3,070
Net increase (decrease) in cash and cash equivalents		**(62,849)**	**(149,935)**	**(28,970)**	**30,563**
Cash and cash equivalents, as at the end of the period	**13**	**149,065**	**149,065**	**270,197**	**270,197**

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 for the period	-	-	(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 for the period	-	-	2,045	-	-	-	-	2,045
Currency translation difference	-	-	(931)	-	-	220	-	(711)
Total comprehensive income	-	-	1,114	-	-	220	-	1,334
Transactions with owners								
Perpetual bonds interests	-	-	(1,483)	-	-	-	-	(1,483)
Share-based payments	-	-	219	-	-	-	-	219
Total transactions with owners	-	-	(1,264)	-	-	-	-	(1,264)
As at 30 June 2022	**40,134**	**(142)**	**67,022**	**50,000**	**14,708**	**(4,794)**	**2,631**	**169,559**

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.

1.1 Significant changes in the current reporting period

2019 FCGE 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 99.25% in the Frankfurt Stock Exchange Open Market, were issued at 99% of their nominal values on 21 April 2022 and follow the bond covenants associated with the outstanding 2019 FCGE Bonds.

2018 FCGE bonds roll-over and redemption

In conjunction with the 2019 FCGE bonds tap issue, holders of the existing 2018 FCGE 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 nominal and carrying amounts of EUR 19,889 thousand and EUR 19,877 thousand, respectively. On 25 May 2022, the remaining 2018 FCGE bonds with remaining nominal and carrying amounts of EUR 63,782 thousand and EUR 63,770 thousand, respectively, were redeemed in full.

The above roll-over and redemption of the 2018 FCGE bonds, resulted into a net gain of EUR 394 thousand.

Ferratum Bank Plc unsecured subordinated bonds issue

On 13 April 2022, the Group has issued a total of EUR 5,052 thousand worth of unsecured subordinated bonds, out of the EUR 20 million base prospectus, listed in the Malta Stocks Exchange with a series no. 1/2022 (ISIN: MT0000911215), Tranche No 1 ('Tranche 1 bonds') through its wholly-owned subsidiary, Ferratum Bank Plc ('FBM'). The Tranche 1 bonds will mature on 13 April 2032 and includes a coupon rate of 6%.

Out of the EUR 5,052 thousand issued bonds, FBM has issued EUR 2,000 thousand to its parent company Multitude SE, which is eliminated at the Group level as part of the consolidation process.

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.

Investment in Cream Finance

On 13 June 2022, the Group, through its subsidiary Ferratum Bank Plc, acquired EUR 10 million worth of secured bonds issued by Cream Finance Holding Ltd. ('Cream Finance'), a FinTech start-up domiciled in Cyprus. The bond framework amount is up to EUR 15 million with a 4-year term.

Based on the solely payments of principal and interest on the principal amounts outstanding ('SPPI') test, the Group has classified the investment in debt securities as financial asset at amortized cost, presented as part of other non-current financial assets in the Group's consolidated statement of financial position.

In conjunction to the above investment, the Group has received EUR 2 million worth of security deposits from Cream Finance as a collateral in case of non-payment, insolvency, or breach of the bond covenants. The bond security deposits are presented under non-current deposits from customers in the Group's consolidated statement of financial position.

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 these interim consolidated financial statements as was followed in the 2021 Group consolidated financial statements. Furthermore, the Group's revenue and earnings before interests and taxes ('EBIT') are not subject to seasonal or cyclical fluctuations within the financial year.

The Group's interim consolidated financial statements have been authorized for issue by Multitude's Board of Directors on 18 August 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 statements as at and for the period ended 30 June 2022:

Changes in legal name

- '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 as a shared service center that facilitates customer support for the Group.

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 losses from discontinued operations for Q2 2021 and Q1-Q2 2021, as presented in the table below, are 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 currents periods Q2 2022 and Q1-Q2 2022.

EUR '000	Q2 2021	Q1-Q2 2021
Revenue	(173)	(275)
Operating expenses:		
Impairment loss on loans to customers	(368)	(622)
Bank and lending costs	(158)	(351)
Personnel expense	(145)	(300)
Selling and marketing expense	-	(1)
General and administrative expense	(542)	(656)
Operating loss	**(1,386)**	**(2,205)**
Other income	182	182
Loss before interests and taxes ('EBIT')	**(1,204)**	**(2,023)**
Finance income, net	(426)	(406)
Loss before income tax	**(1,630)**	**(2,429)**
Income tax expense	(22)	(82)
Loss from discontinued operations	**(1,652)**	**(2,511)**

Net cash flows from discontinued operations

The net cash flows from operating, investing, and financing activities relating to FGB for Q2 2021 and Q1-Q2 2021 are as follows:

EUR '000	Q2 2021	Q1-Q2 2021
Net cash flows used in operating activities	(1,487)	(3,592)
Net cash flows from investing activities	1,393	3,408
Net cash flows from financing activities	74	1
Net cash flows used in discontinued operations	**(20)**	**(183)**

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, Plus Loan and Micro Loan, is now called 'Ferratum', CapitalBox digital SME Lending' is simply called 'CapitalBox', and Prime Loan 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 current periods Q2 2022 and Q1-Q2 2022 and comparable periods Q2 2021 and Q1-Q2 2021:

Operating and reportable segments for Q2 2022

EUR '000	Ferratum	SweepBank	CapitalBox	Central	Total
Revenue	45,527	2,992	5,019	-	53,538
Share in revenue, in %	**85.0**	**5.6**	**9.3**	**-**	**100.0**
Operating expenses:					
Impairment loss on loans to customers	(14,941)	(2,139)	(2,127)	-	(19,207)
% of revenue	**(32.7)**	**(73.3)**	**(42.0)**	**-**	**(35.9)**
Bank and lending costs	(2,422)	(349)	(268)	-	(3,039)
Personnel expense	(5,065)	(2,669)	(1,289)	-	(9,024)
Selling and marketing expense	(4,504)	(365)	(384)	-	(5,253)
General and administrative expense	(3,688)	(1,903)	(828)	-	(6,419)
Depreciation and amortisation	(2,881)	(965)	(153)	-	(3,999)
Operating profit (loss)	**12,026**	**(5,398)**	**(31)**	**-**	**6,597**
Other income, net	(54)	(4)	(62)	-	(119)
Profit (loss) before interests and taxes ('EBIT')	**11,972**	**(5,402)**	**(92)**	**-**	**6,478**
EBIT margin, in %	**26.4**	**(180.0)**	**(2.0)**	**-**	**12.1**
Allocated finance costs, net	(2,470)	(1,023)	(703)	-	(4,196)
Unallocated foreign exchange gain, net	-	-	-	(1,781)	(1,781)
Profit (loss) before income taxes	**9,502**	**(6,425)**	**(795)**	**(1,781)**	**501**
Profit (loss) before tax margin, in %	**20.9**	**(213.3)**	**(16.0)**	**-**	0.9
Loans to customers	**287,377**	**107,991**	**82,058**	**-**	**477,426**
Unallocated assets	**-**	**-**	**-**	**-**	**235,075**
Unallocated liabilities	**-**	**-**	**-**	**-**	**543,312**

Operating and reportable segments for Q1-Q2 2022

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Revenue	90,482	6,131	10,414	-	107,027
Share in revenue, in %	**84.6**	**5.7**	**9.7**	**-**	**100.0**
Operating expenses:					
Impairment loss on loans to customers	(29,032)	(4,216)	(4,506)	-	(37,754)
% of revenue	**(32.0)**	**(68.8)**	**(43.3)**		**(35.3)**
Bank and lending costs	(5,710)	(688)	(456)	-	(6,854)
Personnel expense	(9,969)	(5,218)	(2,754)	-	(17,942)
Selling and marketing expense	(8,022)	(1,115)	(1,644)	-	(10,781)
General and administrative expense	(7,629)	(4,117)	(1,803)	-	(13,549)
Depreciation and amortisation	(6,333)	(1,450)	(289)	-	(8,072)
Operating profit (loss)	**23,787**	**(10,673)**	**(1,039)**	**-**	**12,075**
Other income, net	(40)	(3)	(5)	-	(47)
Profit (loss) before interests and taxes ('EBIT')	**23,747**	(10,676)	**(1,043)**	**-**	**12,028**
EBIT margin, in %	**26.3**	**(175.4)**	**(9.6)**	**-**	**11.3**
Allocated finance costs, net	(4,702)	(1,767)	(1,343)	-	(7,812)
Unallocated foreign exchange losses, net	-	-	-	(1,298)	(1,298)
Profit before income taxes	**19,045**	**(12,443)**	**(2,386)**	**(1,298)**	**2,918**
Profit before tax margin, in %	**21.1**	**(204.9)**	**(22.1)**	**-**	2.8
Loans to customers	**287,377**	**107,991**	**82,058**	**-**	**477,426**
Unallocated assets	**-**	**-**	**-**	**-**	**235,075**
Unallocated liabilities	**-**	**-**	**-**	**-**	**543,312**

Operating and reportable segments for Q2 2021

EUR '000	Ferra-tum	Sweep-Bank	Capital-Box	Central	Total
Revenue	45,109	2,025	5,686	-	52,821
Share in revenue, in %	**85.4**	**3.8**	**10.8**		**100.0**
Operating expenses:					
Impairment loss on loans to customers	(13,022)	(1,082)	(1,912)	-	(16,016)
% of revenue	**(28.6)**	**(55.0)**	**(33.3)**	**-**	**(30.1)**
Bank and lending costs	(2,539)	(316)	(300)	-	(3,155)
Personnel expense	(4,464)	(2,547)	(1,335)	-	(8,346)
Selling and marketing expense	(4,544)	(911)	(1,146)	-	(6,601)
General and administrative expense	(2,754)	(1,527)	(660)	-	(4,941)
Depreciation and amortisation	(3,225)	(347)	(84)	-	(3,655)
Operating profit (loss)	**14,560**	**(4,704)**	**250**	**-**	**10,107**
Other income, net	(528)	(14)	(43)	-	(585)
Profit (loss) before interests and taxes ('EBIT')	**14,033**	(4,718)	**207**	**-**	**9,522**
EBIT margin, in %	**31.3**	**(235)**	**3.5**	**-**	**18.2**
Allocated finance costs, net	(2,807)	(773)	(700)	-	(4,280)
Unallocated foreign exchange losses, net	-	-	-	(228)	(228)
Profit before income taxes	**11,226**	**(5,491)**	**(494)**	**(228)**	**5,014**
Profit before tax margin, in %	**25.1**	**(275.0)**	**(8.8)**	**-**	9.7
Loans to customers	**279,944**	**61,842**	**71,000**	**-**	**412,786**
Unallocated assets	**-**	**-**	**-**	**-**	**352,253**
Unallocated liabilities	**-**	**-**	**-**	**-**	**637,305**

Operating and reportable segments for Q1-Q2 2021

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Revenue	90,081	3,556	11,168	-	104,806
Share in revenue, in %	**86.0**	**3.4**	**10.6**	**-**	**100.0**
Operating expenses:					
Impairment loss on loans to customers	(26,299)	(2,404)	(3,551)	-	(32,254)
% of revenue	**(29.2)**	**(66.7)**	**(31.5)**	**-**	**(30.7)**
Bank and lending costs	(5,410)	(554)	(646)	-	(6,610)
Personnel expense	(9,355)	(4,679)	(2,766)	-	(16,800)
Selling and marketing expense	(9,449)	(1,572)	(2,366)	-	(13,387)
General and administrative expense	(7,021)	(3,849)	(1,409)	-	(12,279)
Depreciation and amortisation	(6,290)	(675)	(353)	-	(7,317)
Operating profit (loss)	**26,256**	**(10,176)**	**78**	**-**	**16,159**
Other income, net	(351)	(14)	(43)	-	(408)
Profit (loss) before interests and taxes ('EBIT')	**25,906**	(10,190)	**35**	**-**	**15,751**
EBIT margin, in %	**28.7**	**(283.3)**	**0.9**	**-**	**15.1**
Allocated finance costs, net	(5,584)	(1,234)	(1,416)	-	(8,234)
Unallocated foreign exchange losses, net	-	-	-	(1,095)	(1,095)
Profit before income taxes	**20,322**	**(11,424)**	**(1,382)**	**(1,095)**	**6,422**
Profit before tax margin, in %	**22.5**	**(313.9)**	**(11.7)**	**-**	6.2
Loans to customers	**279,944**	**61,842**	**71,000**	**-**	**412,786**
Unallocated assets	**-**	**-**	**-**	**-**	**352,253**
Unallocated liabilities	**-**	**-**	**-**	**-**	**637,305**

6. Revenue

Revenue by nature

EUR ’000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Interest revenue	52,675	105,406	52,040	103,195
Loan servicing fees	863	1,621	781	1,611
Total revenue	**53,538**	**107,027**	**52,821**	**104,806**

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		Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Northern Europe	Finland, Sweden, Denmark, Norway	24,331	48,038	23,206	47,235
Western Europe	Germany, Netherlands, Spain	8,468	17,274	8,060	15,794
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	18,709	37,463	19,178	37,346
Other	Australia, Brazil, Mexico, New Zealand	2,030	4,252	2,377	4,431
Total revenue		**53,538**	**107,027**	**52,821**	**104,806**

* 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 Micro Loans exceed 90 DPD, and outstanding balances for Plus Loans, Prime Loans, 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 show 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*		30 Jun 2022	30 Jun 2021	31 Dec 2021
			Lower range	Upper range			
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		424,865	353,734	386,621
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	20,687	13,638	20,207
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	13,522	8,197	9,416
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	22,087	25,913	27,971
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		117,515	163,766	121,666
Total					**598,676**	**565,249**	**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 30 June 2022:

EUR '000				30 June 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	(36,704)	1,836	34,868	-
Loans and advances written off and sold during the period	78,903	2,995	(44,208)	37,691
FX and other movements	(3,955)	(245)	(696)	(4,896)
Total net change during the period	38,244	4,586	(10,035)	32,795
Gross loans to customers as at 30 June 2022	**424,865**	**34,210**	**139,602**	**598,676**
LOSS ALLOWANCES				
As at 1 January 2022	**20,608**	**8,806**	**92,595**	**122,009**
Increase in allowances- charge to profit or loss	(2,903)	547	27,103	24,747
Other movements				
Unwind of discount	-	-	269	269
Loans and advances written off and sold during the period	4,401	913	(30,621)	(25,307)
Exchange differences	(233)	(40)	(194)	(467)
Total net change during the period	**1,264**	**1,420**	**(3,442)**	**(758)**
Loss allowance as at 30 June 2022	**21,872**	**10,226**	**89,153**	**121,251**
Impaired loan coverage ratio ('ILCR')	**5.1%**	**29.9%**	**63.9%**	**20.3%**

As at and for the period ended 30 June 2021:

EUR '000				30 June 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	49,567	(2,182)	22,471	69,856
Loans and advances written off and sold during the period	-	-	(12,831)	(12,831)
FX and other movements	55	48	749	852
Total net change during the period	**49,622**	**(2,134)**	**10,389**	**57,877**
Gross loans to customers as at 30 June 2021	**353,734**	**21,836**	**189,679**	**565,249**
LOSS ALLOWANCES				
As at 1 January 2021	**20,589**	**7,818**	**118,011**	**146,417**
Increase in allowances- charge to profit or loss	(3,686)	(2,123)	29,119	23,310
Other movements	**19,083**	**5,160**	**8,970**	**33,213**
Unwind of discount	-	-	2,159	2,159
Loans and advances written off and sold during the period	(16,583)	(4,029)	(33,085)	(53,697)
Exchange differences	34	25	1,001	1,060
Total net change during the period	**(1,152)**	**(967)**	**8,164**	**6,045**
Loss allowance as at 30 June 2021	**19,437**	**6,851**	**126,175**	**152,463**
Impaired loan coverage ratio ('ILCR')	**5.5%**	**31.4%**	**66.5%**	**27.0%**

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 ratio ('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 Micro Loans, Plus Loans, 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 %	Q2 2021			Q2 2022			Q2 2023			Q2 2024		
	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	4.6	4.6	4.6	5.0	5.6	4.8	4.9	6.0	4.1	4.7	6.1	4.2
Czechia	3.5	3.5	3.5	3.4	3.9	3.1	3.5	4.9	2.7	3.5	4.9	3.0
Denmark	2.7	2.7	2.7	3.6	4.2	3.4	3.6	5.1	3.1	3.6	4.9	3.3
Finland	7.2	7.2	7.2	6.5	6.6	6.4	6.8	7.0	6.5	6.8	7.2	6.6
Croatia	6.5	6.5	6.5	6.0	6.5	5.8	6.0	7.1	5.3	6.1	7.4	5.7
Netherlands	3.8	3.8	3.8	4.0	4.4	3.5	4.5	5.8	3.8	4.6	5.9	4.1
Poland	5.5	5.5	5.5	5.2	5.6	4.8	4.9	6.4	4.2	4.8	6.5	4.4
Romania	2.7	2.7	2.7	3.2	3.8	2.7	3.2	5.0	2.2	3.2	5.4	2.7

Personal disposable income

Billion units		Q2 2021			Q2 2022			Q2 2023			Q2 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Australia	AUD	116	116	116	117	117	117	119	118	118	121	120	120
Denmark	DKK	93	93	93	91	89	92	95	91	95	98	96	99
Finland	EUR	10	10	10	10	10	10	10	10	10	11	10	11
Croatia	HRK	23	23	23	21	20	21	22	20	22	23	22	23
Latvia	EUR	1	1	1	1	1	1	1	1	1	1	1	1
Lithuania	EUR	4	4	4	4	4	4	4	4	4	4	4	4
Netherlands	EUR	32	32	32	33	32	33	33	32	33	34	33	34
Romania	RON	16	16	16	16	16	16	17	15	17	17	16	17
Spain	EUR	59	59	59	59	58	60	61	58	61	62	60	62
Sweden	SEK	211	211	211	215	212	216	218	212	219	221	216	223

Consumption rate private

Billion units		Q2 2021			Q2 2022			Q2 2023			Q2 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Sweden	SEK	206	206	206	208	206	212	213	207	217	217	210	221

Gross domestic product

Billion units		Q2 2021			Q2 2022			Q2 2023			Q2 2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Brazil	BRL	156	156	156	157	156	158	161	160	162	165	163	166
Bulgaria	BGN	9	9	9	9	8	9	9	9	9	9	9	9
Denmark	DKK	267	267	267	273	268	278	281	267	287	286	274	289
Estonia	EUR	2	2	2	2	2	2	2	2	2	2	2	2
Norway	NOK	311	311	311	315	312	320	323	318	329	329	327	334

8. Personnel expenses

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Wages and salaries	7,082	14,785	6,926	14,022
Social security costs	1,374	1,957	831	1,488
Post-employment benefit expense	473	941	345	760
Share-based payment expense	108	219	(47)	53
Other personnel expense	205	258	291	477
Total personnel expenses	**9,242**	**18,160**	**8,346**	**16,800**

9. Other income

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
OTHER INCOME				
Gain from disposal of non-current assets	-	-	83	83
Other income	-	2	-	-
Total other income	**-**	**2**	**83**	**83**
OTHER EXPENSE				
Loss from disposal of non-current assets	(114)	(49)	(309)	(309)
Other expense	(5)	-	(359)	(182)
Total other expense	**(119)**	**(49)**	**(668)**	**(491)**
Net other expense	**(119)**	**(47)**	**(585)**	**(408)**

10. Finance income and costs

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
FINANCE INCOME				
Interest income	137	226	64	121
Net unrealised foreign exchange gain on derivatives	-	-	3	3
Net realised foreign exchange gain	-	443	2,510	4,083
Total finance income	**137**	**669**	**2,577**	**4,207**
FINANCE COSTS				
Interest expense on borrowings	(3,725)	(7,245)	(3,733)	(7,668)
Net realised foreign exchange loss	(780)	(1,531)	-	-
Net unrealised foreign exchange loss	(783)	-	(2,714)	(5,181)
Net unrealised foreign exchange loss on derivatives	(106)	(210)	-	-
Interest expense on lease liabilities	(58)	(116)	(31)	(82)
Other finance costs	(662)	(677)	(605)	(605)
Total finance costs	**(6,114)**	**(9,779)**	**(7,085)**	**(13,536)**
Net finance costs	**(5,977)**	**(9,110)**	**(4,508)**	**(9,329)**

11. Income taxes

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Current income tax expense	147	404	277	660
Deferred tax (income) expense	318	470	367	840
Total income tax expense	**465**	**874**	**644**	**1,500**

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. Earnings per share

EUR '000	Q2 2022	Q1-Q2 2022	Q2 2021	Q1-Q2 2021
Profit (loss) for the period from continuing operations	36	2,045	4,370	4,922
Perpetual bonds interests recognized directly in retained earnings, net of tax*	(900)	(1,483)	-	-
Profit (loss) for the period from continuing operations, after perpetual bond interest	(864)	562	4,370	4,922
Profit (loss) for the period from discontinued operations	-	-	(1,652)	(2,511)
Profit (loss) for the period, after perpetual bond interest	**(864)**	**562**	**2,718**	**2,411**
Weighted average number of ordinary shares in issue **	**21,578**	**21,578**	**21,578**	**21,578**
Earnings per share from continuing operations, EUR	(0.04)	0.03	0.20	0.23
Earnings per share from discontinued operations, EUR	-	-	(0.08)	(0.12)
Total earnings per share attributable to the ordinary equity, EUR	**(0.04)**	**0.03**	**0.13**	**0.11**

*Earnings per share are calculated using profit (loss) adjusted for interest expense from perpetual bonds that are recorded directly in retained earnings

**There are no items that have dilutive impact on the weighted average number of ordinary shares, and as such, basic and diluted for all periods presented.

13. 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	30 June 2022		31 Dec 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	2,007	2,007	324	324
FINANCIAL ASSETS AT AMORTIZED COST					
Loans to customers	Level 3	477,426	477,426	443,872	443,872
Cash and cash equivalents	Level 3	149,065	149,065	301,592	301,592
Other non-current receivables	Level 3	16,706	16,706	6,215	6,215
Receivables from sold portfolios	Level 3	4,408	4,408	4,657	4,657
Receivables from banks	Level 3	7,662	7,662	5,108	5,108
Other current financial assets	Level 3	3,015	3,015	3,579	3,579
Total		**660,289**	**660,289**	**765,347**	**765,347**

Investment in Cream Finance bonds

Other non-current receivables as at 30 June 2022 include investment in Cream Finance bonds amounting to EUR 10 million, with a 4-year maturity term.

Financial assets fair value measurements

The fair value of derivative financial assets is 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.

Financial liabilities

EUR '000	Fair value measurement	30 June 2022 Carrying amount	30 June 2022 Fair value	31 Dec 2021 Carrying amount	31 Dec 2021 Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	106	106	1,232	1,232
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	424,439	424,439	484,764	484,764
Short-term borrowings	Level 1	97,644	96,752	84,158	83,949
Long-term borrowings	Level 1	2,765	3,144	57,656	59,038
Lease liabilities	Level 3	2,293	2,293	1,694	1,694
Trade payables	Level 3	3,255	3,255	1,426	1,426
Accruals and other current liabilities	Level 3	12,253	12,253	15,159	15,159
Total		**542,755**	**542,242**	**646,089**	**647,262**

2019 FCGE bonds

Ferratum Capital Germany GmbH (ISIN - SE0012453835) ('FCGE 2019 bonds') were issued on 24 April 2019 with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, maturing on 24 April 2023. As at 31 December 2021, the 2019 FCGE bonds were presented under long-term borrowings in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 59.0 million and EUR 57.7 million, respectively.

On 21 April 2022, the Group made a tap issue which increased the outstanding nominal value of the 2019 FCGE bonds by EUR 40 million with the same coupon rate and maturing date as that of the original issue. As at 30 June 2022, the total 2019 FCGE bonds, original and tap issue, are presented as short-term borrowings in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 99.0 million and EUR 97.6 million, respectively.

2018 FCGE bonds

Ferratum Capital Germany GmbH ISIN AS5772809/SE0011167972) ('FCGE 2018 bonds') were issued on 25 May 2018 with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, maturing on 25 May 2022. As at 31 December 2021, the 2018 FCGE bonds were presented under short-term borrowings in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 83.7 million and EUR 83.9 million, respectively.

On 21 April 2022, the Group settled and rolled-over EUR 19.9 million worth of 2018 nominal FCGE bonds in conjunction with the 2019 FCGE tap issue and on 25 May 2022, the remaining 2018 FCGE bonds were fully settled by the Group. There are no outstanding 2018 FCGE bonds in the Group's consolidated statement of financial position as at 30 June 2022.

2022 Ferratum Bank tranche bonds

The Ferratum Bank Plc tranche bonds (series no. 1/2022 - ISIN - MT0000911215) ('2022 FBM tranche bonds') were issued on 13 April 2022 with a coupon rate of 6% plus a floating rate of 3-month Euribor, maturing on 13 April 2032. Out of the EUR 5.1 million bonds issued, EUR 2 million was issued to Multitude SE, which is eliminated at the Group level as part of the consolidation process. As at 30 June 2022, the 2022 FBM tranche bonds are presented as long-term borrowings in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 3.1 million and EUR 2.8 million, respectively.

Deposits from customers

Deposits from customers include EUR 2.0 million worth of security deposits received by the Group from Cream Finance as a collateral in case of non-payment, insolvency, or breach of the bond covenants.

Financial liabilities fair value measurements

The fair value of derivative financial liabilities is 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 value of long-term and short-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, and Malta Stocks Exchange, respectively.

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.

14. Subsequent events

There were no significant adjusting or non-adjusting subsequent events that requires additional disclosures occurring between H1 2022 period end date on 30 June 2022 and when the report is published on 18 August 2022.

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