9M 2022 Report

MULTITUDE

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Board of Directors' Report 9M 2022 Unaudited

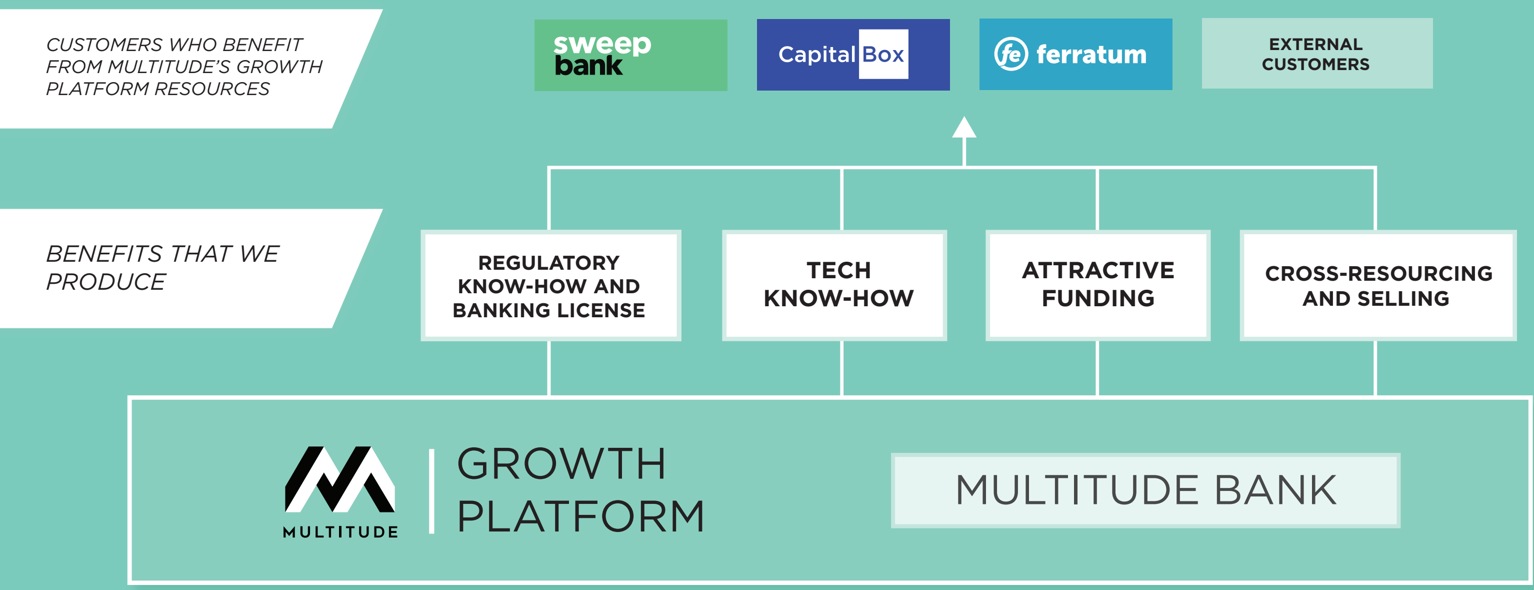
Company structure and business model

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 create the most valued financial ecosystem for FinTechs in Europe.

The growth platform is the leading feature for creating this ecosystem offering four specific benefits to FinTech businesses. These are: access to funding, regulatory expertise including the utilisation of Multitude's full European banking license, technological support, and cross-resourcing and selling opportunities. This growth platform enables 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, Multitude Group continues to build an ecosystem for sustainable finance for our business units and 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 and ESTO Group.

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 centralised 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 9M 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 it 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 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 precisely that and more.

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

Prime Loan
Prime Loans are longer-term installment loans helping customers finance 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 the option to top up their Prime Loans by applying for an 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 at 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 various local and global brands to meet the customers shopping needs whilst offering great shopping experience on smart device within the app.

9M 2022 highlights

In 9M 2022, SweepBank launched Sweep Deals in Finland. On 11 July 2022, the tribe successfully launched the SweepBank App in Germany. Compared to 9M 2021, SweepBank increased revenues by 67.2% due to successful sales and retention campaigns, pricing changes, new sales partners, and an improved onboarding process. SweepBank has for the past two years built up valuable customer, tech, and product assets in the countries, where it operates. After the initial fast growth period, a strategic decision was made to reduce operational and direct costs substantially and to shift the focus on profitable growth. From now on, SweepBank will concentrate on improving sales of Prime and Credit Card lending products.

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. Traditional financial institutions widely underserve these needs.

Tailored to various 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 to use.

Micro Loan

A Micro Loan is a rapid and easy loan for instant, short-term needs, 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 fewer 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 installment 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 installment 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 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 of 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 a minimum of 2% from the loan capital to full repayment.

9M 2022 highlights

During 9M 2022, Ferratum continued automating and improving its processes and customer service. For example, it launched a web application pilot to enhance customer experience on mobile devices and increase customer loyalty and lifetime value. In addition, Ferratum also launched an AI video avatar in 9M 2022 to convert written text into a video with a talking avatar and to help the customers to understand our products and services better. Ferratum also continued to implement customer service outsourcing outside of Europe. Ferratum's net AR were impacted since loan portfolios were sold in Sweden and in Latvia. Ferratum will focus on further Credit Limit product rollout and new country and product opportunities.

CapitalBox

Business Unit: CapitalBox

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

With its unique, 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 offers do not match the need of SMEs.

Installment loans
CapitalBox provides working capital installment 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 extends to up to 50 months.

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

9M 2022 highlights

In 9M 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. CapitalBox has had a challenging year; however, many operative improvements and decisions have been taken to reduce costs during this period. Capital Box will focus on increasing revenues and returning the business to profitable growth. The new CEO will be joining at the beginning of 2023.

Key figures and ratios

EUR '000	Q3 2022	Q1 - Q3 2022	Q3 2021*	Q1 - Q3 2021*
Revenue, continuing operations	55,802	162,829	54,285	159,091
Profit (loss) before interests and taxes ('EBIT'), continuing operations	8,793	20,822	7,475	23,226
Profit (loss) before tax	4,824	7,743	2,039	8,461
Profit (loss) before tax margin, continuing operations, in %	8.6	4.8	3.8	5.3
Net cash flows from operating activities before movements in loan portfolio and deposits received	(4,116)	41,286	4,081	24,273
Net cash flows from (used in) operating activities	12,333	(74,523)	37,232	75,764
Net cash flows from (used in) investing activities	(5,107)	(23,856)	(3,725)	(9,954)
Net cash flows from (used in) financing activities	(3,004)	(47,335)	10,228	8,488
Net increase (decrease) in cash and cash equivalents	4,221	(145,714)	43,734	74,297

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

EUR '000	30 Sep 2022	31 Dec 2021
Loans to customers	484,736	443,872
Impaired loan coverage ratio, in %	18.4	21.6
Deposits from customers	451,992	484,764
Cash and cash equivalents	152,220	301,592
Total assets	741,345	819,028
Non-current liabilities	83,188	140,934
Current liabilities	485,348	508,605
Interest-bearing liabilities, excluding deposits from customers	102,132	143,508
Total equity	172,809	169,489
Equity ratio, in %	23.3	20.7
Net debt to equity ratio	2.41	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 9M 2022

Financial overview

Enhanced financial reporting structure

The Group revised its financial reporting structure in 2021 following the rebranding of its tribes and the discontinuation of operations in certain markets. Segment information is now presented based on the 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 Q3 2021 and Q1-Q3 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 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'. The other includes enhancing the presentation of certain 'operating expenses' to reflect the nature of the underlying expenditures better. 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 use as of 30 September 2021 and for the periods Q3 2021 and Q1-Q3 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.

Portfolio size and asset quality

The Group follows its current strategy of concentrating on the most profitable lending markets, focusing its operations and portfolio on more stable revenue sources with a well-established customer base. The Group's collective loan portfolio stood at EUR 484.7 million at the end of Q3 2022 – a noticeable increase from EUR 443.9 million (+9.2%) at the end of Q4 2021, respectively. Increase in net loan receivable portfolio at the end of Q3 2022 as compared to end of Q4 2021 amounted to EUR 3.5 million (+1.2%) in Ferratum, EUR 29.4 million (+33.8%) in SweepBank, and EUR 8.0 million (+10.7%) in CapitalBox tribes.

The fast-changing macroeconomic environment in the past years has pushed Multitude to adopt a flexible asset management policy via the network of reliable partners who facilitate the recovery and maintenance of good portfolio health. Due to the continued and successful practice of selling bad debt loan receivables at highest bid, the Group's impaired loan coverage ratio ('ILCR') improved from 31.4% at the end of Q3 2021 to 21.6% at the end of Q4 2021 and 18.4% at the end of Q3 2022. At the same time, Impairment loss on loans to customers went up by 16% in 9M 2022 compared to 9M 2021 were it was at the level of 49.9 million.

These factors are considered to further contribute to the Group's revenue growth, which already shows an increase of EUR 3.7 million (+2.3%) when comparing 9M 2022 and 9M 2021 results. A separate note must be given to the interest revenue for which the Group implemented a new practice of netting directly attributable transaction costs (e.g. broker fees). Before the netting of broker fees the gross interest income for equal to 156,596 and 162,222 for 9M 2021 and 9M 2022 means an increase by 3.6%.

Relatively flat operating expenses

The Group's operating expenses, excluding impairment losses, remained relatively flat, with a net increase of EUR 6.8 million (5.0%) when comparing 9M 2022 and 9M 2021. Selling and marketing expense decreased by EUR 4.6 million (-22.5%), driven by the netting of broker fees from revenue, improved procurement activities in the first half of the year, and new austerity measures implemented in the following months. Decrease of marketing and selling expense adjusted by the reclassification done in 9M 2022 is EUR 2.8 million (-13.6%). This reduction was offset by the increases in depreciation and amortization, EUR 1.2 million (+10.5%), coming mainly from the revaluation of rights of use asset. The increase in personnel expense by 2.2% (compared to 9M 2021) is justified by the increase in share-based expense amounting to EUR 0.3 million when comparing 9M 2022 and 9M 2021.

Lower interest expenses and controlled foreign exchange impact

Net finance costs have shown a significant decrease on a year-on-year basis, amounting to EUR 1.7 million (-11.4%) when comparing EUR 13.1 million in 9M 2022 to EUR 14.8 million in 9M 2021. Interest expense decreased by EUR 2.8 million (-23.0%) due to the conversion of the outstanding 2018 and 2019 bonds to the 2021 perpetual bonds, in which interests are charged directly against retained earnings instead of profit or loss. Although major uncertainties in the capital and currency markets, Multitude managed to limit the increase in net foreign exchange loss amounting to EUR 0.7 million when comparing 9M 2022 and 9M 2021 results.

Improved profitability amids worsening macroeconomic conditions

The Group's operations during 9M 2022 have delivered solid positive profit before interests and taxes ('EBIT'), profit before taxes, and after-tax profit from continuing operations amounting to EUR 20.8 million, EUR 7.7 million, and EUR 6.0 million, respectively. The Group's operations for the comparative period 9M 2021 amounted to EUR 23.4 million, EUR 8.7 million, and EUR 6.8 million, respectively.

The Group's profitable results were mainly attributed to a combination of the Group's marginal revenue growth, increased risk provisioning, and lower net finance costs during 9M 2022.

Stringent cash management, significant financing and investing activities

During 9M 2022, the Group has actively applied stringent cash management measures to better utilise 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's cash balance was primarily influenced by pay 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 paid additionally to fully redeem the remaining 2018 FCGE bonds in May 2022 (except for movements in loans to customers and deposits). The Group further invested EUR 10 million in Cream Finance bonds in June 2022. These payouts 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. Later in the year, the Group saw an opportunity to utilise a low level of activity on the capital markets to buy back EUR 1.7 million of outstanding 2019 FCGE bonds in September 2022.

As a result, cash and cash equivalents decreased from EUR 301.6 million at the end of Q4 2021 to EUR 152.2 million at the end of Q3 2022 – a decrease of EUR 149.4 million (-49.5%).

Highly liquid asset position

The Group's total assets stand at EUR 741.3 million at the end of Q3 2022, which shows a decrease of EUR 77.7 million (-9.5%) from EUR 819.0 million at the end of Q4 2021. The Group's current assets at the end of Q3 2022 amounted to EUR 678.5 million – a decrease of EUR 86.5 million compared to EUR 765.0 million which were driven by the net decrease in cash and cash equivalents and an increase in loans to customers. Full loan portfolio of Sweep Tribe is included in current assets.

The Group's non-current assets increased by EUR 8.8 million from EUR 54.1 million at the end of Q4 2021 to EUR 62.9 million at the end of Q3 2022. This increase was mainly driven by the investment in Cream Finance bonds and by IFRS 16 right-of-use asset upward remeasurements.

The Group's shareholders' equity remains stable with a slight increase of EUR 3.3 million (2.0%) from EUR 169.5 million at the end of Q4 2021 to EUR 172.8 million at the end of Q3 2022. 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 452.0 million at the end of Q3 2022 (a decrease of EUR 32.8 million or -6.8%), has resulted in a strong equity ratio of 23.3% at the end of Q3 2022 – growth by 2.6 percentage points from 20.7% at the end of Q4 2021.

Lower total liabilities

Total liabilities decreased by EUR 81.0 million (-12.5%) from EUR 649.5 million at the end of Q4 2021 to EUR 568.5 million at the end of Q3 2022. The decrease was primarily driven by the re-payments made to the 2018 FCGE bonds and outstanding current deposits from customers. This was partially offset by the 2019 FCGE bonds tap issue and investments in Cream Finance as well as traditional portfolio, which resulted into a +0.36 percentage points increase in the Group's net debt-to-equity ratio from 2.05 at the end of Q4 2021 to 2.41 at the end of Q3 2022.

At the end of Q3 2022, EUR 485.3 million were classified as current liabilities. There was a reduction of EUR 23.3 million (4.6%) from EUR 508.6 million at the end of Q4 2021. This was due to the repayment of the 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 85.4% at the end of Q3 2022, since the Group's non-current liabilities has decreased significantly from EUR 140.9 million at the end of Q4 2021 to EUR 83.1 million at the end of Q3 2022. This was 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

Mainly due to stringent cash management measures, Multitude increased its cash position slightly by 2.1%, standing at EUR 152.2 million at the end of Q3 2022 compared to EUR 149.1 million at the end of H1 2022. Furthermore, its total customer deposit base increased by 29.1% to EUR 547.9 million, compared to 424.4 million at the end of H1 2022.

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

During the 2022 Annual General Meeting ('AGM'), the Board of Directors was authorised to repurchase a maximum of 2,172,396 shares of Multitude SE, representing approximately 10% of all outstanding shares of the company. The Board of Directors were also authorised 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 authorised for issue. These authorisations are in force until the next Annual General Meeting, but not later than 30 June 2023.

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 percent of the nominal amount. After the subsequent bond issue, the total outstanding amount of the Group's bonds with maturity in April 2023 will amount to EUR 120 million. The Group is prepared to refinance its 2023 bond already in 2022, should market conditions be positive.

Personnel update

The average number of employees in 9M 2022 is equal to 690 HC (9M 2021 - 671 HC) with related payroll expenses amounting to EUR 25.9 million (9M 2021 - EUR 25.3 million).

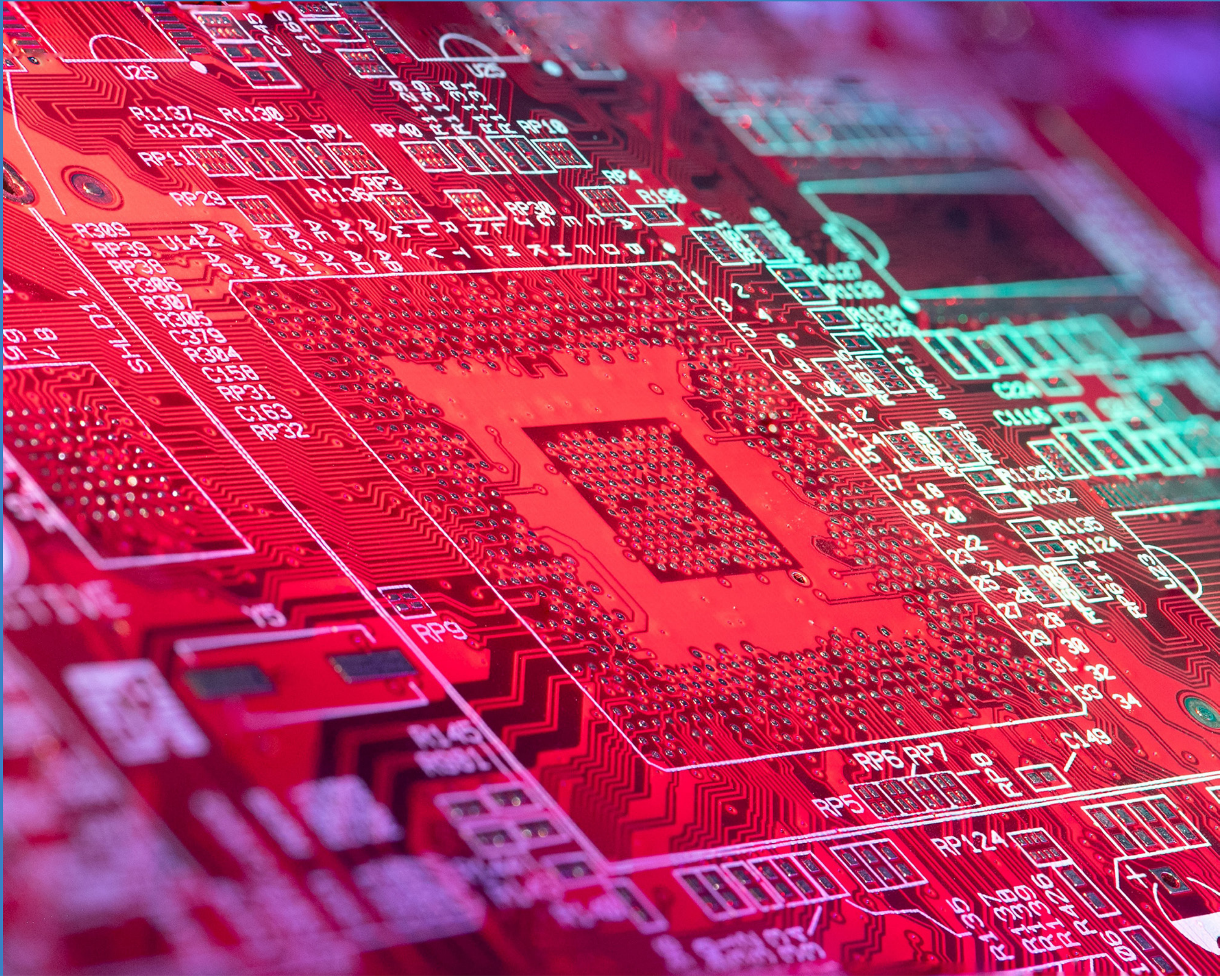
There are no changes in the Group's leadership team or Board during Q3 2022.

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 managing the risks related to their functions in line with instructions from the Board.

Multitude proactively follows all legal regulations, monitors changes that might occur in the countries it operates in, and adjusts its operations accordingly. The Group's risk exposures is 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. Experienced risk teams manage the scoring system and the credit policies of the Group's subsidiaries. The risk departments are also responsible for the measurement of the payment behaviour of the credit portfolio on a daily, weekly, and monthly basis.



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

Operational risks, IT risks, as well as legal and regulatory risks, are of high relevance for the Group. The Group’s legal legal function manages regulatory and legal risks 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.

Unaudited Interim Consolidated Financial Statements 9M 2022

Consolidated statement of profit or loss

EUR '000	Notes	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Interest revenue*	6	54,925	160,331	53,401	156,596
Servicing fee revenue		877	2,498	884	2,495
Total revenue		55,802	162,829	54,285	159,091
Operating expenses:					
Impairment loss on loans to customers	7	(20,118)	(57,872)	(17,628)	(49,882)
Bank and lending costs		(3,681)	(10,535)	(3,190)	(9,800)
Personnel expense	8	(7,918)	(25,860)	(8,499)	(25,299)
Selling and marketing expense		(5,086)	(15,867)	(7,092)	(20,479)
General and administrative expense		(5,835)	(19,384)	(6,198)	(18,477)
Depreciation and amortisation		(4,569)	(12,640)	(4,121)	(11,438)
Operating profit		**8,595**	**20,671**	**7,557**	**23,716**
Other income	9	149	151	(82)	1
Other expense	9	49	-	-	(491)
Profit before interests and taxes ('EBIT')		**8,793**	**20,822**	**7,475**	**23,226**
Finance income	10	(383)	286	(668)	3,539
Finance costs	10	(3,586)	(13,365)	(4,768)	(18,304)
Profit before income taxes		**4,824**	**7,743**	**2,039**	**8,461**
Income tax expense	11	(902)	(1,776)	(315)	(1,815)
Profit (loss) from continuing operations		**3,922**	**5,967**	**1,724**	**6,646**
Loss from discontinued operations	4	**-**	**-**	**(1,418)**	**(3,929)**
Profit (loss) for the year		**3,922**	**5,967**	**306**	**2,717**
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		**0.10**	**0.17**	**(0.01)**	**0.22**
Earnings (loss) per share from discontinued operations, EUR		**-**	**-**	**(0.07)**	**(0.18)**
Total earnings (loss) per share, EUR		**0.10**	**0.17**	**(0.08)**	**0.03**

*Interest revenue presented using EIR method with netting of directly attributable transaction costs from gross revenue. Netting was adopted in 2022. For comparative figures see Note 6.
**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	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Profit (loss) from continuing operations	**3,922**	**5,967**	**1,724**	**6,646**
Other comprehensive income (expense) from continuing operations:				
Items that may be reclassified to profit or loss				
Currency translation difference from continuing operations	120	(591)	(55)	270
Total other comprehensive income (loss) from continuing operations	**120**	**(591)**	**(55)**	**270**
Total comprehensive income (loss) from continuing operations	**4,042**	**5,376**	**1,669**	**6,916**
Total comprehensive loss from discontinued operations	**-**	**-**	**(1,371)**	**(4,404)**
Total comprehensive income (loss) for the period	**4,042**	**5,376**	**298**	**2,512**

Consolidated statement of financial position

EUR '000	Notes	30 September 2022	31 December 2021
ASSETS			
Non-current assets:			
Property, plant and equipment		2,933	3,404
Right-of-use assets		2,929	1,618
Intangible assets		34,094	35,850
Deferred tax assets		6,254	6,981
Other non-current financial assets	13	16,652	6,215
Total non-current assets		**62,862**	**54,068**
Current assets:			
Loans to customers	7, 13	484,736	443,872
Other current financial assets	13	28,789	13,344
Derivative financial assets	13	4,013	324
Current tax assets		2,862	2,200
Prepaid expenses and other current assets		5,863	3,628
Cash and cash equivalents	13	152,220	301,592
Total current assets		**678,483**	**764,960**
Total assets		**741,345**	**819,028**
EQUITY AND LIABILITIES			
Equity:			
Share capital		40,134	40,134
Treasury shares		(142)	(142)
Retained earnings		70,611	67,172
Perpetual bonds		50,000	50,000
Unrestricted equity reserve		14,708	14,708
Translation differences		(5,132)	(5,014)
Other reserves		2,630	2,631
Non-controlling interest		-	-
Total equity		**172,809**	**169,489**
Liabilities			
Non-current liabilities:			
Long-term borrowings	13	2,847	57,656
Deposits from customers	13	77,634	82,793
Lease liabilities	13	2,113	282
Deferred tax liabilities		594	203
Total non-current liabilities		**83,188**	**140,934**
Current liabilities:			
Short-term borrowings	13	95,891	84,158
Deposits from customers	13	374,358	401,971
Derivative financial liabilities	13	337	1,232
Lease liabilities	13	1,281	1,412
Current tax liabilities		23	3,247
Trade payables	13	2,205	1,426
Accruals and other current liabilities	13	11,253	15,159
Total current liabilities		**485,348**	**508,605**
Total liabilities		**568,536**	**649,539**
Total equity and liabilities		**741,345**	**819,028**

Consolidated statement of cash flows

EUR '000	Notes	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) for the year		3,921	5,967	307	2,717
Adjustments for:					
Depreciation and amortization		4,557	12,617	3,930	11,192
Finance costs, net	10	3,865	12,369	5,399	14,527
Tax on income from operations	11	902	1,776	315	1,897
Other adjustments		(57)	223	(142)	419
Impairments on loans	7	19,765	57,872	(3,792)	3,918
Working capital changes:					
Increase (-) / decrease (+) in current receivables		(27,703)	(30,568)	(7,560)	(2,572)
Increase (+) / decrease (-) in trade payables and other liabilities		(5,749)	(5,823)	10,269	5,260
Interest paid		(2,586)	(9,337)	(3,465)	(11,206)
Interest received		474	662	431	556
Income taxes paid		(1,505)	(4,472)	(1,608)	(2,435)
Net cash flows from operating activities before movements in loan portfolio and deposits		**(4,116)**	**41,286**	**4,081**	**24,273**
Deposits from customers	13	27,552	(32,395)	46,024	136,196
Movements in gross portfolio	7	(11,103)	(83,413)	(12,874)	(84,706)
Net cash flows from (used in) operating activities		**12,333**	**(74,523)**	**37,232**	**75,764**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current financial investments	1.1	-	(10,000)	-	-
Purchase of investments and other assets		(1,803)	(4,686)	(961)	(3,029)
Purchase of tangible and intangible assets		(3,304)	(9,170)	(2,764)	(6,925)
Proceeds from sale of investments and other assets		-	-	-	-
Net cash flows used in investing activities		**(5,107)**	**(23,856)**	**(3,725)**	**(9,954)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of short-term borrowings	1.1, 13	(1,700)	(85,221)	(16,045)	(16,045)
Proceeds from short-term borrowings	1.1, 13	-	39,400	-	-
Perpetual bonds issue		-	-	50,000	50,000
Perpetual bonds interests		(549)	(2,403)	(1,967)	(1,967)
Proceeds from long-term borrowings	1.1, 13	5	2,770	-	-
Repayment of finance lease liabilities		(761)	(1,881)	(739)	(2,479)
Repayment of long-term borrowings		-	-	(21,021)	(21,021)
Net cash flows from (used in) financing activities		**(3,004)**	**(47,335)**	**10,228**	**8,488**
Cash and cash equivalents, at the beginning of the period	13	149,065	301,592	270,197	236,564
Exchange gains (losses) on cash and cash equivalents	10	(1,066)	(3,659)	(2,388)	682
Net increase (decrease) in cash and cash equivalents		**4,221**	**(145,714)**	**43,734**	**74,297**
Cash and cash equivalents, as at the end of the period	**13**	**152,220**	**152,220**	**311,542**	**311,542**

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	-	-	5,967	-	-	-	-	5,967
Currency translation difference	-	-	(472)	-	-	(119)	-	(591)
Total comprehensive income	-	-	5,495	-	-	(119)	-	5,376
Transactions with owners								
Perpetual bonds interests	-	-	(2,403)	-	-	-	-	(2,403)
Share-based payments	-	-	347	-	-	-	-	347
Total transactions with owners	-	-	(2,056)	-	-	-	-	(2,056)
As at 30 September 2022	**40,134**	**(142)**	**70,611**	**50,000**	**14,708**	**(5,133)**	**2,631**	**172,809**

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

There have not been any significant changes to the accounting policies or introduction of new reporting processes during Q3 2022.

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 authorised for issue by Multitude's Board of Directors on 18 November 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 recognise 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 earlier 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 and 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

No changes in Group companies have occurred to the Group's interim consolidated financial statements during Q3 2022.

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 Q3 2021 and Q1-Q3 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 current periods Q3 2022 and Q1-Q3 2022.

EUR '000	Q3 2021	Q1-Q3 2021
Interest revenue	(167)	(442)
Servicing fee revenue	-	-
Operating expenses:		
Impairment loss on loans to customers	42	(580)
Bank and lending costs	(149)	(500)
Personnel expense	(76)	(376)
Selling and marketing expense	-	(1)
General and administrative expense	(851)	(1,507)
Operating loss	**(1,201)**	**(3,406)**
Other income	-	182
Loss before interests and taxes ('EBIT')	**(1,201)**	**(3,224)**
Finance income, net	(217)	(623)
Loss before income tax	**(1,418)**	**(3,847)**
Income tax expense	-	(82)
Loss from discontinued operations	**(1,418)**	**(3,929)**

Net cash flows from discontinued operations

The net cash flows from operating, investing, and financing activities relating to FGB for Q3 2021 and Q1-Q3 2021 are as follows:

EUR '000	Q3 2021	Q1-Q3 2021
Net cash flows used in operating activities	(1,652)	(5,244)
Net cash flows from investing activities	1,434	4,842
Net cash flows from financing activities	-	1
Net cash flows used in discontinued operations	**(219)**	**(402)**

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 Q3 2022 and Q1-Q3 2022 and comparable periods Q3 2021 and Q1-Q3 2021:

Operating and reportable segments for Q3 2022

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	46,242	4,694	4,761	-	55,697
Transaction costs	-	(654)	(118)	-	(772)
Interest revenue	46,242	4,040	4,643	-	54,925
Servicing fee revenue	854	24	-	-	877
Total revenue	**47,095**	**4,064**	**4,643**	**-**	**55,802**
Share in revenue, in %	**84.3%**	**7.3%**	**8.4%**	**-**	**100.0%**
Operating expenses:					
Impairment loss on loans to customers	(14,998)	(3,764)	(1,356)	-	(20,118)
% of revenue	**(31.9%)**	**(95.1%)**	**(29.8%)**	**-**	**(36.0%)**
Bank and lending costs	(2,526)	(374)	(781)	-	(3,681)
Personnel expense	(4,507)	(1,965)	(1,447)	-	(7,918)
Selling and marketing expense	(4,053)	(559)	(474)	-	(5,086)
General and administrative expense	(3,316)	(1,424)	(1,097)	-	(5,837)
Depreciation and amortisation	(2,727)	(1,655)	(186)	-	(4,568)
Operating profit (loss)	**14,921**	**(5,681)**	**(646)**	**-**	**8,594**
Other income, net	168	12	19	-	198
Profit (loss) before interests and taxes ('EBIT')	**15,089**	**(5,669)**	**(627)**	**-**	**8,793**
EBIT margin, in %	**32.3%**	**(139.0%)**	**(12.8%)**	**-**	**15.8%**
Allocated finance costs, net	(1,693)	(834)	(503)	-	(3,030)
Unallocated foreign exchange gain, net	-	-	-	(939)	(939)
Profit (loss) before income taxes	**13,396**	**(6,503)**	**(1,131)**	**(939)**	**4,824**
Profit (loss) before tax margin, in %	**28.7%**	**(158.5%)**	**(23.4%)**	**-**	8.8%
Loans to customers	**286,145**	**116,157**	**82,434**	**-**	**484,736**
Unallocated assets	**-**	**-**	**-**	**-**	**256,609**
Unallocated liabilities	**-**	**-**	**-**	**-**	**568,536**

Operating and reportable segments for Q1-Q3 2022

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	135,087	11,253	15,883	-	162,222
Transaction costs	-	(1,116)	(775)	-	(1,891)
Interest revenue	135,087	10,137	15,108	-	160,331
Servicing fee revenue	2,443	54	-	-	2,498
Total revenue	137,530	10,191	15,108	-	162,829
Share in revenue, in %	**84.4%**	**6.3%**	**9.3%**	**-**	**100.0%**
Operating expenses:					
Impairment loss on loans to customers	(44,030)	(7,980)	(5,862)	-	(57,872)
% of revenue	**(32.0%)**	**(78.4%)**	**(39.1%)**	**-**	**(35.5%)**
Bank and lending costs	(8,236)	(1,062)	(1,237)	-	(10,535)
Personnel expense	(14,476)	(7,183)	(4,201)	-	(25,860)
Selling and marketing expense	(12,075)	(1,674)	(2,118)	-	(15,867)
General and administrative expense	(10,942)	(5,541)	(2,900)	-	(19,384)
Depreciation and amortisation	(9,060)	(3,105)	(475)	-	(12,640)
Operating profit (loss)	**38,710**	**(16,354)**	**(1,685)**	**-**	**20,671**
Other income, net	128	9	14	-	151
Profit (loss) before interests and taxes ('EBIT')	**38,838**	**(16,345)**	**(1,671)**	**-**	**20,822**
EBIT margin, in %	**28.2%**	**(160.8%)**	**(11.3%)**	**-**	**12.8%**
Allocated finance costs, net	(6,395)	(2,601)	(1,846)	-	(10,842)
Unallocated foreign exchange losses, net	-	-	-	(2,237)	(2,237)
Profit before income taxes	**32,443**	**(18,946)**	**(3,517)**	**(2,237)**	**7,743**
Profit before tax margin, in %	**23.6%**	**(186.3%)**	**(23.2%)**	**-**	4.9%
Loans to customers	**286,145**	**116,157**	**82,434**	**-**	**484,736**
Unallocated assets	**-**	**-**	**-**	**-**	**256,609**
Unallocated liabilities	**-**	**-**	**-**	**-**	**568,536**

Operating and reportable segments for Q3 2021

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	45,135	2,535	5,732	-	53,401
Transaction costs	-	-	-	-	-
Interest revenue	45,135	2,535	5,732	-	53,401
Servicing fee revenue	874	10	-	-	884
Total revenue	46,009	2,545	5,732	-	54,285
Share in revenue, in %	**84.9%**	**4.6%**	**10.5%**	**-**	**100%**
Operating expenses:					
Impairment loss on loans to customers	(14,983)	(1,742)	(903)	-	(17,628)
% of revenue	**(32.4%)**	**(68.0%)**	**(15.8%)**	**-**	**(32.2%)**
Bank and lending costs	(2,522)	(446)	(222)	-	(3,190)
Personnel expense	(5,308)	(1,502)	(1,689)	-	(8,499)
Selling and marketing expense	(4,520)	(1,231)	(1,341)	-	(7,092)
General and administrative expense	(2,839)	(2,528)	(831)	-	(6,198)
Depreciation and amortisation	(3,642)	(373)	(105)	-	(4,121)
Operating profit (loss)	**12,196**	**(5,278)**	**640**	**-**	**7,557**
Other income, net	(68)	(5)	(9)	-	(82)
Profit (loss) before interests and taxes ('EBIT')	**12,127**	(5,283)	**631**	**-**	**7,475**
EBIT margin, in %	**26.3%**	(212.0%)	**8.8%**	**-**	**14.0%**
Allocated finance costs, net	(2,788)	(1,050)	(708)	-	(4,546)
Unallocated foreign exchange losses, net	-	-	-	(890)	(890)
Profit before income taxes	**9,339**	**(6,333)**	**(77)**	**(890)**	**2,039**
Profit before tax margin, in %	**20.2%**	**(252.0%)**	**(3.5%)**	**-**	4.1%
Loans to customers	**280,686**	**76,562**	**71,232**	**-**	**428,480**
Unallocated assets	**-**	**-**	**-**	**-**	**401,023**
Unallocated liabilities	**-**	**-**	**-**	**-**	**653,940**

Operating and reportable segments for Q1-Q3 2021

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	133,621	6,076	16,900	-	156,596
Transation costs	-	-	-	-	-
Interest revenue	133,621	6,076	16,900	-	156,596
Servicing fee revenue	2,469	25	-	-	2,495
Total revenue	136,090	6,101	16,900	-	159,091
Share in revenue, in %	**85.6%**	**3.8%**	**10.6%**	**-**	**100%**
Operating expenses:					
Impairment loss on loans to customers	(41,282)	(4,146)	(4,454)	-	(49,882)
% of revenue	**(30.3%)**	**(67.2%)**	**(26.2%)**	**-**	**(31.3%)**
Bank and lending costs	(7,932)	(1,000)	(868)	-	(9,800)
Personnel expense	(14,663)	(6,181)	(4,455)	-	(25,299)
Selling and marketing expense	(13,969)	(2,803)	(3,707)	-	(20,479)
General and administrative expense	(9,860)	(6,377)	(2,240)	-	(18,477)
Depreciation and amortisation	(9,932)	(1,048)	(458)	-	(11,438)
Operating profit (loss)	**38,452**	**(15,454)**	**718**	**-**	**23,716**
Other income, net	(419)	(19)	(52)	-	(490)
Profit (loss) before interests and taxes ('EBIT')	**38,033**	**(15,473)**	**666**	**-**	**23,226**
EBIT margin, in %	**28.0%**	**(254.1%)**	**3.6%**	**-**	**14.6%**
Allocated finance costs, net	(8,372)	(2,284)	(2,125)	-	(12,780)
Unallocated foreign exchange losses, net	-	-	-	(1,985)	(1,985)
Profit before income taxes	**29,661**	**(17,756)**	**(1,459)**	**(1,985)**	**8,461**
Profit before tax margin, in %	**21.8%**	**(290.2%)**	**(8.9%)**	**-**	5.3%
Loans to customers	**280,686**	**76,562**	**71,232**	**-**	**428,480**
Unallocated assets	**-**	**-**	**-**	**-**	**401,023**
Unallocated liabilities	**-**	**-**	**-**	**-**	**653,940**

6. Revenue

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

Interest revenue by geographic market

EUR '000		Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Northern Europe	Finland, Sweden, Denmark, Norway	23,898	70,833	22,904	69,486
Western Europe	Germany, Netherlands, Spain	10,263	27,942	8,848	24,472
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	19,227	55,784	19,610	56,276
Other	Australia, Brazil, Mexico, New Zealand	1,537	5,772	2,038	6,362
Interest revenue		**54,925**	**160,331**	**53,401**	**156,596**

Interest revenue is calculated using the effective interest rate method based on loans to customers after considering fees directly attributable to the origination of the loans.

Servicing fee revenue by geographic market

EUR '000		Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Northern Europe	Finland, Sweden, Denmark, Norway	334	955	306	855
Western Europe	Germany, Netherlands, Spain	173	465	145	408
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	355	1,021	409	1,102
Other	Australia, Brazil, Mexico, New Zealand	15	57	24	130
Servicing fee revenue		**877**	**2,498**	**884**	**2,495**

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

Servicing fee revenue includes 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.

The Group recognises interest revenue minus the amortised transaction costs directly attributable to acquisition of the financial asset following sections 5.1 and 5.4 of IFRS 9. The transaction costs are mainly composed of fees paid to brokers and affiliates that irrevocably charged for the factual drown-downs of new loans. The following table shows transaction costs deducted from the gross revenue:

EUR '000	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Gross interest revenue	55,697	162,222	53,401	156,596
Transaction costs	(772)	(1,891)	-	-
Interest revenue	**54,925**	**160,331**	**53,401**	**156,596**

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 'Doubtful' and 'Loss' 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 Sep 2022	30 Sep 2021	31 Dec 2021
			Lower range	Upper range			
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		443,228	371,347	386,621
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	21,602	14,176	20,207
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	10,827	8,689	9,416
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	28,913	27,992	27,971
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		89,528	154,559	121,666
Total					**594,099**	**576,762**	**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 September 2022:

EUR '000				30 September 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**	**29,622**	**149,637**	**565,881**
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	62,134	3,211	40,777	106,122
Loans and advances written off and sold during the period	-	-	(70,496)	(70,496)
FX and other movements	(5,527)	(404)	(1,477)	(7,408)
Total net change during the period	56,607	2,807	(31,196)	28,218
Gross loans to customers as at 30 September 2022	**443,228**	**32,429**	**118,441**	**594,099**
LOSS ALLOWANCES				
As at 1 January 2022	**20,608**	**8,806**	**92,595**	**122,009**
Increase in allowances- charge to profit or loss	3,668	1,099	53,105	57,872
Other movements				
Unwind of discount	-	-	338	338
Loans and advances written off and sold during the period	-	-	(70,496)	(70,496)
Exchange differences	(80)	(33)	(248)	(360)
Total net change during the period	**3,588**	**1,067**	**(17,301)**	**(12,646)**
Loss allowance as at 30 September 2022	**24,196**	**9,873**	**75,294**	**109,363**
Impaired loan coverage ratio ('ILCR')	**5.5%**	**30.4%**	**63.6%**	**18.4%**

As at and for the period ended 30 September 2021:

EUR '000				30 September 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	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 period	**67,235**	**(1,105)**	**3,261**	**69,390**
Gross loans to customers as at 30 September 2021	**371,347**	**22,865**	**182,550**	**576,762**
LOSS ALLOWANCES				
As at 1 January 2021	**20,589**	**7,818**	**118,010**	**146,417**
Increase in allowances- charge to profit or loss	(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
Total net change during the period	**(794)**	**(818)**	**2,870**	**1,258**
Loss allowance as at 30 September 2021	**19,795**	**7,000**	**120,881**	**147,675**
Impaired loan coverage ratio ('ILCR')	**5.3%**	**30.6%**	**66.2%**	**25.6%**

As at and for the year ended 31 December 2021:

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

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 %	2021			2022			2023			2024		
	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	4.6	4.6	4.6	5.1	5.6	5.0	4.9	5.3	4.5	4.8	5.2	4.2
Czechia	3.5	3.5	3.5	3.7	4.3	3.6	3.9	4.3	3.5	3.7	4.1	3.1
Denmark	2.7	2.7	2.7	2.9	3.4	2.8	3.4	3.8	3.0	2.9	3.4	2.4
Finland	7.2	7.2	7.2	6.8	6.9	6.8	6.9	7.2	6.8	6.5	6.9	6.3
Croatia	6.4	6.4	6.4	6.2	6.7	6.2	6.4	6.7	6.1	6.2	6.6	5.8
Netherlands	3.7	3.7	3.7	4.4	5.0	4.3	4.9	5.4	4.5	4.7	5.2	4.1
Poland	5.5	5.5	5.5	5.1	5.8	5.1	6.0	6.4	5.6	4.8	5.2	4.4
Romania	2.7	2.7	2.7	2.7	3.2	2.7	3.5	4.1	3.1	3.5	4.1	3.0

Personal disposable income

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Australia	AUD	116	116	116	116	116	117	118	118	118	120	120	120
Denmark	DKK	92	92	92	84	83	85	86	85	87	89	89	90
Finland	EUR	10	10	10	10	10	10	10	10	11	11	11	11
Croatia	HRK	23	23	23	21	21	21	21	21	22	22	22	22
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	33	33	33	32	32	32	33	32	33	33	33	34
Romania	RON	16	16	16	16	16	16	16	16	17	17	17	17
Spain	EUR	61	61	61	58	57	58	60	59	61	61	61	62
Sweden	SEK	210	210	210	210	208	210	214	214	216	218	217	220

Consumption rate private

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Sweden	SEK	205	205	205	207	206	207	210	209	213	216	213	219

Gross domestic product

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Brazil	BRL	156	156	156	159	159	160	161	161	163	167	166	169
Bulgaria	BGN	9	9	9	9	8	9	9	9	9	9	9	9
Germany	EUR	269	269	269	266	259	267	270	267	276	278	275	285
Estonia	EUR	2	2	2	2	2	2	2	2	2	2	2	2
Norway	NOK	312	312	312	315	313	316	318	316	322	324	321	330

8. Personnel expenses

EUR '000	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Wages and salaries	(6,093)	(20,878)	(6,749)	(20,771)
Social security costs	(951)	(2,690)	(850)	(2,338)
Post-employment benefit expense	(429)	(1,370)	(404)	(1,164)
Share-based payment expense	(128)	(347)	-	(53)
Other personnel expense	(317)	(575)	(496)	(973)
Total personnel expenses	**(7,918)**	**(25,860)**	**(8,499)**	**(25,299)**

9. Other income

EUR '000	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
OTHER INCOME				
Gain from disposal of non-current assets	147	147	-	-
Other income	2	4	177	1
Total other income	**149**	**151**	**177**	**1**
OTHER EXPENSE				
Loss from disposal of non-current assets	49	-	-	(309)
Other expense	-	-	(259)	(182)
Total other expense	**49**	**-**	**(259)**	**(491)**
Net other expense	**198**	**151**	**(82)**	**(490)**

10. Finance income and costs

EUR '000	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
FINANCE INCOME				
Interest income	60	286	486	543
Net unrealised foreign exchange gain on derivatives	-	-	1	1
Net realised foreign exchange gain	(443)	-	1,426	2,999
Total finance income	**(383)**	**286**	**1,913**	**3,543**
FINANCE COSTS				
Interest expense on borrowings	(2,219)	(9,464)	(8,364)	(12,297)
Net realised foreign exchange loss	(157)	(1,688)	-	-
Net unrealised foreign exchange loss	(830)	(830)	(2,392)	(4,859)
Net unrealised foreign exchange loss on derivatives	**(206)**	**(416)**	**(126)**	**(126)**
Interest expense on lease liabilities	(44)	(160)	(106)	(157)
Other finance costs	(130)	(807)	(869)	(869)
Total finance costs	**(3,586)**	**(13,365)**	**(11,857)**	**(18,308)**
Net finance costs	**(3,969)**	**(13,079)**	**(9,944)**	**(14,765)**

11. Income taxes

EUR '000	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Current income tax expense	(148)	(552)	(103)	(763)
Deferred tax (income) expense	(754)	(1,224)	(212)	(1,052)
Total income tax expense	**(902)**	**(1,776)**	**(315)**	**(1,815)**

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	Q3 2022	Q1-Q3 2022	Q3 2021	Q1-Q3 2021
Profit (loss) for the period from continuing operations	3,922	5,967	1,724	6,646
Perpetual bonds interests recognised directly in retained earnings, net of tax*	**(1,820)**	**(2,403)**	**(1,967)**	**(1,967)**
Profit (loss) for the period from continuing operations, after perpetual bond interest				
Profit (loss) for the period from discontinued operations	-	-	(1,418)	(3,929)
Profit (loss) for the period, after perpetual bond interest	**2,102**	**3,564**	**(243)**	**4,679**
**Weighted average number of ordinary shares in issue ** **	**21,578**	**21,578**	**21,578**	**21,578**
Earnings per share from continuing operations, EUR	0.10	0.17	(0.01)	0.22
Earnings per share from discontinued operations, EUR	-	-	(0.07)	(0.18)
Total earnings per share attributable to the ordinary equity, EUR	**0.10**	**0.17**	**(0.08)**	**0.03**

*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 September 2022		31 Dec 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	4,013	4,013	324	324
FINANCIAL ASSETS AT AMORTISED COST					
Loans to customers	Level 3	484,736	484,736	443,872	443,872
Cash and cash equivalents	Level 3	152,220	152,220	301,592	301,592
Other non-current receivables	Level 3	16,652	16,652	6,215	6,215
Receivables from sold portfolios	Level 3	22,595	22,595	4,657	4,657
Receivables from banks	Level 3	4,364	4,364	5,108	5,108
Other current financial assets	Level 3	1,830	1,830	3,579	3,579
Total		**686,410**	**686,410**	**765,347**	**765,347**

Investment in Cream Finance bonds

Other non-current receivables as at 30 September 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 measure-ment	30 September 2022 Carrying amount	30 September 2022 Fair value	31 Dec 2021 Carrying amount	31 Dec 2021 Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	337	337	1,232	1,232
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	451,992	451,992	484,764	484,764
Short-term borrowings	Level 1	95,891	92,908	84,158	83,949
Long-term borrowings	Level 1	2,847	3,021	57,656	59,038
Lease liabilities	Level 3	3,394	3,394	1,694	1,694
Trade payables	Level 3	2,206	2,206	1,426	1,426
Accruals and other current liabilities	Level 3	11,253	11,253	15,159	15,159
Total		**567,920**	**565,111**	**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. During September 2022 Group executed several repurchases amounted to EIR 1.7 million. As at 30 September 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 96.8 million and EUR 95.9 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 September 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 September 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 9M 2022 period end date on 30 September 2022 and when the report is published on 17 November 2022.

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