MULTITUDE

9M REPORT

1 JANUARY – 30 SEPTEMBER 2021

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COMPANY OVERVIEW AND BUSINESS MODEL

Multitude SE and its subsidiaries form the Multitude Group ("Multitude" or the "Group"), which is a leading international provider of mobile and digital financial services for consumers and small businesses. We have built our online financial ecosystem for, and with our customers during our 16 years of operations. Our financial ecosystem is designed to transcend the hassle of physical banking and financial transactions and transform it into a paperless and borderless real-time experience. Our data-driven approach to credit-scoring and knowing our customers puts us at the forefront of the financial revolution.

Multitude, headquartered in Helsinki, Finland, was established in 2005 and serves 465,512 active customers (as of 30 September 2021) and has expanded its operations across Europe, North America, South America and the Asia-Pacific region. Ferratum Bank p.l.c., is a wholly owned subsidiary of Multitude SE. The bank is licensed by the Malta Financial Services Authority (MFSA) allowing Ferratum Bank to passport financial services and products to all European Economic Area (EEA) member states.

Over the past 16 years, we have developed proprietary credit scoring algorithms that deliver instant credit decisions digitally, allowing us to make fully risk assessed lending decisions at a pace unmatched by the traditional banking and lending industries. Our technology and services have been built around real customer behaviour and experience, enabling us to offer secure, easy-to-use, real-time digital products. We can also diversify the range of products available in our countries of operation, as we quickly understand the credit behaviour of customers in each new market. Using big data technology, and by centralising IT systems and core functions, such as customer service and collections as the Group has expanded geographically, we have achieved balanced, profitable growth, underpinned by the ability to rapidly launch innovative new products in new countries and markets. Post COVID, it is our ambition, to go back to a profitable growth path.

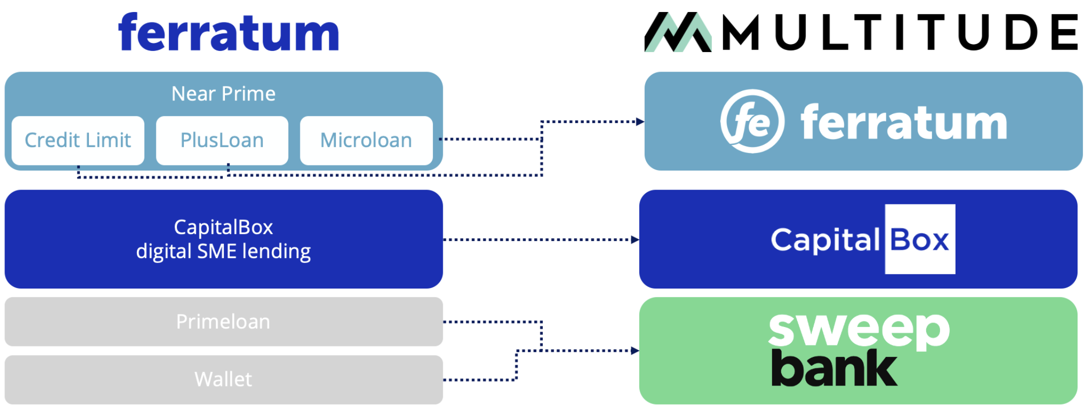
The Group offers a comprehensive product portfolio to both retail and business customers. The offering includes consumer credits in amounts varying between EUR 25 and EUR 30,000 and instalment loans for small businesses up to EUR 350,000 with a term of 6 to 36 months. Multitude's vision is to innovate and to operate a proprietary global digital financial platform, enabling the Group not only to distribute financial services directly to consumers and businesses, but leveraging the technology to partners with "plug-and-play" and "Banking-as-a-Service" concepts.

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

Our segments and tribes

During the second quarter 2021 we rebranded our previous segments Microloan, PlusLoan, CreditLimit, CapitalBox and Mobile Wallet including Primeloan. The newly introduced segments and brands within the Group were called Ferratum, CapitalBox and SweepBank. According to the new strategy, the Group's business units will gain a more independent role and will consequently be even more closely aligned to their clients and their specific needs. The Group will concentrate on business-critical operations, with cost advantages derived from delivering greater economies of scale.

The Group's role remains as an enabler, or a platform, for the business units to flourish. Primelending and the Mobile Wallet business has now been rebranded SweepBank, a brand with a very clear customer focus and an ambition to make its clients' lives easier. The brand Ferratum is reserved for the Near Prime lending business. CapitalBox is the brand name for the Group's SME lending business.



9M 2021 HIGHLIGHTS

EUR 158.6M	Group revenue down 10.2% year-on-year	EUR 4.6M	Profit before tax (EBT)
EUR 19.1M	Operating profit (EBIT)	1.9	Net Debt to Equity

BOARD OF DIRECTORS' REPORT

FINANCIAL OVERVIEW

Financial highlights, EUR '000	Jan - Sep 2021	Jan - Sep 2020
REVENUE	158,649	176,678
Operating profit	19,141	19,288
Profit before tax	4,614	2,050
Net cash flows from operating activities before movements in loan portfolio and deposits received	24,273	83,270
Net cash flow from operating activities	75,348	170,815
Net cash flow from investing activities	(9,954)	(9,569)
Net cash flow from financing activities	8,488	(43,957)
Net increase/decrease in cash and cash equivalents	74,297	117,289
Profit before tax %	2.9%	1.2%

Financial highlights, EUR '000	30 Sep 2021	31 Dec 2020
Loans and advances to customers	429,087	360,955
Deposits from customers	475,134	339,522
Cash and cash equivalents	311,542	236,564
Total assets	830,110	675,082
Non-current liabilities	123,657	242,959
Current liabilities	530,283	306,554
Equity	176,171	125,568
Equity ratio %	21.2%	18.6%
Net debt to equity ratio	1.9	2.5

CALCULATION OF KEY FINANCIAL RATIOS

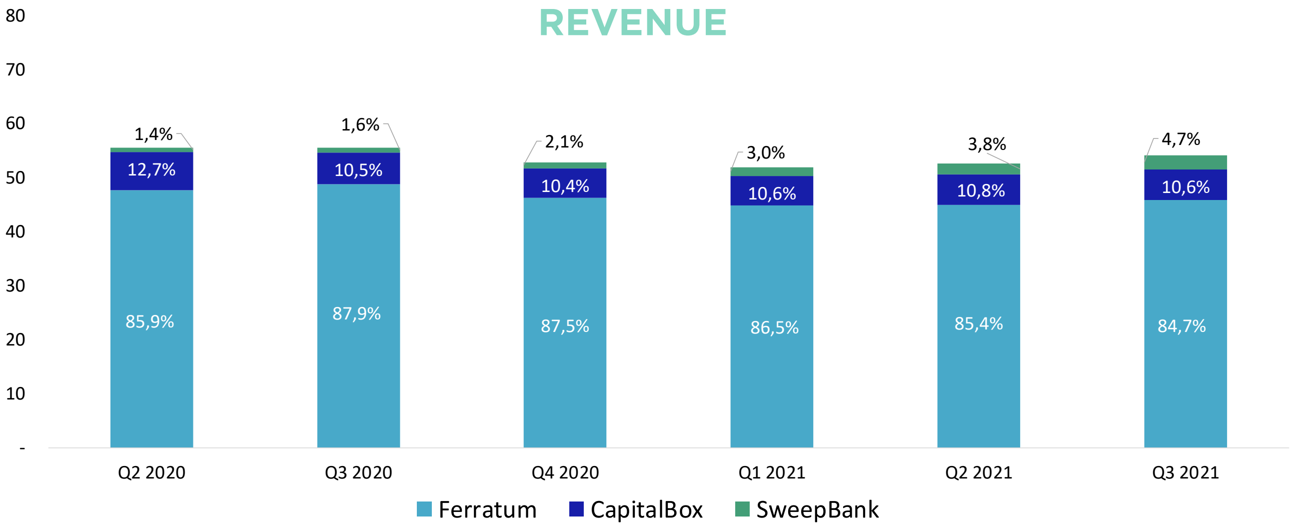
$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Total assets}}$$

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

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

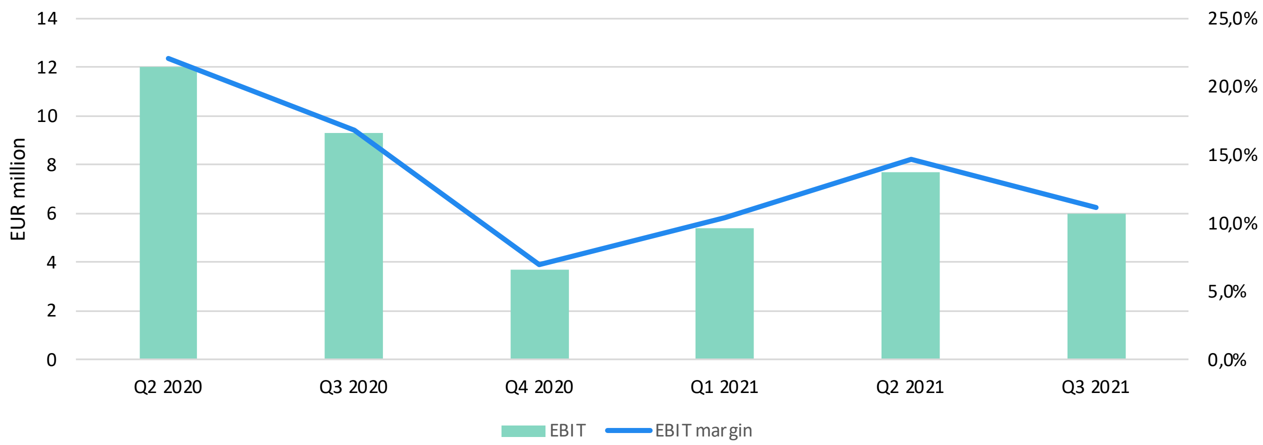
$$\text{Impaired loan coverage ratio (\%)} = 100 \times \frac{\text{Credit loss reserves}}{\text{Gross loans and advances to customers}}$$

REVENUE



- Revenue follows stable trend
- Continuous growth dynamics in SweepBank

OPERATING PROFIT (EBIT)



- EBIT margin for Q3 2021 exceeds 10%
- In line with refined Macro-Economic-Model EUR 1.4 million impairment released in Q2 2021

Customer Base

	Jan - Sep 2021	Jan - Sep 2020
Active customers*	465,512	567,155

* Customers with a Mobile Bank account and lending customers who have had an open balance in the last 12 months. If loans are >24m overdue, the customer is not considered active.

KEY DEVELOPMENTS & PERFORMANCE

FINANCIAL PERFORMANCE FOR 9M 2021

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

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

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

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

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

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

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

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

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

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

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

Current assets amounted to EUR 772.1 million, representing 93.0% of the Group's total assets at the end of Q3 2021 (Q4 2020 - EUR 615.1 million, 91.1%), while non-current assets stood at EUR 58.0 million or 7.0% of total assets at the end of Q3 2021 (Q4 2020 - EUR 59.9 million, 8.9%).

Incentive schemes

Performance share plan

To further align the interest of key employees and shareholders and provide extra incentive to key employees to benefit the company and business long term success, it was decided by the management of the Group and approved by the board, to offer a new performance share plan to the key employees. The first issue held on 1 June 2021, and it is expected to exercise new issue of performance plan once in every financial year. Reward for this issue is based on share price of the Group, with the minimum threshold for reward payment is EUR 15 share price. Total expected costs of the first issue equal to EUR 743,285 with the vesting period of 31 months.

Matching share plan

To reinforce one of our core values "winning teams" it was decided by the management of the Group and approved by the board to introduce a matching share program for all Multitude employees. The model aligns the interest of all employees and shareholders and provide extra reward to employee and possibility to benefit from increase in share value. In 2021 all employees where eligible to invest up to a total of 10% of their annual gross salary in Multitude shares, which investments will vest after a 2 year holding period after which Multitude provides free shares for participants in relation to the size of the investment, with ratio 1:1. Investment periods for 2021 where in March and September. In March 113 employees participated with over EUR 262,000 invested and in September 65 employees participated with over EUR 145,000 invested.

Development of tribes

SweepBank

SweepBank started with a successful commercial launch of the SweepBank app in Finland. The conversion rate not only passes the market average but is featured in the top list of Google Play Store Finland and top-rated and 4th place among financial apps in Apple Store Finland. By the end of the third quarter, SweepBank had more than 10,000 app and Prime Loan customers. The tribe plans to launch a Prime Loan in Denmark and a Credit Card in Finland in the upcoming months. In addition, we are preparing SweepBank app launch for Germany.

CapitalBox

Despite the distortions caused by the Covid-19 pandemic, CapitalBox managed all challenges well and was gradually increasing business volume in Q3. During the quarter, the tribe shifted focus to clients from non-Covid affected industries. Following the plan, CapitalBox discontinued its business in the United Kingdom. The tribe management is on the course to develop new products and partnerships like Purchase finance (off- and online) and Credit lines to serve its SME clients even better.

Ferratum

The Ferratum tribe achieved the third consecutive quarter in a row with positive revenue growth. It launched unique digital Credit limit in Romania and reduced the average new customer acquisition cost by more than 15% over the last nine months. With an upcoming Go-live in Slovenia, Ferratum tribe is again Fintech-pioneer being the first fully digital lender in the country. Furthermore, tribe team proceeds with Credit Limit product rollout and explores opportunities to enter new markets.

Perpetual bond issue

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

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

The Company submitted an application for the Capital Notes to be admitted to trading on the corporate bond list of Nasdaq Stockholm Aktiebolag. Trading of the Capital Notes commenced on 27 October 2021.

Appointment of new leadership team members

Oscar Barkman was appointed as Tribe CEO for Capital Box, succeeding interim Tribe CEO Peter Koning, who will continue to serve as Agile and Transformation coach. Oscar joined Multitude on 9th September 2021 and was appointed as a member of Multitude’s Leadership Team with effect on the same date. Oscar joined Multitude as a seasoned executive with more than 15 years’ experience working in the financial services industry coupled with a strong entrepreneurship professional skilled in business relationship management, payments systems, FinTech, and sales. Previously Oscar held various senior leadership roles with MyBank ASA, Zmarta Group, MasterCard, and Nordea. Oscar holds an M. SC in Business and Economics from the University of Uppsala, Sweden.

Risk management

The Group 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 Board of Directors monitors operations regularly and is 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. The Group proactively follows all legal changes that might occur in the countries it operates in and adjusts its operations accordingly, while always considering customer and user experience.

The risks of the company operations 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 the Group in evaluating the payment behaviour of customers. These tools, which are continuously updated and refined, ensure that only solvent customers are accepted, thereby controlling the level of credit losses.

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 certain 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.

The COVID-19 pandemic

The Group decided, in the early stages of the COVID-19 pandemic, to limit lending activities to higher risk customers in both the consumer and SME lending segments. After having revised its loan policies and scoring algorithms in Q2 2020, to improve underwriting in times of such high volatility, the company found itself in Q3 2020 in a healthy position to actively target customers that were in a stable financial situation despite the ongoing pandemic.

The adjusted algorithms and scoring policies helped the Group to maintain and even improve payment behaviour in certain countries during Q2 2020, and this healthy payment behaviour has been maintained during year from Q3 2020 till Q3 2021, while disbursement rates have increased as demand has returned in key markets.

The Group continues to tightly monitor its underwriting performance for any early indications of deteriorating payment behaviour and properly judge the impact of governmental measures. Due to this combination of tighter monitoring and a better understanding of the economic impacts of COVID-19-related lockdowns, The Group has maintained healthy portfolio quality through the pandemic and has not seen any significant impact on materialised credit losses.

The Group manages its risk provisioning in accordance with IFRS 9, that relies on a forward oriented methodology. Based on future macroeconomic indicators and previously recorded correlations, the reserving model is adjusted in accordance with the macroeconomic outlook. The Group retained its current provisioning methodology unchanged after having taken cognisance of the economic forecasts for 2021, thereby assessing the impact of the COVID-19 outlook for 2021 macroeconomic forecasts. Accordingly, the expected credit loss model inputs utilised during Q1 2020 were deemed adequate to determine its Expected Credit Losses based on management judgement, and management will continue to closely monitor the economic forecasts, adjust the model inputs and assess outcomes in the light of revised macroeconomic data and other quantitative and qualitative information. We continue to closely monitor COVID-19 development.

Relocation of Headquarters

Multitude SE announced on 9 July 2021 that the Board of Directors of Multitude has resolved to approve a Transfer Proposal in accordance with Article 8 (2) of the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) for the transfer of the registered office of Multitude from Finland to Germany. In addition to the Transfer Proposal, the Board of Directors has approved a Report of the Board of Directors in accordance with Article 8 (3) of the SE Regulation explaining and justifying the legal and economic aspects of the transfer and explaining the implications of the transfer for shareholders, creditors and employees.

The transfer would be carried out in accordance with the Finnish Act on European Company (742/2004) and the SE Regulation. Multitude's new registered office would be seated in Hamburg, Germany.

On 16 December 2020 the Board of Directors of the Company resolved to approve the Draft Terms of Conversion of Ferratum Oyj into a European Company (SE) (Terms of Conversion) and a related report (Report) concerning the contemplated conversion of the Company from a Finnish public limited liability company (Oyj) into a European public limited liability company (Societas Europaea, SE) (Conversion). The Extraordinary General Meeting held on 10 June 2021 approved the Terms of Conversion and resolved on the Conversion in accordance with the Terms of Conversion. It was also decided to amend Company's Articles of Association as set forth in the Terms of Conversion, including amending the Company's trade name to Multitude SE, to include a new indication of corporate form (SE). The Conversion and the new trade name entered into force upon its registration with the Finnish Trade Register on 15 June 2021.

Extraordinary General Meeting

The Group's Extraordinary General Meeting was held on 16 September 2021 under special arrangements due to the COVID-19 pandemic. The Extraordinary General Meeting approved the transfer proposal for the transfer of the registered office of Multitude SE from Helsinki, Finland to Hamburg, Germany ("Transfer") in accordance with the Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) ("Transfer Proposal"), including, without limitation, the proposed new Articles of Association ("New Articles") which will replace the current Articles of Association of the Company upon the registration of Multitude SE with the commercial register of the local court of Hamburg, and resolved on the Transfer in accordance with the Transfer Proposal.

The Transfer and the New Articles will become effective upon the registration of the Company in the commercial register of the local court of Hamburg. The registration is expected to take place on or about 31 December 2021.

The Company shares will be transferred to the securities depository system maintained by the German central securities depository Clearstream Banking Aktiengesellschaft and, consequently, the Company shares will be removed from the book-entry securities system maintained by Euroclear Finland Oy. The transfer and removal enter into force on the date when the Company will be registered in the commercial register in Germany, or on another date as decided by the Board of Directors.

The Extraordinary General Meeting made also certain other decisions related to the Transfer which are conditional on the registration of the Company in the commercial register in Germany. Those decisions include a decision to authorise the Board of Directors to increase the registered share capital of the Company until 30 June 2025 in one or several occasions by up to EUR 6,020,034 by issuing up to 3,258,594 new registered nonpar-value shares against contribution in cash and / or non-cash contributions and to amend the New Articles accordingly, a decision to amend the New Articles to include a provision stating that the German version of the New Articles will prevail as well as a decision to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as the auditor of the Company and Multitude Group for the financial year 2021.

Our new ESG approach

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

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

1. Imbed ESG conscious practices within our tribes and chapters
2. Monitor, report on and improve stakeholder well-being
3. Understand and reduce our environmental footprint

We will be further developing our ESG approach including outlining metrics and targets for the Group and tribes that take into consideration existing frameworks and relevance to stakeholders. To support planned implementation of the ESG strategy, management has been increasing its engagement with employees on ESG matters including facilitating the drafting of ESG values which outline a common approach to ESG consideration across the organisation.

As part of efforts to formalise our approach, the Group is enhancing its ESG governance through the newly convened ESG Steering Committee that supports development of our ESG strategy and integration into our organisational structure, processes, and policies. The ESG Steering Committee is chaired by the newly appointed ESG Officer alongside the Group CEO. The ESG Officer will be steering our ESG strategy development initiatives and driving integration into Group activities.

Multitude will continue to define its ESG ambitions during Q4 with planned publication of the ESG strategy in the next annual report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

9 months ended 30 September

EUR '000	2021	2020
REVENUE	158,649	176,678
Other income	457	70
Impairments on loans	(50,462)	(73,328)
Operating expenses:		
Personnel expenses	(25,675)	(25,739)
Selling and marketing expenses	(20,107)	(16,014)
Lending costs	(9,408)	(10,649)
Other administrative expenses	(820)	(1,165)
Depreciations and amortization	(11,192)	(9,821)
Other operating expenses	(22,299)	(20,745)
Operating profit	**19,141**	**19,288**
Financial income	550	389
Finance costs	(15,077)	(17,627)
Finance costs - net	(14,527)	(17,237)
Profit before income tax	**4,614**	**2,050**
Income tax expense	(1,897)	(1,475)
Profit for the period	**2,717**	**575**
Earnings per share, basic	**0.13**	**0.03**
Average number of shares, basic	**21,578**	**21,578**
Earnings per share, diluted	**0.13**	**0.03**
Average number of shares, diluted	**21,578**	**21,578**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

9 months ended 30 September

EUR '000	2021	2020
Profit for the period	2,717	575
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Translation difference	(205)	(1,388)
Total items that may be subsequently reclassified to profit or loss	(205)	(1,388)
Total comprehensive income / (loss)	**2,511**	**(813)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	30 Sep 2021	31 Dec 2020
ASSETS		
Non-current assets		
Property, plant and equipment	3,582	3,907
Right-of-use assets	2,529	4,207
Intangible assets	37,142	38,904
Deferred tax assets	7,909	7,897
Other financial assets	6,845	5,028
Total non-current assets	**58,007**	**59,943**
Current assets		
Loans and advances to customers	429,087	360,955
Other receivables	29,614	15,557
Derivative assets	318	496
Current tax assets	1,542	1,567
Cash and cash equivalents	311,542	236,564
Total current assets	**772,103**	**615,139**
Total assets	**830,110**	**675,082**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,134	40,134
Treasury shares	(142)	(142)
Restricted equity reserve	50,000	-
Unrestricted equity reserve	14,708	14,708
Other reserves	(2,506)	(2,827)
Retained earnings	73,977	73,696
Total equity	**176,171**	**125,568**
LIABILITIES		
Non-current liabilities		
Deposits from customers	64,025	63,689
Borrowings	56,289	174,849
Lease liabilities	730	1,961
Deferred tax liabilities	452	301
Other non-current liabilities	2,160	2,160
Total non-current liabilities	**123,656**	**242,959**
Current liabilities		
Current tax liabilities	2,450	3,241
Deposits from customers	411,109	275,833
Borrowings	82,844	-
Derivative liabilities	665	3,230
Trade payables	18,524	9,932
Lease liability	1,743	2,418
Other current liabilities	12,948	11,900
Total current liabilities	**530,283**	**306,554**
Total liabilities	**653,939**	**549,514**
Total equity and liabilities	**830,110**	**675,082**

CONSOLIDATED STATEMENT OF CASH FLOW

EUR '000	2021	2020
	9 months ended 30 September	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**2,717**	**575**
Adjustments for:		
Depreciation and amortization	11,192	9,821
Finance costs, net	14,527	17,237
Tax on income from operations	1,897	1,475
Transactions without cash flow	419	298
Impairments on loans	3,918	73,328
Working capital changes:		
Increase (-) / decrease (+) in other current receivables	(2,572)	(2,524)
Increase (+) / decrease (-) in trade payables and other liabilities	5,260	(2,633)
Interest paid	(11,206)	(10,763)
Interest received	556	396
Income taxes paid	(2,435)	(3,942)
Net cash from operating activities before movements in loan portfolio and deposits	**24,273**	**83,270**
Deposits from customers	136,196	120,550
Movements in gross portfolio	(84,706)	(33,006)
Net cash from operating activities	**75,764**	**170,815**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(6,925)	(9,569)
Purchase of investments and other assets	(3,029)	-
Net cash used in investing activities	**(9,954)**	**(9,569)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Equity related bond issue	50,000	-
Equity related bond interests and expenses	(1,967)	-
Proceeds from short-term borrowings	-	26
Repayment of short-term borrowings	(16,045)	(47,514)
Proceeds from long-term borrowings	-	5,540
Repayment of long-term borrowings	(21,021)	-
Repayment of finance lease liabilities	(2,479)	(2,009)
Net cash (used in) from financing activities	**8,488**	**(43,957)**
Net increase in cash and cash equivalents	**74,297**	**117,289**
Cash and cash equivalents at the beginning of the period	236,564	155,518
Exchange gains/(losses) on cash and cash equivalents	682	(5,868)
Net increase in cash and cash equivalents	74,297	117,289
Cash and cash equivalents at the end of the period	**311,542**	**266,940**

1. GENERAL INFORMATION

Multitude Group is one of the leading international providers of mobile banking and digital consumer and small business loans, distributed and managed by mobile devices. It is an independent Group and does not belong to any other Group in the financial or commercial sector. Multitude Group operates under generally accepted ethical principles, is one of the leading players in developing the credibility of mobile consumer lending and common industry processes, and has developed its business model and processes to be efficient and customer-oriented. The identification and scoring of customers are key factors in the business globally. The parent company, Multitude SE (business identity code 1950969-1), is headquartered in Helsinki, Finland. The registered address is Ratamestarinkatu 11 A, FI 00520 Helsinki.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Group's interim financial statements have been prepared in accordance with the accounting policies set out in the annual report for the year ended 31 December 2020. New IFRS standards and interpretations have not had a material impact to the accounting policies. The Group has chosen not to apply IAS 34 Interim Financial Reporting in preparing these interim financial statements but applies the recognition and measurement principles of IFRS.

The preparation of financial statements pursuant to IFRS requires management to make certain critical accounting estimates. The application of the accounting policies also requires that management makes assumptions and exercises its judgment in the process of applying the Group's accounting policies. These assumptions and estimates affect the amounts reported of assets and liabilities, income and expenses. Actual results may diverge from these estimates. In preparing this set of financial statements, the material judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2020.

Effect of COVID-19 pandemic

Estimated Credit Loss (ECL) calculation Given the heightened uncertainty with regards to the impact from COVID-19 at the start of the pandemic, on 31st March 2020, Multitude had assessed the macroeconomic forecasts issued by Oxford Economics and updated the reserving model to reflect the deteriorating economic outlook. This had resulted in an increase of EUR 7.8 million in ECL.

In response to the rising vaccination rates and falling infection numbers, governments have started to ease restrictions and consumers seem to be eager to take advantage of this, and in fact, macroeconomic outlooks as forecasted by Oxford Economics on 22nd June 2021 shows an expected rebound through a growth in GDP and decreasing unemployment rates. As a result of this, as of 30th June 2021 Multitude has accommodated these revised macro-economic expectations for the following 12 months into the newly-implemented Error Correction Model (ECM) which resulted in EUR 1.4 million release in provisions as the macroeconomic outlook moves closer to business-as-usual. One should note that since only the macroeconomic expectation for the next 12 months are taken into consideration and impairment reserves are based solely on short-term perspective.

3. SEGMENT INFORMATION

Operating segments are based on the major product types and grouped into the tribes: Ferratum, SweepBank, and CapitalBox.

Attributable product margin is defined and calculated as a difference between the revenue, other income and directly attributable costs of each operating segment. Non-directly attributable costs are allocated according the share of revenue and finance costs are allocated according to the portfolio size of the related product types, i.e. their share in total loans and advances to customers.

3.1 BUSINESS SEGMENTS IN 9M 2021

EUR '000	Ferratum	SweepBank	CapitalBox	Central	Total
Revenue	135,649	6,100	16,900	-	158,649
Share in Revenue, %	85%	4%	11%	0%	100%
Other income	451	3	3	-	457
Impairments on loans	41,862	4,146	4,454	-	50,462
Operating expenses					
Personnel expenses	15,008	6,728	3,939	-	25,675
Selling and marketing expenses	13,651	2,788	3,667	-	20,107
Lending costs	8,087	625	697	-	9,408
Other administrative expenses	763	5	52	-	820
Depreciation and amortization	10,006	976	210	-	11,192
Other operating expenses	13,973	5,764	2,562	-	22,299
Operating profit / (loss)	**32,749**	**(14,929)**	**1,321**	**-**	**19,141**
Gross Product Margin, %	24%	-245%	8%	0%	12%
Funding expenses	8,218	2,242	2,086	-	12,545
Unallocated finance expense (FX)	-	-	-	1,982	1,982
Finance costs, net	8,218	2,242	2,086	1,982	12,545
Profit / (loss) before income tax	**24,531**	**(17,171)**	**(764)**	**(1,982)**	**4,614**
Net Product Margin, %	18%	-281%	-5%	0%	3%
Loans and advances to customers	280,686	76,562	71,232	-	428,480
Unallocated assets					401,023
Unallocated liabilities					653,940

3.2 BUSINESS SEGMENTS IN 9M 2020

EUR '000	Ferratum	SweepBank	CapitalBox	Central	Total
Revenue	153,334	2,521	20,822	-	176,678
Share in Revenue, %	87%	1%	12%	0%	100%
Other income	26	48	(4)	-	70
Impairments on loans	64,040	2,480	6,808	-	73,328
Operating expenses					
Personnel expenses	16,997	5,624	3,118	-	25,739
Selling and marketing expenses	13,199	514	2,302	-	16,014
Lending costs	9,951	(253)	950	-	10,649
Other administrative expenses	1,108	5	52	-	1,165
Depreciation and amortization	5,541	3,406	874	-	9,821
Other operating income and expenses	13,828	4,898	2,018	-	20,744
Operating profit / (loss)	**28,695**	**(14,103)**	**4,696**	**-**	**19,288**
Gross Product Margin, %	19%	-559%	23%	0%	11%
Funding expenses	9,968	768	2,311	-	13,047
Unallocated finance expense (FX)	-	-	-	4,191	4,191
Finance costs, net	9,968	768	2,311	4,191	17,238
Profit / (loss) before income tax	**18,727**	**(14,872)**	**2,386**	**(4,191)**	**2,050**
Net Product Margin, %	12%	-590%	11%	0%	1%
Loans and advances to customers	264,177	20,365	61,234	(175)	345,601
Unallocated assets					346,956
Unallocated liabilities					565,133

4. PERSONNEL EXPENSES

EUR '000	Jan – Sep 2021	Jan – Sep 2020
Salaries and other employee benefits (incl. bonuses)	(20,757)	(21,092)
Employee pension expenses	(1,170)	(1,329)
Share based payments equity settled	(155)	(246)
Other personnel expenses	(3,593)	(3,072)
Total personnel expenses	**(25,675)**	**(25,739)**

5. FINANCE INCOME

EUR '000	Jan – Sep 2021	Jan – Sep 2020
Interest income from cash and cash equivalents	543	389
Derivative held for trading*	7	-
Total finance income	**550**	**389**

*includes net gain / (loss) of currency derivatives.

6. FINANCE EXPENSES

EUR '000	Jan – Sep 2021	Jan – Sep 2020
Interest on borrowings	(12,944)	(13,123)
Foreign exchange losses	(1,843)	(4,244)
Interest expenses on lease liabilities	(157)	(260)
Derivative held for trading - loss	(133)	-
Total finance costs	**(15,077)**	**(17,627)**

*includes net gain / (loss) of currency derivatives.

7. LOANS AND ADVANCES TO CUSTOMERS

Multitude Group calculates the expected credit losses (ECL) for its loans and advances to customers on a collective basis, given that its portfolio of micro-credit facilities is composed of homogenous groups of loans that are not considered individually significant, using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These three components are multiplied together effectively calculating the forward-looking ECL, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the originated effective interest rate or an approximation thereof.

The ECL is measured on either a 12-month or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Group uses an allowance account to recognize the impairment losses on loans and advances to customers. The following tables shows the reconciliation of movements in the allowance account. For further information about loans and advances to customers and the ECL calculation methodology, please refer to Note 2 and 3 in the group's annual financial statements for the year ended 31 December 2020.

Multitude Group manages the credit quality of its loans and advances to customers by using internal riskgrades, which provide a progressively increasing risk profile ranging from "Regular" (best quality, less risky) to "Loss". These risk grades are an essential tool for the Group to identify both non-performing exposures and better performing customers. The internal risk grades used by the Group are as follows:

• Performing: Internal grade "Regular"
• Under performing: Internal grades "Watch" and "Substandard"
• Non-performing: Internal grades "Doubtful" and "Loss".

Regular

The Group's loans and advances to customers which are categorised as "Regular" are principally debts in respect of which payment is not overdue by 30 days and no recent history of customer default exists. Management does not expect any losses from non-performance by these customers, which are considered as fully performing.

Watch

Loans and advances that attract this category principally comprise those where
(i) payment becomes overdue by 30 days, but does not exceed 60 days where a loan is deemed to be as nonperforming when past due for a more than 90 days;
(ii) and payment becomes overdue by 30 days but does not exceed 45 days where a loan is deemed to be as non-performing when past due for more than 60 days.

Substandard

Loans and advances that are categorised within this category comprise those where
(i) payment becomes overdue by 61 days but does not exceed 90 days for where a loan is deemed to be as non-performing when past dues for more than 90 days.
(ii) and where payment becomes overdue by 46 days but does not exceed 60 days where a loan is deemed to be as non-performing when past due for more than 60 days.

Doubtful

Loans and advances which attract a "Doubtful" grading are principally those assets in respect of which
(i) payment becomes overdue by 61 days and over but does not exceed 180 days for where a loan is deemed to be as non-performing when past dues for more than 60 days.
(ii) and where payment becomes overdue by 91 days and over but does not exceed 180 days where a loan is deemed to be as non-performing when past due for more than 90 days.

Loss

Loans and advances in respect of which payment becomes overdue by 180 days. The Group does not have a material amount of individually impaired loan receivables. The ageing analysis of loan receivables which are collectively assessed for impairment is as follows:

EUR '000				30 Sep 2021	31 Dec 2020
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
Loans and advances to customers					
Regular	371,347	-	-	371,347	304,112
Watch	-	14,176	-	14,176	14,812
Substandard	-	8,689	-	8,689	9,158
Doubtful	-	-	27,992	27,992	29,908
Loss	-	-	154,559	154,559	149,381
Gross carrying amount	**371,347**	**22,865**	**182,550**	**576,762**	**507,372**
Loss allowance	**19,795**	**7,000**	**120,881**	**147,675**	**146,417**
Carrying amount	**351,552**	**15,865**	**61,670**	**429,087**	**360,955**
Impaired Loan Coverage Ratio	**5.3%**	**30.6%**	**66.2%**	**25.6%**	**28.9%**

EUR '000				30 Sep 2020	31 Dec 2019
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Total**
Loans and advances to customers					
Regular	287,071	-	-	287,071	321,722
Watch	-	12,412	-	12,412	21,371
Substandard	-	9,708	-	9,708	11,715
Doubtful	-	-	31,900	31,900	32,154
Loss	-	-	188,626	188,626	168,952
Gross carrying amount	**287,071**	**22,120**	**220,525**	**529,716**	**555,914**
Loss allowance	**22,271**	**7,483**	**154,119**	**183,872**	**169,747**
Carrying amount	**264,800**	**14,637**	**66,406**	**345,844**	**386,167**
Impaired Loan Coverage Ratio	**7.8%**	**33.8%**	**69.9%**	**34.7%**	**30.5%**

The following tables explain the changes in gross carrying amount for the 9 months period ended on September 30:

EUR '000				30 Sep 2021
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers				
Gross carrying amount 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	67,615	(1,082)	53,842	120,375
Loans and advances written off and sold during the period	-	-	(50,394)	(50,394)
FX and other movements	(380)	(23)	(187)	(591)
Total net change during the year	**67,235**	**(1,105)**	**3,261**	**69,390**
Gross carrying amount as at 30 September 2021	**371,347**	**22,865**	**182,550**	**576,762**

EUR '000				30 Sep 2020
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers	**321,722**	**33,086**	**201,106**	**555,914**
Gross carrying amount as at 1 January 2020				
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	(28,591)	(10,499)	56,426	17,336
Loans and advances written off and sold during the period	-	-	(32,351)	(32,351)
FX and other movements	(6,060)	(467)	(4,656)	(11,183)
Total net change during the year	**(34,651)**	**(10,966)**	**19,420**	**(26,198)**
Gross carrying amount as at 30 Septmeber 2020	**287,071**	**22,120**	**220,525**	**529,716**

The following tables explain the changes in the loss allowance for the 9 months period ended on September 30:

EUR '000				30 Sep 2021
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers				
Loss allowance as at 1 January 2021	**20,589**	**7,818**	**118,010**	**146,417**
Increases in allowances- charge to profit or loss	(838)	(834)	52,134	50,462
Total net P&L charge during the year	**(838)**	**(834)**	**52,134**	**50,462**
Other movements				
Unwind of discount	-	-	861	861
Loans and advances written off and sold during the period	-	-	(50,394)	(50,394)
Exchange differences	44	16	269	328
Loss allowance as at 30 September 2021	**19,795**	**7,000**	**120,881**	**147,675**

EUR '000				30 Sep 2020
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Loans and advances to customers	**23,330**	**8,822**	**137,594**	**169,747**
Loss allowance as at 1 January 2020	(814)	(1,029)	72,169	70,326
Increases in allowances- charge to profit or loss	**(814)**	**(1 029)**	**72,169**	**70,326**
Total net P&L charge during the year				
Other movements	-	-	(271)	(271)
Loans and advances written off and sold during the period	-	-	(49,662)	(49,662)
Exchange differences	(246)	(311)	(5,711)	(6,267)
Loss allowance as at 30 September 2020	**22,271**	**7,483**	**154,119**	**183,872**

For further information please refer to note 3 in the Group's annual financial statements for the year ended on 31 December 2020.

FURTHER INFORMATION AND CONTACTS

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