Annual Report

2021

MULTITUDE

Contents

Prolog

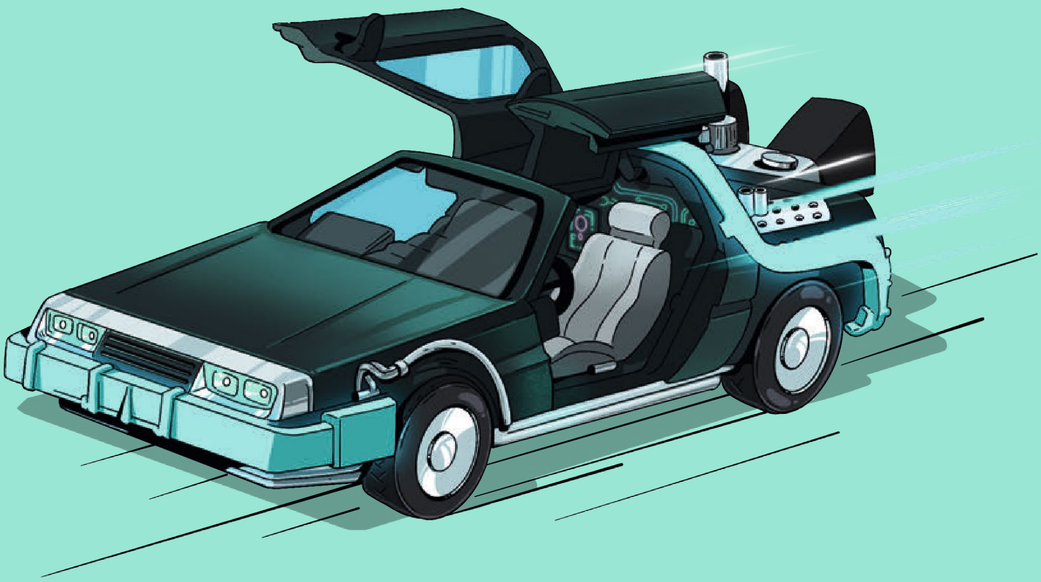
The state of being many

From the origins of being only Ferratum as a consumer lender, the Group has evolved into a fully regulated financial platform. In 2021, the foundation of the next, advanced era of business was laid – to be more precise, of businesses. To portray and serve what the Group has become and wants to reach, it was rebranded and transformed into Multitude Group. The name Multitude emphasises the broadness of reach, potential, and positive impact on the financial world – the state of being many.

Multitude has three independent business units on its growth platform: Ferratum as a consumer lender, CapitalBox as a business lender, and SweepBank as a financing and shopping app. Through 16+ years in purely digital financial technology, Multitude can support and enable the success of these, and more, next generation of financial businesses through scalable operations.

This report reveals more about this change, its reasons, and the opportunities it brings. In 2021, we took substantial steps toward our vision of becoming the most valued financial ecosystem. The learnings from our past have been utilized to build the strongest today. Supported by the past, and guided by the future.

MULTITUDE



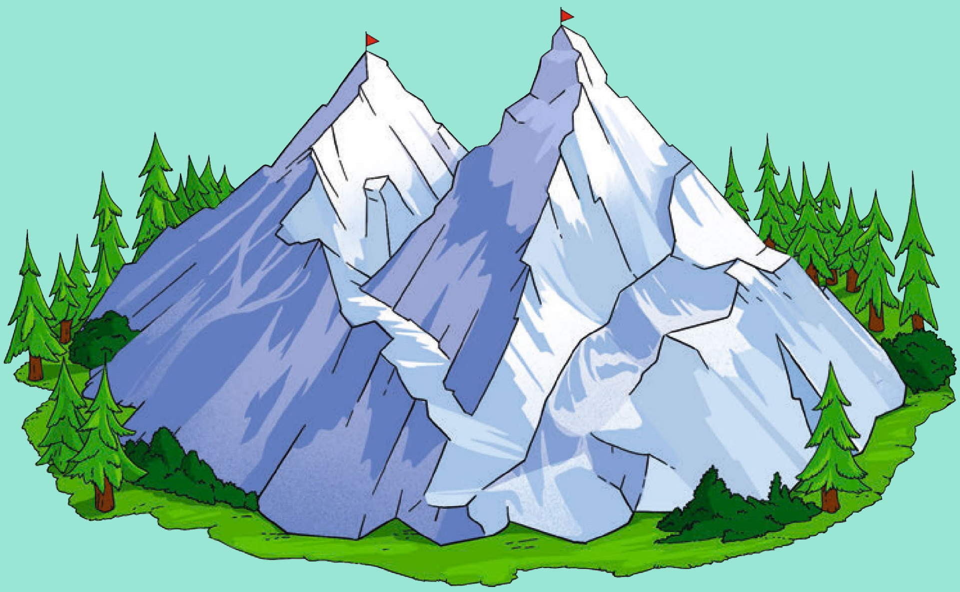
The Multitude Group

- Brings a solid foundation of expertise and operations into new financial service offerings.

- Enables growth and scale for the business units on its platform.

- Creates synergies for added value, increased customer satisfaction, and higher earnings for its independent business units.

Multitude's values



Customer centricity

Our customers are at the heart of what we do, why we exist, whom we first serve, and serving them is why we have a right to be in the market. In everything we do, we want to create solutions that are made by thinking as if we were looking at them through the customers' eyes and are striving to give them the best possible customer experience.

Entrepreneurial spirit

We embrace the entrepreneurial spirit that has guided us since the beginning and that our employees cherish so much with us. We are curious to learn new things, innovative in finding solutions, move fast, stay agile, have low hierarchies, avoid unnecessary bureaucracy, and think about spending money as if it was coming out of our own pocket.

Candour

We communicate openly, transparently, and honestly with each other and all our stakeholders and do so with respect. We make no excuses and are straightforward in what we do and what we say. We are realistic with our planning and speak up when we see issues or risks.

Respect

It is about how we feel about others and how we treat them. We respect our customers, both internal and external, our colleagues, our partners, our investors, and all our other stakeholders evenly in all our actions and communications. This respect is also shown by taking accountability for our actions in a wider social context, taking care of mother nature's limited resources and conducting our business in a sustainable manner.

Winning teams

We can only achieve the highest outcomes by working together in winning teams. In these teams, we support each other, stand up for each other and can make mistakes without being judged, but we also together learn from them. We have each other's back, and like a family across teams, we stick together, fight together, and when we achieve our goals, we celebrate together.

Remarks from the CEO

Dear Shareholders,

The past year was one of transformation for us – a transformation onto the next stage of financial disruption. We successfully implemented our new, agile way of working across the whole Group, executed our new business strategy that has led us onto a new growth path, and rebranded the Group from Ferratum to Multitude.

As many times before during our 16+ years of history, in 2021, our resilience was tested. This time it was the ongoing COVID-19 pandemic. I am proud to state and show that our ability as a team to adapt, evolve and transform successfully was evident. This is shown by each of our business units growing profitably again. We are also proud that we could stand by our customers in these challenging times. The thank you for these achievements must go to our fantastic team across the globe, and naturally also to our customers, stakeholders and investors.

Experience and data of 16 years as rocket fuel to true disruption

Last year, I wrote about how we believe that true disruption in finance is yet to come and that such disruption across industries has only ever been achieved through scalable platforms. This, is what we have built this year.

To explain how we got to this point and show how every step of our 16-year journey has led us to a pole position in the race of disrupting finance as an industry, allow me to describe our evolution briefly. We have evolved from our roots in pure consumer lending into a growth platform that caters and nurtures a wider variety of financial services. Ferratum as a brand is still with us, now solely used by our oldest business unit, consumer lending. In addition, we have CapitalBox as a business lender, and SweepBank as a shopping and financing app. As independent units, each can serve and execute on their own unique customer promise and experience. All of these independent business units, and in the future more, gain in scale and from strong tailwind by utilising the foundational skills, experience, and know-how in providing digital financial services that we have built over more than 16 years.

SweepBank has already moved into monetisation phase and strongly benefits from the growing trend of online shopping. We have reached impressive unit-level profitability, even though the overall EBIT was negative due to investing in the brand and the development of the app. Our approach to mobile banking is proven to be unique, as **SweepBank has already given us a revolutionary ARPU (average revenue per user) in the industry. Our ARPU in 2021 was at EUR 187.5, which is as much as ten times higher than most of the neo banks in Europe.** SweepBank is also different by being a mobile bank with a freemium credit card to finance shorter-term needs. Customers have praised the credit card, and our app reached the top position in app stores in Finland after the launch. Now, we are ready to launch the card in Germany in 2022. In addition, SweepBank offers Prime Loans for larger purchases. Overall, revenues nearly tripled in the past year, reaching EUR 9.0 million in 2021, and we expect the growth to stay strong also going forward.

We are excited to see that **CapitalBox has found its growth mode in loan sales again** and is already one of the the leading players in its field as a digital business lender in the markets it operates in. Paired with tailwind for sales through a post-COVID-19 boost in the economy, new services, such as Purchase Finance that was launched in Finland 2021, and the launch of the Credit Line in Sweden, give additional opportunities for growth through further roll-outs in 2022. Improvements in our automated decision process, and the simplification of the customer process as a whole, have already shown increased customer satisfaction and loan sales. In 2021, CapitalBox recorded revenues of EUR 22.0 million. Net AR was at EUR 75.4 million, with loan sales having increased strongest in Q4.

Last but certainly not least, Ferratum achieved great results with three **consecutive quarters of revenue growth and strong profitability** again. It is important to note that even though this business unit is our oldest, it is still growing in our focus markets, and we plan to expand it further. I am also proud that even after all these years, Ferratum continues to satisfy its customers, showing a whopping 94% customer satisfaction score.

The changes in our brands have brought more clarity into customer communication and allowed us to become more precise in our customer promises. Our new strategy and operations have resulted in a solid position against the competition.

Strong turnaround

As Multitude, we have shown a revenue turnaround since Q2 2021, recording average growth of 1.8% towards Q4 2021. Yearly revenue decreased from EUR 231 million in 2020 to EUR 214 million in 2021. The overall lending portfolio across all business units has grown from EUR 361 million to EUR 444 million, translating to 23.0% growth year on year. The stronger revenue growth over the loan portfolio proves our cost scalability.

We improved payment behaviour and decreased our impairment losses over net accounts receivable to 16.2%, compared to 25.2% in 2020. We improved our asset quality and have a strong cash and equity position at EUR 302 million and EUR 170 million respectively. Our consolidated interest-bearing debt, excluding customer deposits stood at EUR 145 million at the end of the year. A perpetual bond issue in Q4 allows us increased flexibility in financial planning. In addition, our cost of debt capital has been reduced to a five-year low and stands at 1,76% at the end of the year 2021, excluding the perpetual bond.

Across all independent business units within Multitude - or as we call them, tribes - we have successfully implemented our agile way of working that we laid the foundation for in 2020. This new way of working has clarified responsibilities and internal ways of operating. It has allowed us to serve our customers better and faster, and allowed us now to stand on the strongest foundation for scalability so far.

Everything we do, we do to serve our customers. I am proud to state that in addition to the higher-than-average satisfaction levels across our brands, a further proof point to our highest level of customer experience is that contacts handled by our customer service agents decreased by 31% in 2021 and that our chatbots can handle 71% of all enquiries without human involvement. This means that our processes work well and that our customers get 24/7 omnichannel service whenever they need it.

As a purely digital player from the beginning, we have always operated in an environmentally sustainable manner. We will continue building on our achievements so far, and with our new ESG strategy, metrics and framework, we want to have an even stronger ESG standing going forward. The new framework has been approved by the Board and is built upon our purpose and mission as the foundation – changing the world by making banking and finance accessible to everybody and positively impacting society. Our mission as Multitude is to democratise financial services through digitalization, making them fast, easy and green. Furthermore, the framework includes our ESG goals on Group and tribe level, ESG values, the process and governance, and reporting and engagement. We will build on further context and content throughout 2022 and beyond.

Ready for a new era of finance

In our first-ever annual report as a stock listed company in 2014, I stated that we want to offer more than money to everyone; our promise to customers is that we provide simple, easy-to-use product applications, fast, and transparent, confidential loan processes. I am extremely happy that I can state we have done precisely that and beyond. With the historical year of 2021 as the year of substantial transformation, we have built the strongest business foundation so far and are ready for a new era of financial disruption. Even though we have transformed and will disrupt the industry, our customer promise remains the same as we stated in 2014.

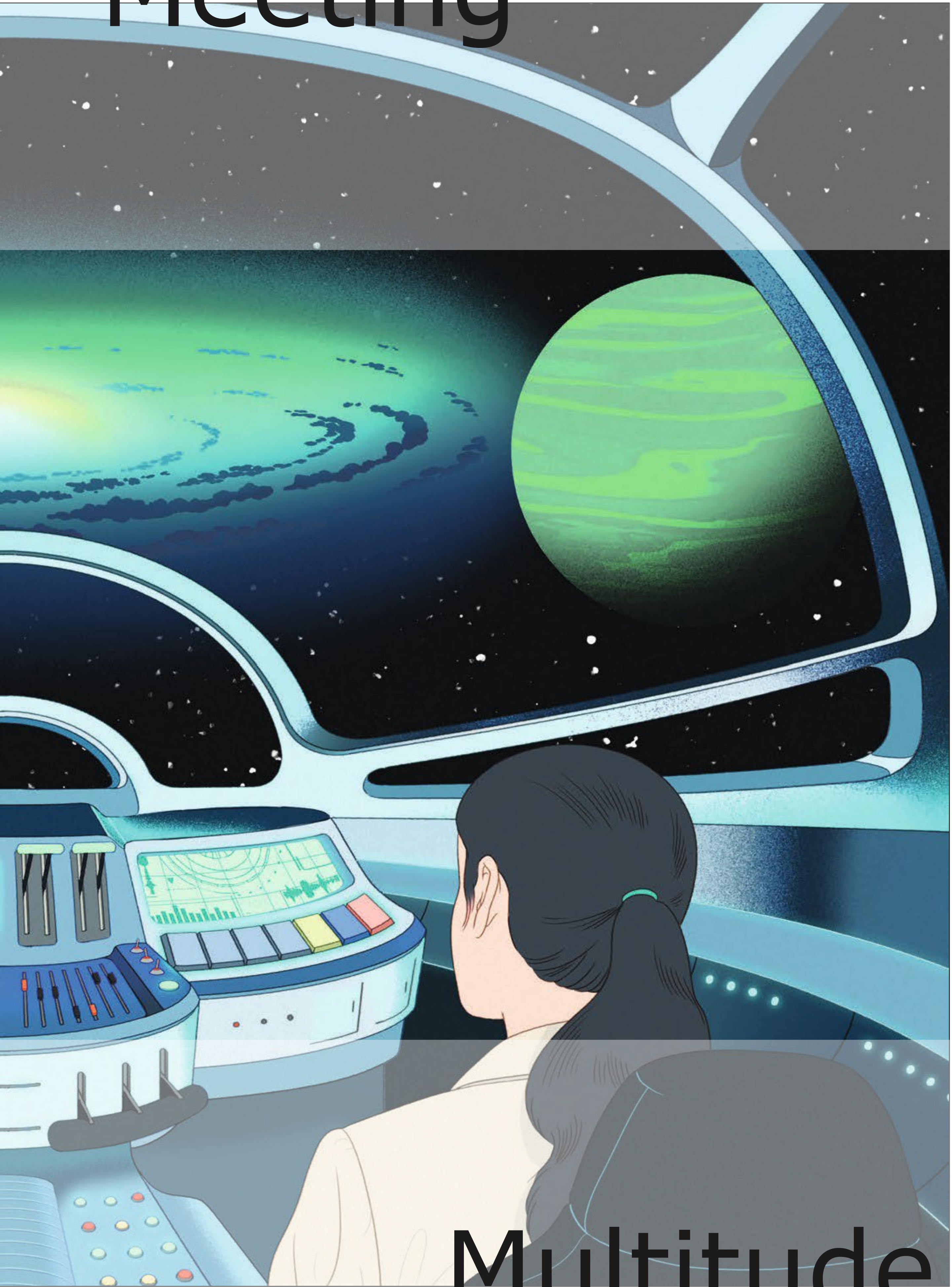
We, as Multitude, are committed to returning to profitable growth, projecting our EBIT to grow by 50% p.a. in 2022-2024. We will continue driving organic, profitable growth and increasing the level of automation in our business to allow even greater scale. In addition, we are exploring new opportunities in terms of geographies, product partners, and M&A to accelerate further growth.

One might wonder, what it is that makes a company versatile and stable at the same time? I believe it is our entrepreneurial spirit that allows us to fail and learn fast. It is that we have been around for so long, that we have seen and navigated successfully through so many changes together as a team already. This allows us an expedited ability to react to changes and find the right solutions. It is a diverse team of exceptional talent. It is that we share one goal – the goal of becoming the most valued financial ecosystem. This ecosystem is what we have been building toward over all these years, and it is what we will accomplish.

Jorma Jokela

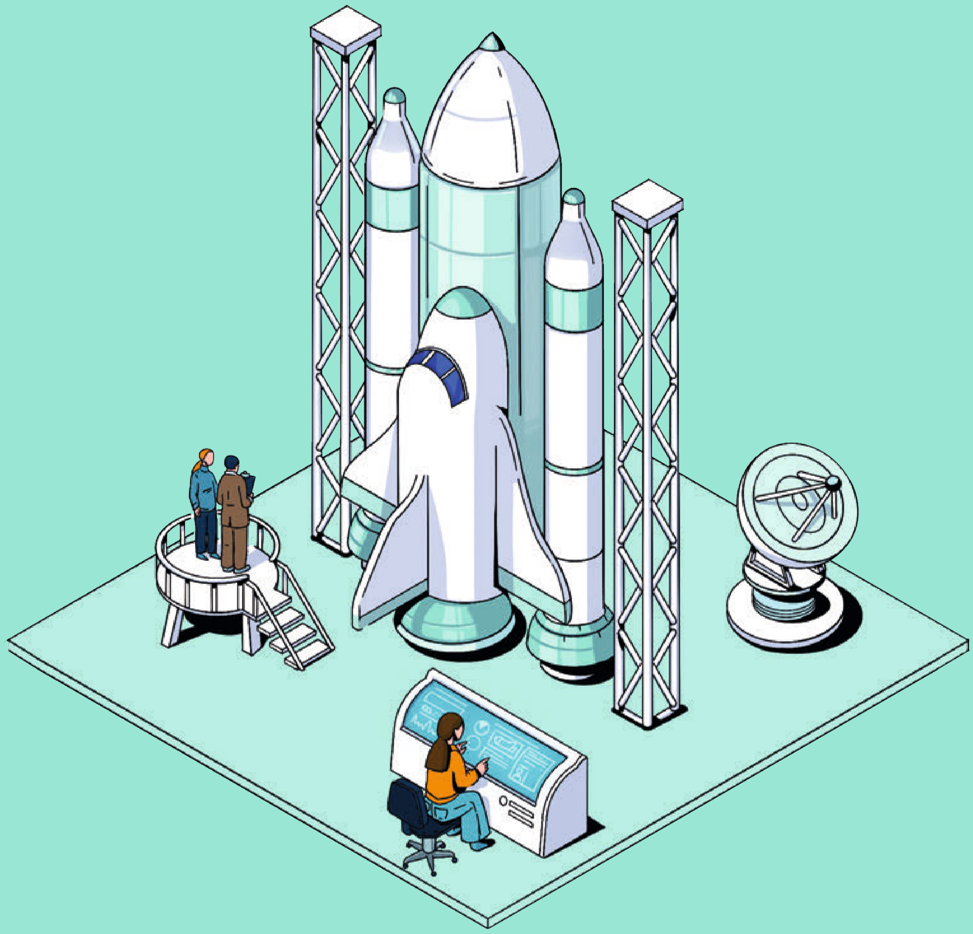
Founder & CEO

Meeting



Multitude

Multitude – The FinTech pioneer



Our journey to positive impact

It is commonly known that access to finance and banking services is vital to the functioning of our society. What is less widely known is that lack of access to it is not only a problem in the developing world. Due to cost, bureaucracy and tightening regulation, access to financial services is getting increasingly difficult for the average person – the majority of our population. According to World Savings and Retail Banking Institute, close to 40 million EU citizens are outside the banking mainstream.

As a result, an ever-increasing amount of people have a decreasing number of options available. At Multitude, we create a three-fold positive effect by giving these people access to finance. The businesses we foster give individuals access to bank accounts and can help them out of financial distress; they allow business ideas to prosper and build employment; and help develop financial acumen that can lead to economic prosperity - even wealth.

The Internet, digitalisation and automation started to decrease the costs of providing financial services some 20 years ago as time-consuming processes could be automated, and access to financial services became location agnostic. In 2005, Founder and CEO Jorma Jokela read an article about the Grameen Bank in Bangladesh – a bank that served the underserved population with small loans. The idea of combining finance and mobile handsets inspired him, as it was an unestablished market in the western world at that time. He understood that this digital distribution of financial services could cater to Europe's underserved people.

In 2005, Ferratum as a Finnish FinTech pioneerwas born. It had the mission to disrupt financial services by digitalising consumer lending and bringing the service online, fast, and easy. Ferratum is still a part of what has evolved into Multitude Group. Today, Multitude is a fully regulated growth platform for financial technology with the ambition to become the most valued financial ecosystem. This vision is backed by the +16 years of solid track record in building and scaling financial technology. Multitude enables a range of sustainable banking and financial services to grow and scale through its full European banking license, profound know-how in technology, regulation, cross-selling, and funding. Currently, it has three independent business units on this growth platform: Ferratum as a consumer lender, CapitalBox as a business lender, and SweepBank as a shopping and financing app. Multitude and its independent units employ over 600 people in 25 countries, and they together generated EUR 213.7 million in revenue in 2021. Since 2015, Multitude has been listed on the Frankfurt Stock Exchange in Prime Standard.

Why investors trust Multitude

A solid and profitable track record despite economic challenges

Multitude has continuously delivered solid profitability since its inception in 2005, with profit from continuing operations amounting to EUR 5.0 million and EUR 1.2 million in 2020 and 2021 despite the impact of COVID-19 pandemic in 2020.

As a countermeasure to the global pandemic, Multitude has successfully navigated through the changing market environment in 2020 and 2021 and built an even stronger foundation of profitable growth by transforming its operations for an even stronger foundation of scalability and agility.

Established itself with a strong foothold in a market with high entry barriers:

Multitude offers financial and banking services across segments in a highly regulated field, across 19 countries and their individual regulations. The regulatory environment makes it hard for new businesses to enter the market, even more, to operate across borders. Multitude has repeatedly proven to successfully navigate shifts in the regulatory environment and the market while delivering good financial results and superior customer experience.

Independent tribes focusing on unique customer segments and unique customer experience:

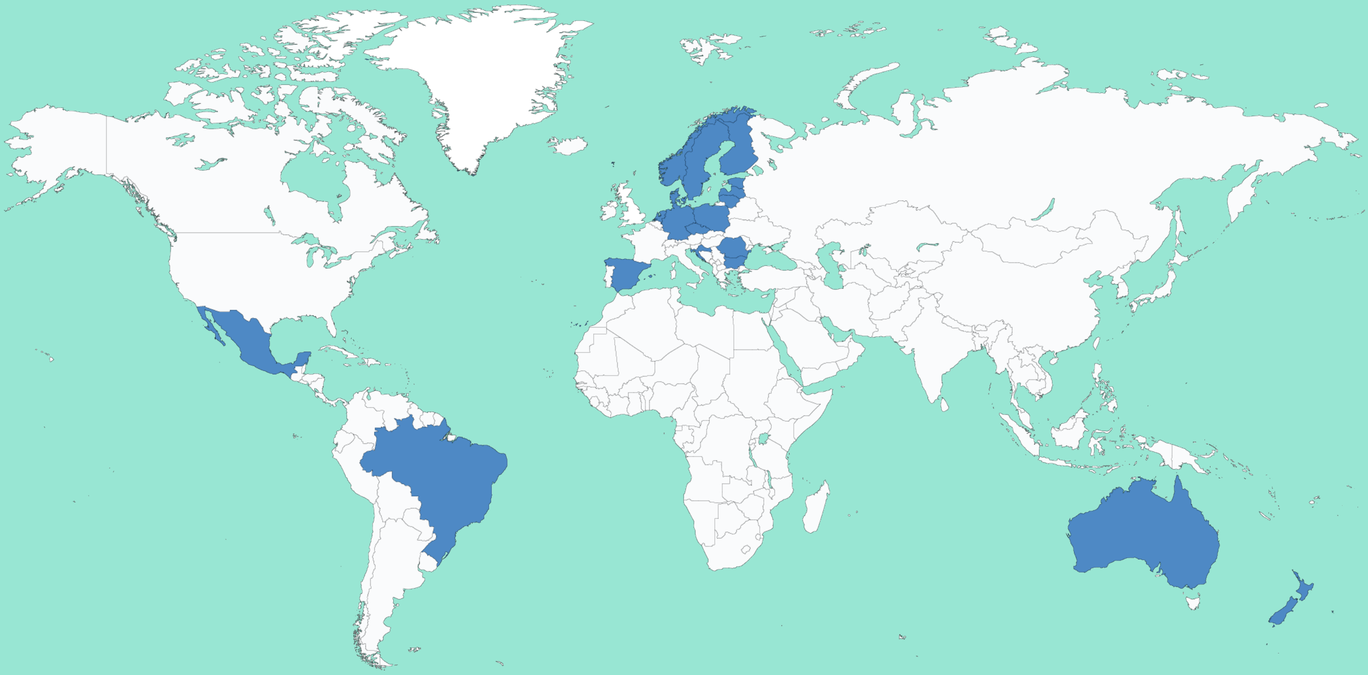
Each tribe serves an attractive, growing customer base with a uniquely tailored customer experience. These segments range from short-term consumer loans to digital wallet users and sophisticated SME customers.

A diversified risk portfolio:

With a diversified customer portfolio across three customer segments, 10 currencies and three continents, Multitude is well-positioned to successfully react to regional or global changes - be they financial, geopolitical or macroeconomic.

MULTITUDE

Currently active in 19 markets



Loyal and growing customer base:

The overall customer base of all brands under Multitude consists of over 400,000 active customers. Our ability to attract new customers allows us to expand further across our brands. Positive customer satisfaction numbers across business units prove the success in keeping customers happy, leading to predictability and recurring revenues.

Positioned itself well to transform into a platform business:

A large customer base, a vast amount of intelligent and actionable data, profound scoring know-how, funding capabilities, KYC (know your customer) processes and solutions, and unmatched regulatory expertise in the field, give Multitude an industry-leading position to transform into a full ecosystem for further, exponential growth of a variety of financial services. This growth can be reached organically and in cooperation with partners to develop value-adding, next-generation financial services to customers.

The means to democratise finance:

Through the amount of data, knowledge and technology that the Group has built over the past 16+ years, Multitude is uniquely positioned to serve customers that have been, and still today remain, underserved by the traditional financial institutions.

SweepBank Tribe

The value creator par excellence

The SweepBank Tribe, the first independent business unit utilising the Multitude platform, is an intuitive shopping and financing app. It is the newest and strongest growing venture on the platform. SweepBank is seen as a key component in achieving Multitude's vision of becoming the most valued financial ecosystem. It enables connecting different financial services into one place for customers, thus creating also cross-sell opportunities and accelerated revenue generation and profitability.

Vision: The most valuable financial platform

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

This segment is currently underserved by traditional banks and neo banks. Traditional financial institutions are too bureaucratic and inflexible, and neo banks lack the experience and data to serve them successfully from a credit risk perspective. The latter is a prime example of the benefits of synergies created from allowing independent businesses to grow on the Multitude platform, as SweepBank can tap into Ferratum's 16+ years of data and experience in scoring.

The intuitive SweepBank app has been created together with its customers, based on direct feedback and the analysis of behavioural data. This combination ensures the app is tailored to cater maximised user experience and satisfaction.

As all business units on the platform, SweepBank builds on the three, core Multitude assets of

1. 16+ years of lending and scoring experience and algorithms build across border
2. Advanced, in-house built and owned financial technology
3. Presence and regulatory expertise in 19 markets internationally

In addition, SweepBank benefits from the ability to cross-sell and offer services to the customers of other business units on the Multitude platform. This includes e.g. offering personal credit cards or loans to the owners of SMEs that are customers of CapitalBox. SweepBank also benefits from deposits on the savings accounts, which act as a means to favourable funding for the lending business.

Currently, SweepBank is operational and offering Prime loans in five countries throughout the EU: Finland, Latvia, Germany, Sweden (Prime loans launched Q1 2021), and Denmark (Prime Loans launched Q4 2021).

Services

Credit card

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

Prime Loan

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

Bank Account

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

"SweepBank's rapid growth in the Finnish market and the Finnish top-class fintech know-how behind it made a great impression on us, which is why we decided to start this cooperation. We believe that SweepBank's ambitious goals and aim to develop the service together with its customers will support the bank's growth in the future as well", says Loukia Chorafa, Marketing Director from Mastercard.

Highlights 2021

In 2021, SweepBank grew its lending portfolio (Prime loans) from EUR 33.6 million net AR on 31 December 2020 to EUR 85.8 million by 31 December 2021, translating to 155% growth y-o-y. The main drivers of this growth were sales channels, added geographies and rolling optimisation of underwriting and pricing. Revenue grew from EUR 3.6 million to EUR 9.0 million in the same period, translating to a 150% revenue growth over the year. Despite the significant growth in the portfolio, impairment loss ratio over revenue and net AR decreased by 14.10 and 1.8 percentage points, respectively, standing at EUR 6.2 million as compared to EUR 3.6 million in 2020.

Marketing costs increased from EUR 0.9 million in 2020 to EUR 4.6 million in 2021. SweepBank invested strongly into marketing and launching the new SweepBank brand in this year. These investments resulted in increasing the Prime Loan portfolio substantially, the highly successful launch of SweepBank in Finland, and a successful re-branding of SweepBank in Q1 in Latvia, which was previously served under the brand of Ferratum Bank. By year-end 2021, SweepBank had over 48,000 users throughout its operational markets, representing a y-o-y growth of 407.5%.

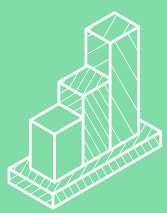
Key growth drivers:

sweep bank

Internal: Opportunity to monetise the app and cross-sell; ability to grow and scale the Prime Loan portfolio profitably; roll out of the app to one of the biggest markets in Europe, Germany, where Prime Loans are already sold

sweep bank

Macroeconomic and trends: Customers demand for a holistic and flexible solution to finance; the increase of online shopping due to the pandemic



sweep bank

Technological: Implemented, unified and reusable plug-and-play technology that allows easy and fast roll-outs into new markets and the scaling of new services in them

SweepBank generated 4.2% of the revenues generated on the Multitude platform, with an average revenue per user (ARPU) of EUR 187.1. An ARPU on this level is beyond comparison in the field of neo banks to date, which average largely at 10% of the ARPU created by SweepBank. The Sweep- Bank APRU is a strong proof point of the value added to business units on the Multitude platform from synergies between them.

After the successful launch of the SweepBank app in Finland in Q4, it not only surpassed market averages in conversion, but was also listed in the top list of Google Play store and rated top 4 financial apps in Apple App Store. Following a survey among young adults, SweepBank launched a credit card in Q3 in Finland, which represented the dream card of the target segment, according to a survey among them.

Outlook

Rooted in the solid foundation that SweepBank built in 2021 for serving its customers, 2022 will be focused on continuing to build and enhance the shopping and financing experience in the app, and on accelerating the monetisation of its growing customer base.

Cross-selling to customers in the app is a key component of the strategy for SweepBank, and offers great opportunities for increasing value to customers, as well as opportunities to grow revenue streams.

In 2022, SweepBank is expected to launch the app in Germany, profitably further grow the Prime loan portfolio, and to accelerate the growth of its credit card user base. With this growth, the SweepBank revenue share within Multitude is also expected to grow further.

In 2022 has been the launch of Sweep Deals. Sweep Deals are promotions that give customers discounts on their purchases with selected retailers and merchants, that SweepBank has partnerships with in the app. Sweep Deals is expected to expand further and is seen as a key component to customer loyalty and stickiness.

Julie Chatterjee

Tribe CEO – SweepBank

Ferratum Tribe

The everyday wingman for personal finance

The Ferratum Tribe, an independent business unit utilising the Multitude platform, offers financial services with the longest history in the Group - in consumer lending.

Vision: To be the first choice of customers seeking small financial support to meet everyday needs

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

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

ferratum

As all business units on the platform, Ferratum builds on the three, core Multitude assets of

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In addition, Ferratum customers can become SweepBank customers, and thus add value to SweepBank by increasing its earnings. The data, customer base, and technological capabilities and solutions gathered through Ferratum over the past over 16 years, are significant enablers for a solid foundation for all other lending in business units across Multitude.

Micro Loan

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

Plus Loan

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

Credit Limit

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

At the end of 2021, Ferratum was active in 15 countries. In each of these markets, one or several loan products are available.

Highlights 2021

Ferratum achieved four consecutive three quarters with positive revenue growth. From EUR 45.0 million in Q1, revenues grew to EUR 46.5 million in Q4. Net AR correspondingly grew from EUR 264.4 million to EUR 282.6 million and the EBIT increased from 20.7% in 2020 to 23.3% in 2021. As per the new strategy, the aim is to reach a 40-60% yield, depending on the country. Year on year, revenues decreased from EUR 200.5 million in 2020 to EUR 182.7 million in 2021. Ferratum generated 85.5% of the revenue of all businesses on the Multitude platform in 2021, with Credit Limit generating 80% of the revenue from the Ferratum tribe.
Ferratum continued to add new data sources and enhanced its underwriting. A further contributor to a healthier portfolio is regular sales of non-performing loan (NPL) portfolios. As an overall result of its operations throughout the year, Ferratum improved payment behaviour. The 90 DPD (days past due date) improved from 86.3% in 2021 to 87.3%. These actions and results justify a positive outlook on the continuation of successfully managed portfolios with decreasing yields and building an even healthier portfolio.

During the year, Ferratum improved and optimised its marketing mix, reducing its average customer acquisition cost by 15% while keeping the volumes. This positive development was mainly reached by widening acquisition channels and optimising mass media investments.

Ferratum is set on building effortless experiences that allow customers to benefit from automated self-service while at the same time reducing their need to contact customer service. Through its industry-leading digital experience, Ferratum has a 94% customer satisfaction and 66% transactional NPS score. In 2021, Ferratum had 31% less reach outs to customer service, than 2020. By year-end 2021, Ferratum had active, conversational chatbots serving customers 24/7. The analytics show that by year end, these virtual AI advisors were able to resolve 71% of customer queries without the need to transfer them to human support. Automated customer interactions are also reached through social media's most popular messaging channels. This allows an omnichannel customer service that scales while reducing costs and increasing customer satisfaction.

Key growth drivers for 2022:

ferratum

Internal: Further roll out and growth of Credit Limit, the most popular product in Ferratum

ferratum

Macroeconomic and trends: Growing amount of population without access to digital and easy funding; Increasing consumer prices leading to need of finance

ferratum

Technological: New features and further enhanced customer experience

During the year Ferratum, as per a Group wide decision for all business units, exited the UK market as other markets are seen more lucrative at this stage. The most recent country to become operational was Slovenia, with activities beginning in Q1 2022 and a soft launch having been initiated in Q4 2021. Ferratum is the first and only fully digital lender in the country.

During H1, the Romanian business was migrated under the Ferratum Bank to reduce funding costs, and Credit Limit was launched.

Outlook

Credit Limit has proven to be the preferred product among customers across geographies for more than seven years. Currently, Credit Limit is available in nine countries, with further rollouts planned. Ferratum will continue to develop new product features for existing products, as well as to launch new products that contribute to future sales growth.

In addition, Ferratum is planning to further expand both inside and outside of the European Union. Ferratum will continue its greenfield approach inside the EU, while actively looking for M&A opportunities and the utilisation of a partnership approach outside of the EU.

Kristjan Kajakas

Tribe CEO – Ferratum

CapitalBox Tribe

Finance for the backbone of European economy - SMEs

The CapitalBox Tribe, the third independent business unit utilizing the Multitude platform, offers small and medium-sized enterprise (SME) financing through credit lines, loans and purchase financing.

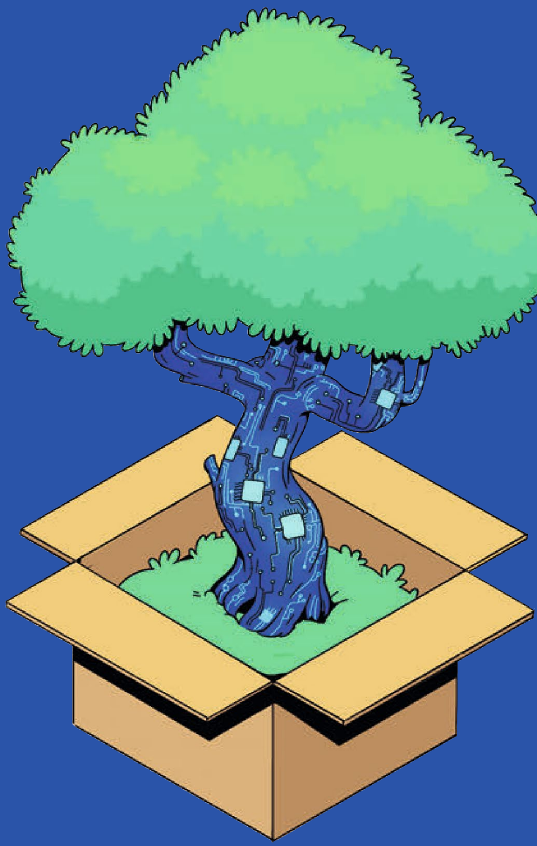
Vision: To become Europe's leading digital SME lender

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

As a pure FinTech company, CapitalBox has created innovative technology to provide SMEs with the fastest, most convenient access to capital available. With the mission to offer this underserved segment financial tools and services that conventional banks are not able and willing to provide, CapitalBox successfully serves this growing segment in an innovative way that allows it to tap into this significant market opportunity.

With traditional financial institutions, loan applications and approvals take several weeks, or even months, and are often rejected due to the lack of know-how in profitably scoring these smaller

CapitalBox



businesses. Through automated processes that are built based on the extensive know-how and data built over years and expert loan specialists, CapitalBox can make financing decisions within minutes, and pay-outs as quickly as on the same day of the digital application being completed and approved.

As all business units on the platform, CapitalBox builds on the three, core Multitude assets of

1. 16+ years of lending and scoring experience and algorithms build across borders
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In addition, CapitalBox builds bridges to other business units on the Multitude platform, such as SweepBank for personal accounts for business owners, or by Ferratum or SweepBank serving potential personal financing needs of the business owner.

At the end of 2021, CapitalBox was operational in five countries: Finland, Sweden, Denmark, Lithuania and the Netherlands. Across its countries of operation, CapitalBox has scored high levels of customer satisfaction, which is proven by its average Trust Pilot score of over 4.3 out of 5.

Services

Instalment loans

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

Credit Line

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

Purchase Finance

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

Highlights 2021

CapitalBox remained profitable during 2021 and recorded an EBIT of EUR 1.8 million at the end of the year, a decrease of 66.7% compared to 2020. Due to the ongoing pandemic in 2021 and its continued, anticipated negative impact on loan performance, lending was actively decreased during H1. From H2 onwards, the lending volumes were slowly increased in a controlled manner, reaching the peak in December 2021. Since the pandemic, CapitalBox has shifted its focus in customers away from COVID-19 impacted industries, such as restaurants, travel and tourism. The payment behaviour improved throughout the year, with impairments amounting to 27.2% of revenues in 2020 and only 25.1% of the same in 2021.

Overall, annual revenue decreased from EUR 26.3 million in 2020 to EUR 22.0 million in 2021. The decrease resulted from an active decision of decreasing lending volumes at the beginning of the year due to the ongoing pandemic and the therefrom resulting increased risk level. The loan portfolio increased from EUR 62.9 million at the end of December 2020 to EUR 75.4 million at the end of December 2021. All country portfolios, excl. Denmark, were integrated into a securitization structure to reduce funding cost. As loan sales increased toward the end of the year, the majority of revenues resulting therefrom is expected to be seen in 2022.

The year was characterized by focusing on profitable, sustainable growth, enhancing customer experience and application, and developing new revenue streams. In Q3, a new CEO for CapitalBox, Oscar Barkman, was appointed. He succeeds Peter Koning, the interim CEO since Q2 2021 who continues to serve as agile and transformation coach. The new tribe leadership has shown strong progress in developing and launching new products and partnerships, such as Purchase Finance (off-and online) and a Credit Line for an enhanced and widened offering to serve SME clients.

As per general decision on Multitude level, CapitalBox discontinued its business in the UK due to identifying more attractive business conditions in other markets. CapitalBox increased the maximum loan amount from the previous maximum of EUR 250,000 to EUR 350,000 in selected markets, and the Credit Line was launched in Q4 in Sweden.

Key growth drivers for 2022:

Capital Box

Internal: Improved underwriting and roll-out of new services

Capital Box

Macroeconomic and trends: Increased energy prices driving need of flexible financing for SMEs; growing segment of SME and increased need for fast and flexible finance; COVID-19 pandemic going over to an endemic

Capital Box

Technological: Ability to continuously improve underwriting in the most attractive segments; speed of application (at the shortest just one minute) due to more automation

The first Purchase Finance partnership was launched in Q4 with furniture retailer Masku in Finland. Masku is a country-wide furniture chain with hundreds of thousands of customers (incl. businesses and consumers) annually, 47 physical stores, and the country's biggest webshop for furniture. Companies that purchase furniture from Masku can now finance their purchase through CapitalBox. The staff of Masku is trained to guide SME owners through the application in case they need support, and the financing decision is typically made online within minutes.

CapitalBox has been building its brand and P.R. related activities, which have increased brand recognition as the leading pan-European SME FinTech. The increased brand recognition has resulted from selected actions such as sponsorships, and it has contributed to an increased number of inbound enquiries for partnerships.

CapitalBox implemented two high-profile sponsorship deals in 2021 to further enhance the brand's profile. CapitalBox was the main sponsor of the World Rally Championship (WRC) Arctic Rally Finland, held in Q1 in Rovaniemi, Finland. The popular motorsports event was the perfect fit for CapitalBox's core values of teamwork, agility, speed, and support in a competitive environment.

CapitalBox also became an official partner of Finland's Athletics federation and has signed a four-year sponsorship agreement that makes it the new main partner of the federation. Team CapitalBox includes Finland's leading triple jump athletes Kristiina Mäkelä and Senni Salminen, Sweden's Olympic gold medallist in the discus, Daniel Ståhl, and Olympic gold medalist Armand Duplantis, the world record holder in the pole vault. The Team CapitalBox, with its top athletes, will market the brand internationally across geographies, competitions, and disciplines.

Outlook

For thousands of underserved SMEs across the EU, CapitalBox is already the preferred choice and reliable partner. It will continue to build on this reputation and position and expand its operations within the EU further.

The newly launched Credit Line is planned to be rolled out to further countries in 2022. In the future, in addition to expanding the current operations, CapitalBox wants to expand its services to new ones such as invoicing and factoring.

Oscar Barkmann

Tribe CEO – CapitalBox

ESG Report

2021

Contents

About this ESG report 2021

The report describes the ESG and sustainability activities of Multitude for the financial year from 1 January 2021 to 31 December 2021. It outlines the ESG and sustainability approach within the economic, social, and environmental context.

In 2021, Multitude renewed its commitment to delivering transparent reporting to stakeholders, including improving reporting on ESG and sustainability performance. The renewed focus on ESG reporting is within a rapidly evolving ESG disclosure landscape, including the European Commission's adoption of the Corporate Sustainability Reporting Directive and significant steps towards convergence of global ESG reporting standards with the establishment of the International Sustainability Standards Board. This ESG Report 2021 demonstrates Multitude's efforts towards transparent ESG reporting with plans to report on further progress made in implementing the ESG roadmap.

The report describes the ESG and sustainability activities of Multitude for the financial year from 1 January 2021 to 31 December 2021. It outlines the ESG and sustainability approach within the economic, social, and environmental context. The ESG Report 2021 comprises the non-financial statement and, unless otherwise indicated, serves to meet requirements under Chapter 3a of the Finnish Accounting Act 1336/1997, which is based on Directive 2014/95/EU.

In aligning with best practice and as part of the transitioning to an enhanced reporting framework, Multitude has decided to proactively provide information in the ESG Report 2021 in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021, which will come into effect in January 2023.

How Multitude creates value

INPUT

- Profound know-how in technology, regulation, cross-selling, and funding
- Tribe focus on unique customer segments and customer experience
- Diversified risk portfolio
- Transforming into platform business
- Responsible customer selection
- Diverse workforce in 25 locations and from more than 40 different nationalities
- Hybrid Working Policy
- New ESG Strategy

VISION

Become the most valued financial ecosystem

MISSION

Democratize financial services through digitalisation, making them fast, easy & green

PURPOSE

Change the world by making banking and finance accesible to everybody

OUR VALUES

• Customer centricity • Entrepreneurial Spirit • Candour • Respect • Winning teams

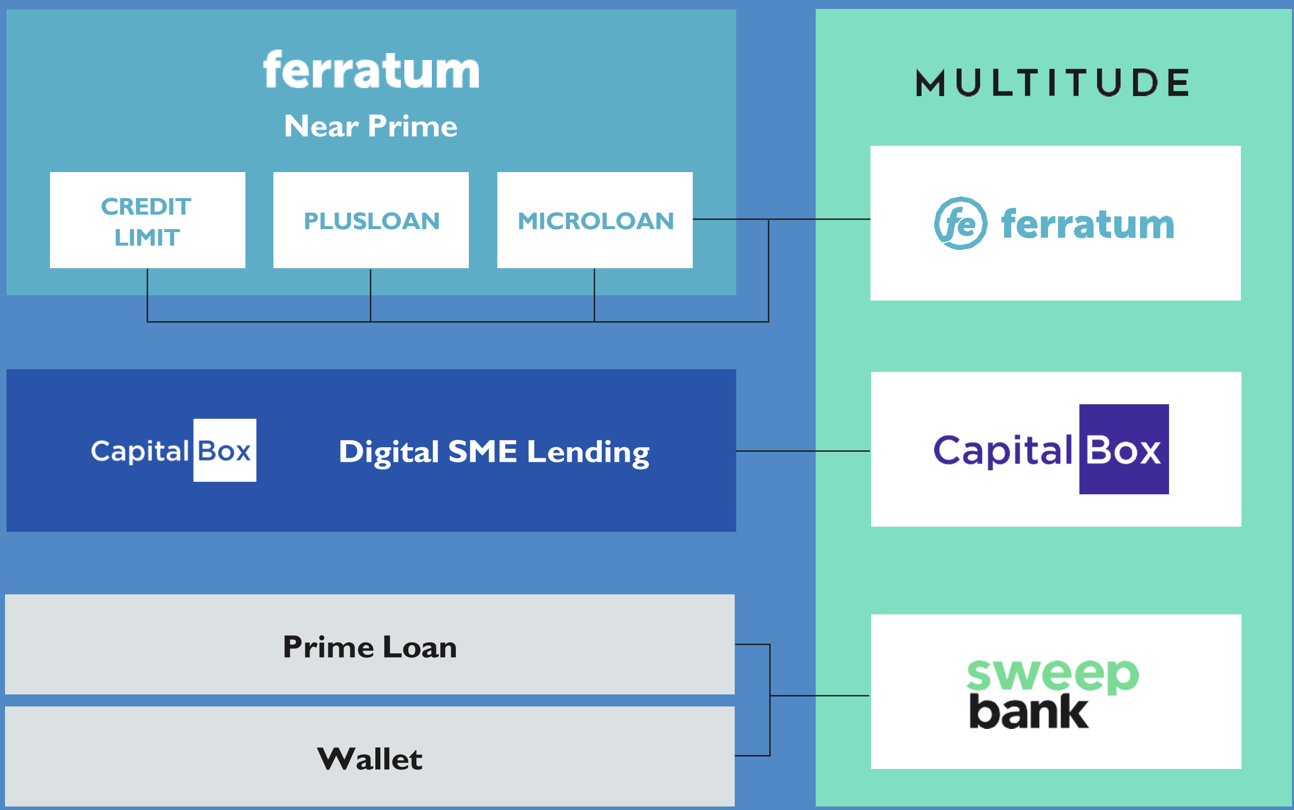
OUTPUT

- Group Revenue EUR 213.7 M
- Operating Profit EUR 23.9 M (EBIT)
- Range of sustainable banking and financial services able to grow and scale delivered through three independent units
- Loyal customers
- Empowered employees in a flexible working environment
- Inclusive and multi-cultural teams
- Management of our social and environmental impacts, risks and opportunities

Our segments and tribes

During 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.



Multitude's ESG approach

A new ESG journey

Global efforts demonstrate the growing recognition of the potential scale of impact ESG matters have on economic and environmental ecosystem resiliency and the urgency with which these impacts need to be mitigated.

The UN has called this decade the 'Decade of Action', as the world accelerates progress towards delivery on the 2030 Sustainable Development Goals and efforts to combat climate change. The EU has undertaken several initiatives towards a 2050 climate neutrality goal, and the Green Deal is expected to drive financial investments towards a sustainable economy. In addition, the Covid-19 pandemic has further increased ESG focus, mainly on the importance of sound approaches to addressing social issues in organisations. This includes the need to ensure employee well-being proactively. Multitude employees have been afforded support through the pandemic, including through active engagement, and offering a flexible working environment.

To support the transition to a more sustainable society, Multitude has been redefining its business under a new name and new strategy, evolving the organisation into a growth platform that aims to be the most valued financial ecosystem. There are three current tribes as independent business units: SweepBank, Ferratum and CapitalBox. Together they serve diverse customer segments, drive value creation, and support the shift in focus towards lending in the higher-end prime segment of higher value loans and longer maturity.

Each independent business unit in the Multitude ecosystem aims to provide a seamless customer experience that is automated and fully digital, in line with Multitude's mission, and continues to prioritise transparency with regards to loan conditions with no hidden fees

For many years, Multitude has had systems and policies to protect and improve the lives of customers and employees. In 2021, the Group embarked on a new journey to significantly improve its approach to ESG and its integration into the core business to better serve the needs of stakeholders.

As a provider of financial services in 19 countries at the end of 2021, Multitude relies on the ability to build and maintain trust with customers and within the communities of the customers served. How Multitude manages ESG matters, including those relating to climate change, is a key determinant of long-term value creation by the Group. Thus, several steps towards addressing ESG have been taken.

In 2021, Multitude developed its first-ever ESG strategy and consequently shared it with investors and employees. The new ESG strategy supports work to deliver value in line with the expectations and needs of customers, employees, investors, and other stakeholders. It is reflective of the changes within Multitude's environment. Multitude believes that it is imperative to manage socio-economic, environmental and governance impacts and risks effectively and identify opportunities to generate positive impact through business models, strategy, and operations.

Defining Multitude's ESG approach - Making banking, finance and shopping accessible to everyone

The new ESG strategy builds on Multitude's purpose to change the world and positively impact society by making banking and finance accessible to everyone. Multitude's mission to democratise financial services through digitalisation and make them fast, easy, and green is central to this ESG strategy.

At the Group level, Multitude's focus is on social and governance matters related to people and processes, the two areas of significant impact and risk, whilst also embedding green and sustainable practices in ways of working. This includes the business functions, called chapters, under the Group's agile environment.

The ESG approach is defined with recognition of an ideal positioning as a digital platform to transform finance through automation and customisation. For the tribes, the individual business units in the Multitude ecosystem, this means leveraging proprietary technology and the tribe segmentation model to drive financial inclusion by offering customers easy access to finance appropriate to their needs and challenges.

SweepBank Tribe

SweepBank aims to provide customers with a personalised shopping and financing experience aligned with their expectations for sustainable financial solutions, backed by innovation and partnerships. Reaching customers that seek responsible shopping and financing solutions is at the core of the tribe's ESG ambitions.

The SweepBank app is built through collaboration with customers to understand their needs and innovate on features, offering an opportunity to address shifting expectations, including sustainable financing products and services. During the first half of 2022, the tribe will include ESG impact in new product initiative assessment and integrate ESG deeper into the product design process and strategy. SweepBank will also increase efforts to include businesses with a strong ESG focus within its partnerships and Sweep Deals experience.

Customers using the SweepBank app benefit from a green banking experience by being offered a cardless and paperless bank account. SweepBank aims to actively promote this experience whilst, in the future, providing the option to obtain a physical card made of biodegradable material to cater to the individual market and customer needs.

Ferratum Tribe

The Ferratum tribe gives customers the freedom to finance their lifestyles on their own terms through solutions that are appropriate to their individual financial circumstances and risk profile.

Customers who would otherwise have limited access to finance to address everyday needs, or are at risk of entering parallel black markets, can access finance through a robust yet fast and easy application and loan decision process enabled by Multitude's advanced technology that utilises AI. Ultimately, this supports customers and their households and protects them against financial hardship due to rising costs by providing a financial safety net.

As a seamless, digital offering, any customer with a phone and internet can access finance, regardless of personal situations such as disability or location. In addition, access to financing supports the increased participation of women in the economy, providing them with a means to support their personal needs, financial independence, and well-being.

The Ferratum tribe ESG approach and goal is focused on widening access responsibly through lending to customers who can afford the loans, educating customers, and avoiding gender bias in lending.

CapitalBox

CapitalBox offers one-stop financing to SME owners with short and long-term financing needs and aims to further leverage deep expertise in lending to SMEs in Europe to align with the global transition towards more sustainable financial products. The tribe supports SME growth, empowering them to further develop and contribute to the resilience of local economies.

The need of SMEs for fast, easy access to finance is addressed where traditional financing solutions are often unavailable to the customers due to the economic environment. CapitalBox also enables easier financing of business growth for SME customers that would be eligible for traditional banking services but rather choose CapitalBox due to its speed and ease of access to finance.

In collaboration with tribes and employees, Multitude has set ambitions relating to these matters to support the delivery of its purpose and mission. The tribes as independent business units are key to implementing ESG and sustainability actions, and each tribe has augmented the high-level ambitions of Multitude with their goals in a manner that incorporates the uniqueness of their customer segments.

Multitude ESG goals

BY

2025 THE GROUP AIMS TO:

1. **Embed ESG conscious practices within the tribes and chapters**

2. **Monitor, report on and improve stakeholder well-being**

3. **Understand and reduce the Group's environmental footprint**

Tribe goals

sweep bank

No. 1 in sustainable and personalised shopping and financing in the EU

ferratum

Leader in responsible lending to customers with traditionally limited access to finance

Capital Box

Leading SME Fintech offering solutions that enable transition to a sustainable economy

Multitude’s ESG values

Multitude’s employees are key to delivering on the ESG ambitions. As part of ensuring a jointly committed ESG journey, in 2021, Multitude conducted a survey on ESG values to be demonstrated in the organisation’s practices. The survey allowed a better understanding of how employees perceive and understand ESG and what they, as key stakeholders, believe would make the most impact. The values capture how “Multitude does ESG” across business units and functions, or chapters, at Multitude, providing a unified approach for all employees.

- Create positive change for customers and society.
- Reduce our negative environmental and social impact.
- Demonstrate empathy to customers and each other.
- Ensure the holistic well-being of our employees.
- Ensure transparency throughout the customer journey.
- Conduct ourselves ethically and with integrity.
- Protect the financial well-being of our customers.

People and culture

Multitude is committed to creating an inspiring and open environment where each employee feels valued, has an equal opportunity to deliver their best, and can thrive and grow within the organisation. The aim is to become the employer of choice within the industry and attract and nurture new talent from the banking and FinTech sectors. This means focusing on people development, providing tools and guidance to leaders to help them grow their teams, and actively encouraging and promoting people within the organisation. As an international, multicultural, and multilingual organisation, Multitude is proud of its diversity and supports employees across several country offices, including Malta, Germany, Slovakia, Lithuania, and Estonia.

Caring for the well-being of employees

The unprecedented previous two years of the global Covid-19 pandemic have challenged companies to reconsider their traditional ways of taking care of employee well-being and have increased the focus on company policies regarding people. The activities at Multitude have been oriented towards supporting employees during these times and continuously finding ways to improve employee well-being. These activities included arranging e-sports events and providing access to online learning. In 2022, Multitude will continue to run several initiatives to support employees' well-being and professional development. Examples of these initiatives include further improvement of possibilities for remote work and providing occupational healthcare, such as private health insurance or subsidising healthcare expenses.

The ongoing pandemic has created the need for many of Multitude's employees to continue working from home. In 2021, Multitude continued to support employees' transition to a post-Covid-19 hybrid model. All employees now work within a hybrid model set-up, and offices are being re-assessed to support the needs of this new way of working better.

Employee Engagement

Multitude is proud of its open, transparent, and timely communication as an organisation. The Group conducts bi-weekly group-wide calls to allow everyone to ask questions or raise concerns. These calls have proven to be events that employees find very useful and further drive an open and candid culture at Multitude.

In addition to bi-weekly meetings for all employees, Multitude actively communicates to employees through other means, answers questions asked, and provides follow-up information where needed. Employee satisfaction surveys are conducted on a quarterly basis. In 2020, Multitude launched a new streamlined employee satisfaction survey that is built on the Net Promoter Score Methodology. This feedback enables the organisation to continuously improve employee satisfaction in the respective areas across the Group. All results are communicated internally at Group level, and further actions resulting from the feedback are communicated at the tribe or function level.

Current eNPS score	12	2025 Target	20

Engaging employees in supporting communities

Multitude employees are part of decision-making regarding the Group's support for social and environmental causes. Multitude wants to support charities that its employees believe, both from a personal and a Group perspective should be actively contributed to. In 2021, employees were asked to nominate charities to donate to. These included causes on environmental and community development, health, poverty, and human and civil rights. Employees selected the final list of charities from each category that Multitude then donated to. In 2021, EUR 19.000 was donated to these selected charities, including the Hunger Project, 1% of the Planet, and Doctors Without Borders. Multitude will continue to engage employees on the new corporate social responsibility strategy, which is to be finalised in 2022.

Partnering to develop a hybrid working policy

Being an inclusive organisation that values employee feedback, Multitude ran several surveys throughout the pandemic to understand how employees preferred to work. Consistent with external data, employees highlighted the preference of a hybrid working model in every survey, meaning flexibility to work both remotely and from the office. As a response, Multitude adopted a flexible hybrid model based on team and individual needs through and beyond the pandemic. This response was guided by internal values, such as customer-centricity and the belief of serving employees at the same level as one would serve customers.

Employee benefits

Multitude aims to ensure that its employees are happy and satisfied throughout their career journey in the Group. Thus, a broad range of benefits is provided to them to show appreciation for their valued contributions. Through a hybrid working model, Multitude thrives on trusting employees to do what they do best from anywhere and anytime. This flexibility allows all employees, irrespective of location, together with their teams, to choose from where to work and how to work. Employees can also access an online learning platform with over 16,000 courses in 7 languages for personal and professional development.

In addition, Multitude offers a Matching Share Plan that allows all employees to invest up to 10% of their annual salary into Multitude shares, which the Company matches 1:1 after a two-year holding period.

Further benefits are being piloted in several international offices and within the tribes. For such benefits that are not limited due to local regulation, successfully piloted ones will be offered across locations to benefit all employees.

Employee development

Since the pandemic's start, all regular team meetings, internal communication, performance reviews, and development discussions have been implemented virtually. This has enabled Multitude to conduct formal professional development reviews. In 2021, leadership training for line managers and team leaders was continued, with a focus on agile leadership.

The continuous professional development of employees is strongly encouraged through:

- Performance review coupled with Personal development plans twice a year
- Advanced learning opportunities via:
  - Internal Experts knowledge sharing
  - External Trainers focusing on competencies & mastery
  - Modern learning platform
- On the job learning & more informal teaching
- Mentoring & line management
- All open positions are advertised internally
- Group-wide onboarding program to new hires, irrespective of location

Developing local communities - Multitude IT internship program

Multitude runs an IT Internship program through the Slovakian IT hub, which provides opportunities for talented young students during their study programs. Interns can immediately develop hands-on technical and interpersonal skills by handling challenging tasks and working with an assigned mentor as part of an agile team whilst balancing their academic commitments. This experience enables them to gain valuable work experience and readiness to join the job market. Multitude's commitment to investing in next-generation IT leaders is evidenced by the formal employment of several interns that complete the program.

Policies

Multitude has multiple people-related policies in place to support the management and development of teams. Policies, procedures, and guidelines for all aspects of employee journey from hire to retirement, including talent acquisition, onboarding, engaging, development, progress, and exit, are in place. All employee policies and guidelines are introduced via info-letters, the modern cloud-based Human Resources Information System, and learning platforms. They are also available internally through an internal communications page. The implemented HR practices are available to all employees, regardless of their location.

Employees follow several guidelines throughout the employee journey, including a Code of Business Conduct and Ethics, Anti-Money Laundering, Cyber Security, and employee handbooks to guide corporate communication and actions for equality and against bullying. These policies and procedures provide for the fair treatment of employees and the commitment to a safe and healthy working environment.

In addition to the Code of Business Conduct and Ethics that supports a safe working environment for employees, the Harassment Policy outlines how to ensure an atmosphere free of harassment, discrimination, exploitation, or intimidation of existing and prospective employees. The Equal Opportunities policy addresses anti-discrimination and supports Multitude's aims to ensure all employees have equal access to opportunities and that the company culture is inclusive.

Multitude ensures compliance with local legislation concerning employee health and safety. In 2021, no work-related injuries were recorded. In addition, given the flexibility of the hybrid way of working, the Company registered a low rate of Covid-19 cases and little to no disruptions in operations due to Covid-19 cases among employees.

How Multitude plans to support employees during 2022

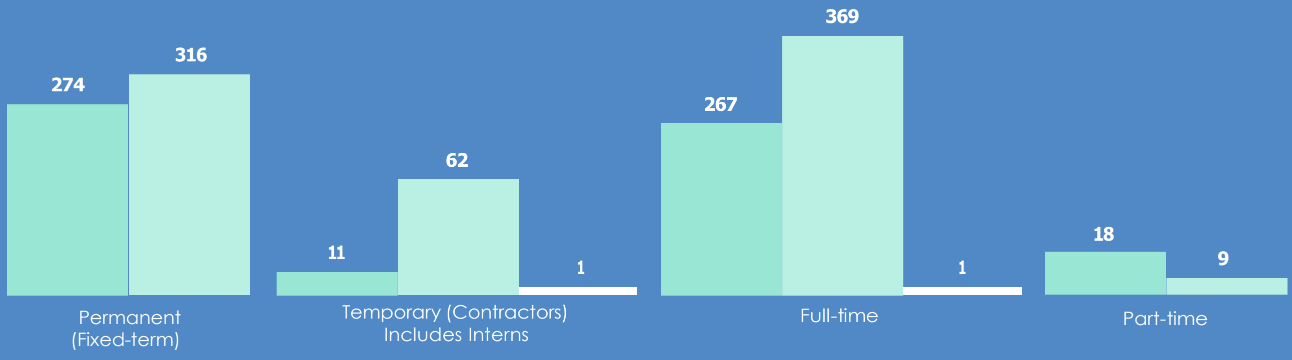
Following the rebranding of the Group to Multitude, the Company is redefining its employee value proposition. The objective is to become an employer of choice in the FinTech community by continuing to build on the current strong employee value proposition. The focus is on what makes Multitude strong and different as an employer. This will support the Group's overall branding and employer branding strategies, which will be implemented internally and externally throughout 2022 and beyond.

In 2022, in addition to surveys to determine the Employee Net Promoter Score, Multitude will introduce focus groups to further enhance employee engagement and understand their needs and expectations. Personal Development Plans are being rolled out across the Group, with the aim to work together with employees to support their personal career growth better.

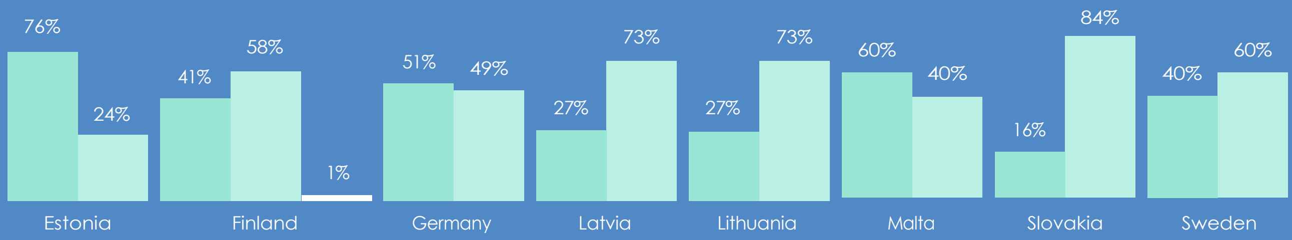
Employee information

Employees GRI 2-7

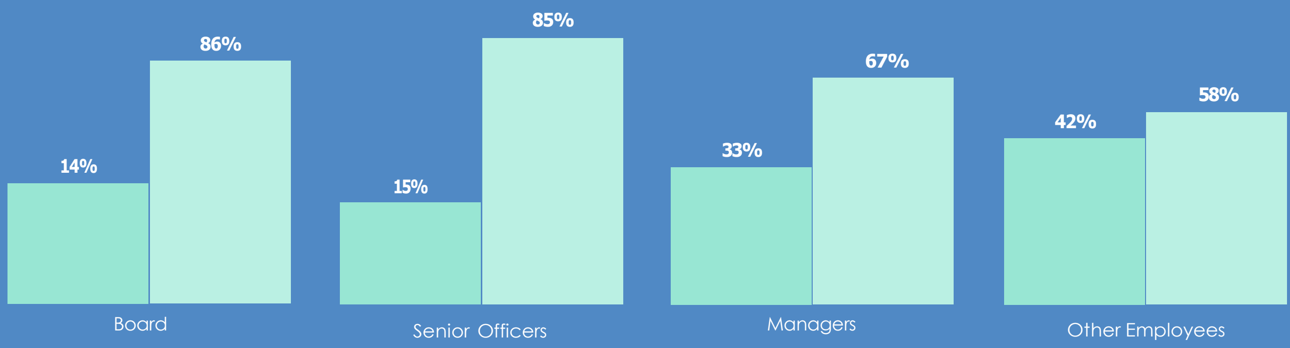
Total number of employees by employment contract and gender



Gender distribution in our 8 largest offices



Diversity of governance bodies and employees: GRI 405-1



Female Male Non-binary

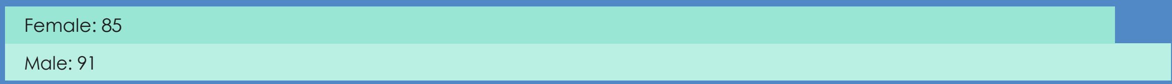
Methodology: FTE, as at the end of reporting period (FY 2021)
Employee fluctuation: Headcount is stable with approx. 4% increase over FY 2021

Headcount 664

New employee hires and turnover GRI 401-1

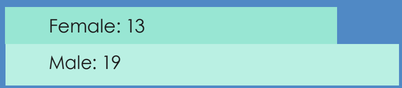
New hires by gender

Employee turnover by gender

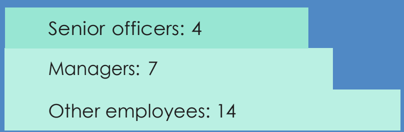


Average hours of training per employee GRI 404-1

Average hours of training by gender



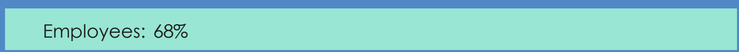
Average hours of training by employee category



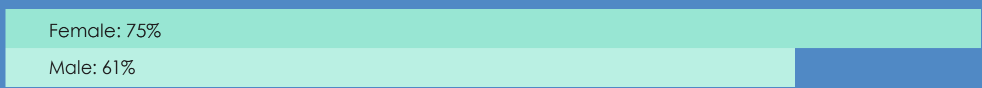
Total training hours: 6716

Percentage of employees receiving regular performance and career development reviews GRI 404-3

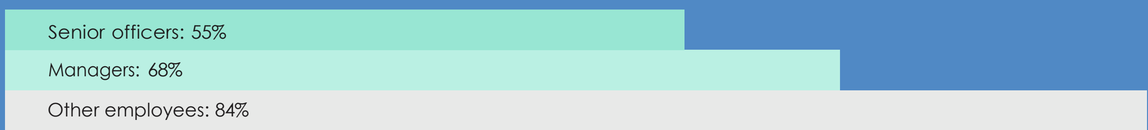
Employees who received a regular performance and career development review



Employees who received a regular performance and career development review by gender



Employees who received a regular performance and career development review by employee category



Methodology: FTE, as at the end of reporting period (FY 2021)
Employee fluctuation: Headcount is stable with approx. 4% increase over FY 2021

Stakeholder engagement

Multitude believes in engaging with stakeholders openly and actively to understand and meet their expectations and to address their needs. An open and ongoing dialogue with stakeholders informs the Group's processes and strategies to create value for customers, investors, and society. Transparent engagement with stakeholders is also in line with internal values of candour. Through these efforts, Multitude aims to maintain and build trust and partner with stakeholders to achieve positive outcomes for all.

Multitude undertook a materiality assessment in 2017 via an online survey and subsequently updated the materiality matrix in 2018. In recognition of the evolving context within which Multitude and stakeholders assess topics, such as those arising in the post-pandemic era and from increased investor and governmental focus on ESG, an updated materiality assessment will be conducted during 2022. The updated materiality assessment will be conducted in accordance with the GRI reporting standards and the EU Non-financial Reporting Directive concept of double materiality.

Customers

Multitude and its business units' engagement with customers helps deliver better customer service as it is based on listening and responding to feedback and on putting the customer first. This involves conducting customer surveys and understanding each customer's unique circumstances to serve their needs better. An example of this relates to the development of SweepBank products and services. SweepBank regularly engages with customers to ascertain which features and services customers would like to have. Customer insights feed into the product design process and development of future product features.

Employees

Employees are key stakeholders and, as such, an important element of the engagement processes. Multitude conducts regular surveys to identify the state of all employees in terms of well-being and satisfaction. The Group-wide bi-weekly meetings are in a format that supports deep engagement with the Leadership Team on matters that affect the Company and its employees. Follow-ups on topics are conducted as they are needed.

Investors

Multitude wants to foster transparency in engagement with investors. This can be achieved through strengthening reporting on financial matters and ESG matters which affect the organisation, as well as by providing opportunities for investors to provide feedback on how the Group can improve to meet and exceed expectations.

Regulators

Multitude proactively monitors regulatory requirements in its countries of operation to ensure continuous compliance. Where needed, Multitude engages with regulators on evolving requirements, seeks clarity, and ensures the continued awareness of implications for business and customers.

Environmental sustainability

Measuring Multitude's footprint

The Group recognises its role in supporting the transition to a sustainable global economy. The Group or its business units do not have physical branches to serve customers, and it has only limited exposure to large corporates that operate in high emitting sectors. Multitude has offices for its employees, in which it seeks to manage its environmental footprint.

Multitude has plans to advance environmental responsibility practices during the coming months. The Group has committed to measuring its carbon footprint in 2022, reporting on Scope 2 and 3 emissions for 2022. Currently, Multitude is working with a Swedish-based company, Normative, to support efforts in measuring the carbon footprint of the Group.

The Group has also committed to setting targets during 2022 to accelerate further efforts towards being a green and sustainable FinTech. This commitment will mean reducing the Group's emissions and contributing towards efforts to remove GHG emissions, where necessary. Environmental sustainability is integrated into Multitude's ESG goals for 2025, and the Group wants to measure and reduce its environmental footprint by 2025.

Efforts to minimise the environmental footprint

As part of the renewed ESG approach, the Group has been increasing engagement with employees on ESG matters, including environmental sustainability. The Group partners with employees to identify initiatives that reduce the negative impact on the environment and has created a forum that provides each employee with an opportunity to actively drive impact in a coordinated manner. Multitude also aims to educate employees on environmental sustainability as part of efforts to embed ESG-conscious practices across the organisation. In December 2021, The Group held an interactive Holiday Green Festival online, which was aimed at raising awareness on how employees can act towards environmental protection within their own lives.

Two of Multitude's largest offices have changed practices that negatively impact the environment. In the Latvian office, employees started using reusable containers instead of disposable ones when buying their lunch at a local food store instead. In the Berlin office, employees received personal glass bottles to eliminate the use of single-use plastic. The ability to recycle, reuse or reduce the negative impact on the environment is considered by several of Multitude's offices when undertaking office purchases and in the management of technological devices. The formalisation of this approach will be outlined in the ESG Policy published in 2022. Employees are encouraged to take action to protect the environment at the offices, including the usage of reusable items in office break areas.

In addition, environmental considerations are part of Multitude's approach to product development and service provision. As an example, all SweepBank transactions are paperless unless otherwise required by regulation, and product development within the tribe will, in 2022, include formalised identification of initiatives with a potentially positive impact on the environment.

Reducing IT waste

Nearly every employee at Multitude uses an IT device, and the amount of IT waste that the Group contributes to has been acknowledged. Multitude manages the use of devices with the aim of extending the use and reducing waste. Employee laptops have a lifetime of four to five years, depending on the make. Thereafter, employees have the option to purchase the device at a low price. To incentivise extended use by employees, every employee is offered the option to receive the device free of charge if they keep the device for an additional year. Old devices are in addition offered to charities or education centres.

Responsible business practice

The Group has implemented policies to support compliance with applicable legislation, which is monitored regularly. Multitude is committed to maintaining the highest ethical standards as demonstrated through policies on responsible lending, anti-bribery and corruption, tax governance, and customer data protection. Employees are given regular training on these topics to ensure compliance.

The company culture embodies Multitude's values, which guide everyone in ensuring that actions are in the best interests of prospective and existing customers, that business units are lending responsibly to the right customers, being transparent about products and services, and being respectful of customers' individual circumstances. This includes considering changing life situations that affect the ability to pay back loans. As an example, if customers face difficulties with loan repayments, the respective tribe will work with them to identify solutions that serve all parties and support their financial well-being.

Responsible Marketing and Selling

The Group has been actively working to enhance marketing practices further and to align with best practices. Existing internal guidelines obligate Multitude and its business units to not advertise any services or products in a misleading, false, or deceptive manner and to ensure that customers can access all information that is relevant to their decision-making, including information on interest rates and fees. A revised Responsible Marketing policy will be implemented during 2022 to strengthen the efforts with regards to responsible selling and marketing.

Responsible Lending

Multitude applies responsible lending principles collectively as an organisation, with each employee taking care to act in a manner that places customer interests at the centre of daily decision-making. Everyone within the Group is committed to ensuring that lending decisions are clear, consistent, transparent, and in line with applicable regulatory and legal requirements that have been established at the national and/or EU level.

Multitude and its business units seek to ensure customers understand the terms and conditions and legal documentation and to provide information in a clear and transparent way that enables informed decision-making. The customer selection process ensures that customer segmentation is not based on ethnicity, gender, or age. Everyone within Multitude is committed to abiding by consumer protection laws as enacted by the EU.

Affordability is a core pillar of Multitudes lending approach. It involves ensuring to only provide loans to customers that can afford them and that these understand what they are committing to. Therefore, comprehensive, and stringent procedures have been implemented to ensure only lending to customers who can afford a loan while considering the ability to repay the loan fully and on time. Due to regulatory requirements, these carefully designed procedures and processes are implemented across the Group with variations based on location. These internal procedures generally include a broad range of controls such as the utilisation of sophisticated policy rules, independent credit-worthiness checks on public and private databases and credit bureaus, and other available data sources – all carried out with the full consent of the customer. This intelligent data analysis optimises operations and implements best-in-class underwriting within an automated and fully digitalised process. Strict filtering supports the rejection of potential customers that would not be able to pay back their loans.

Multitude is continuously evolving procedures to enhance responsible lending practices further. This includes implementing new data sources for income and expense verification and expanding new lending principles across different countries of operation. It also includes the continuous improvement of Multitude's sophisticated loan scoring system, which is particularly relevant for prime loans as the amounts are higher, and loan maturities longer. The scoring includes access to internal and publicly available data, proprietary self-learning algorithms, and customer affordability and product suitability evaluations. This technology is at the heart of the decision-making process for every tribe and ensures providing only the most suitable services to customers.

In selecting customers, Multitude conducts several checks and assessments depending on the type of loan in question, including checking loan repayments against household or personal income and other financial commitments or potential insolvency proceedings that would impact loan applicants. These checks reduce the risk of over-indebtedness and promote customer financial well-being. With shorter-term loans, Multitude does not grant more than one loan to the same customer at the same time and adheres to a one day "cooling off" period after the customer has repaid the loan. Cooling off periods are a way of ensuring that the customer does not enter a cycle of debt. As a further effort to limit over-indebtedness of customers, except for revolving credit products, none of the tribes allows rolling loans over or granting advances to finance a customer's unpaid interest or fees until the customer's outstanding loan has been paid.

Anti-bribery, anti-corruption, and whistleblowing

The Group's approach to anti-bribery and corruption is outlined in the Code of Business Conduct and Ethics, with varying levels of implementation depending on relevance across the organisation. Multitude has a zero-tolerance approach to money laundering and terrorist financing, which is reflected in a rigorous due diligence process in new business relationships.

The Code of Business Conduct and Ethics has been approved by the Board of Directors and communicated to the Leadership Team and all employees. Most of the Group's operations require employees to sign declarations to confirm understanding. The Group Compliance Officer has oversight on implementing policies and guidelines on anti-bribery and anti-corruption and ensures compliance with the regulation. Internal audits are carried out regularly to uncover potential violations.

External whistleblowing procedures are described in Multitude's Code of Business Conduct and Ethics, which has been updated in accordance with the EU Whistleblowing Directive (Directive (EU) 2019/1937) at the end of 2021. Any corruption or bribery concerns, or other suspected violation of financial markets regulation, can be flagged via the whistleblowing process and would automatically be escalated to the Leadership Team. An internal or external audit could be implemented depending on the nature, scale, and complexity of the issue in question. During 2021, there have been no reports or events of corruption, cartels, or any other unethical business conduct.

Employee training on anti-bribery and anti-corruption

Multitude employees undergo regular training on anti-bribery and anti-corruption. In 2021, the Group focused on targeted security awareness training on topics such as phishing, personal safety, and security. As part of the 2022 Regulatory Compliance Plan, training on the Code of Business Conduct and Ethics and anti-bribery and anti-Corruption is planned for the 2nd and 3rd quarters of the year.

Responsible Tax Governance

Multitude seeks to meet all its statutory and regulatory tax obligations, acting with reasonable care in relation to all tax filing and payments and, where appropriate, disclosing all relevant facts and circumstances to the tax authorities. The Group Tax Strategy is ultimately overseen by the Tax Team and is reviewed annually and additionally when there are material changes to the tax environment.

The Group operates based on full openness and transparency in its approach to dealing with tax authorities of the jurisdictions in which it operates. Ongoing matters are resolved in a collaborative, courteous and timely manner and, where appropriate, by actively engaging with Tax Authorities on a real-time basis to minimise tax risk as part of the Group's effective tax management.

Due to the complexity of the tax system within which Multitude operates, the Group's long-term tax goals are consistent with its mission and relate to avoiding tax risks and making tax payments at the currently required level. To avoid these risks, the Group updates the identification and analysis of risks on an ongoing basis, taking an analysis of the Company's historical data, analysis of external data, including court rulings and tax interpretations, reports and advice received from tax experts, tax advisors, legal advisors or auditors into account. The assumption is that the maximum level or type of tax risk that an organisation can accept to achieve a financial or strategic goal is low. This means that Multitude is unwilling to bear risks and chooses a safe solution that does not generate risks when in doubt.

In instances where a tax law issue requires additional analysis by an external advisor, personnel reports such a need to the Tax Team. The Tax Team decides on the performance of the relevant analyses. Legal issues that may directly or indirectly affect tax settlements are consulted with the Tax Team.

Training our people and raising awareness

Multitude widened security awareness initiatives among employees and has increased the focus on using techniques that provide higher engagement results, such as games, audio-visual content, and phishing assessments. In June 2021, a new security training and awareness platform was introduced, and employees have undergone a total of 1,763 hours of training by the end of 2021. Training content ranged from general Information Security Awareness to targeted training content related to topics like phishing, personal safety, and security. In addition, several awareness-raising initiatives were organised, including a Cybersecurity Awareness Month in October. The Group's efforts to increase employees' awareness towards identifying phishing attempts have resulted in a 30% overall average improvement in phishing assessment responses between October 2021 and December 2021.

Cyber security

Multitude recognises cyber security risk as a key operational risk and that the prevalent threats observed during the past year are in line with the most frequently identified cyber trends in the FinTech and financial sector, including targeted social engineering attacks, accelerated threat of landscape changes, and the increasing dependency on third-party integrations.

Multitude has continued to invest in cyber security risk management capabilities and processes as part of broader operational risk management. Several initiatives were undertaken during 2021 and will continue to further increase security within systems, networks, and procedures during 2022. Administrative and technical controls are implemented in line with the Information Security Policy Framework, which has been approved by the Board of Directors. Multitude has adopted a "defence-in-depth" approach by implementing controls at all levels. These controls are designed using a "plan-for-failure" approach to ensure that should one control level fail, it will not put the Group's systems, networks, or data at risk. Furthermore, Multitude's Information Security Team has joined several initiatives at the European level to continue building its security intelligence network within the European Financial Services sector.

While the Group has not suffered any security breaches, cyber security remains an area of critical importance. In 2022, a new Group-wide Security Information and Event Management system was implemented to improve the Group's security visibility, threat intelligence efforts, and security response. The team is efficiently working on further developing the Key Risk Indicators in Cyber Risk Monitoring and alignment towards ISO 27001/2 standards.

Protecting customer privacy

One of the core focus areas at Multitude is protecting customer privacy. These customer privacy protection efforts are aimed at protecting company data from theft, damage, and destruction. Policies and procedures that enable Group-wide compliance with data privacy regulations and responsibilities and data subjects are implemented to exercise customers' rights with requests addressed in a timely and quality manner.

In 2021, Multitude did not receive any substantiated complaints concerning breaches of customer privacy and/or personal data by any external third parties, and the Group has not experienced any identified leaks, thefts, or losses of customer data.

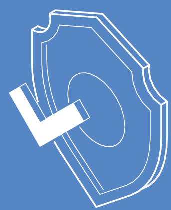
Key data protection efforts

1. Transparency in data handling

Multitude is transparent in how data is handled, informing customers about how their data is being used, and what measures the Company has put in place to protect personal information of customers, as well as in ensuring that requests are responded rapidly to.

2. Training employees

Employees complete online training on data protection essentials once a year, while new joiners undergo this training during their first two weeks in the Company. Further training is provided to teams with close interaction with customers and their personal data, for example, the customer service teams.



3. Monitoring performance

Performance on data protection is monitored by the data protection team, which is responsible for providing advice on the impact of data protection efforts and assessing compliance with regulations, including within the product design and vendor management processes. Audits are also conducted to ensure compliance and to address potential issues proactively.

ESG risk management

The new ESG strategy incorporates embedding ESG within the Group risk management framework, aligning with its objectives to ensure that ESG is managed in the same manner as other risks. The Group approach to ESG integration is incremental, with initial processes to assess ESG risks planned for implementation during the first half of 2022. During H1, Multitude will publish the Group ESG Policy, which sets ESG policies and processes out, including how ESG risks are identified, assessed, managed, and monitored. The plan is to implement ESG risk assessment processes within vendor management processes and product development. Several steps towards this have been taken within Ferratum Bank, where ESG impacts within the vendor management process and the New Product Assessment Processes are considered.

ESG in vendor management

Improving the understanding of risks that the supply chain poses to Multitude's reputation and sustainability performance is an important element in developing the internal ESG risk management framework. Therefore, ESG is already considered within some of the agreements, starting with Ferratum Bank operations. This is in line with an evolving ESG approach and recognising the importance of managing the impact that supplier relationships have on Multitude's ability to be a responsible business. These ESG considerations are made in addition to existing due diligence, such as relating to customers and protecting their data.

During the first phase of ESG integration into the internal vendor management processes, ESG policies are requested to be provided prior to entering an outsourcing agreement. In the next phase, the review process will be strengthened, and the scope of a broader set of ESG matters widened. At present, vendors are required to provide a Code of Conduct and Ethics Policy and policies relating to the prohibition of bribery and corruption.

ESG integration into the new product approval process

Product development is an important function that ensures the enhancement of long-term value creation for the benefit of shareholders, customers, employees, and other stakeholders. Every bank must have a well-documented new product approval policy (NPAP) in place to be in line with the European Banking Authority Guidelines on Internal Governance. In addressing this requirement, Multitude has developed a robust NPAP policy that incorporates ESG considerations for Ferratum Bank. Incorporating ESG considerations into the NPAP process ensures that a risk adequate approach and the necessary degree of intervention in relation to ESG impacts in product development are abided to when introducing new products or entering new markets.

Under Ferratum Bank's NPAP policy, assessments of ESG impacts not covered elsewhere are made with reference to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Exclusion Policy

The Group understands its role in being a responsible financial services platform and serving customers whilst taking care not to harm society. Thus, it has committed to refraining from financing businesses operating in certain sectors. In providing finance to SMEs, CapitalBox is committed to excluding the financing of businesses in any of the following areas:

1. Production and distribution of armaments or manufacture of products/services for military purposes
2. Promotion of steam coal
3. Electricity generation from steam coal
4. Unconventional oil production (from tar sands and/or oil shale)
5. Unconventional gas extraction (fracking)
6. Manufacture or distribution of tobacco products
7. The offering of products or services to produce nuclear power or for the operation of nuclear power plants

ESG governance

The Group ESG Officer drives ESG strategy development and integration into Group activities, providing a dedicated internal liaison for stakeholders. ESG matters are identified within each chapter and tribe on an ongoing basis with oversight of processes to assess and manage ESG matters delegated to the Group ESG Officer. During 2021, Multitude convened the multi-functional and multi-tribal ESG Steering Committee, which meets on a weekly and monthly basis to review progress on the implementation of the ESG strategy and integration into organisational structure, processes, and policies.

The ESG Steering Committee is chaired by the Group ESG Officer and the Group CEO. Members include the Chief Risk Officer, Group Head of Human Resources, Head of Investor Relations, and tribe leaders. The ESG Steering Committee reports to the Board of Directors on a quarterly basis, which approves the ESG strategy and provides oversight on ESG matters. Currently, the Group is in the process of integrating ESG into the Risk Committee and Audit Committee processes. This will enable effective identification, monitoring, and management of ESG risks and strengthened controls relating to ESG in line with forthcoming EU regulations and best practice.

ESG governance structure

BOARD OF DIRECTORS

- Approval of ESG strategy and ESG performance monitoring
- ESG incorporation into long-term strategic objectives
- Integration of ESG into board and committee practice
- ESG Steering Committee participation by selected members

RISK COMMITTEE

- ESG risk management oversight
- Preparation of ESG risk matters for the board

AUDIT COMMITTEE

- Monitoring of ESG internal controls
- Monitoring of ESG reporting process
- Review of ESG reports
- Preparation of ESG audit matters for board

REMUNERATION COMMITTEE

- Review of matters and reporting to Board on HR policy, leadership and remuneration

CEO

- Oversight of company compliance with ESG strategy.
- Regular reporting to board on ESG

ESG OFFICER

- Leading ESG Strategy development initiatives
- Supporting group and tribe ESG goal implementation
- Driving ESG consciousness in group activities
- Reporting to board committees and chairing ESG Steerco
- ESG Stakeholder engagement

ESG STEERING COMMITTEE

- Chaired by CEO and ESG Officer
- Supporting development and implementation of ESG strategy
- Meets weekly and reports quarterly to board

TRIBES & CHAPTERS

- Development of relevant ESG goals and initiatives
- Implementation of tribe and chapter ESG strategy

Non-financial statement index

NFS disclosure	EU Non-Financial Reporting Directive Art. 19a (1)(a-e)	Report topics
Business Model	(a) a brief description of the undertaking's business model	Multitude - The Fintech Pioneer, How Multitude Creates Value
Policies and Due Diligence	"b) a description of the policy pursued by the undertaking in relation to those matters, including due diligence processes implemented;"	Policies, Responsible Business Practice, ESG Risk Management, ESG Governance
Outcomes	(c) the outcome of those policies;	Multitude ESG Goals
Principal Risks	"(d) the principal risks related to those matters linked to the undertaking's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the undertaking manages those risks;"	Policies, Stakeholder Enagement, Environmental Sustainability, Responsible Business Practice, ESG Risk Management
Key Performance Indicators	(e) non-financial key performance indicators relevant to the particular business.	Multitude ESG Goals

Approval of the non-financial statement

Frederik Strange
Chairman of the Board

Jorma Jokela
CEO, Vice Chairman of the Board

Goutam N. Challagalla
Member of the Board

Michael A. Cusumano
Member of the Board

Clemens Krause
Member of the Board

Lea Liigus
Head of Legal and Compliance,
Member of the Board

Juhani Vanhala
Member of the Board

GRI index

GRI Standard		Relevant section or Direct disclosure	Comments
GRI 2: General disclosures (2021)			
Organizational profile			
2-1	Organizational details	Multitude - The FinTech Pioneer, How	
2-	Entities included in the organization's sustainability reporting	Consolidated Financial Statements, Group Companies	
2-	Reporting period, frequency and contact point	About this ESG Report 2021	
2-4	Restatements of information	GRI index	No restatements in the ESG Report 2021
2-5	External assurance	The ESG Report 2021 has not been externally assured. In line with EU regulation and timelines the Group will be assuring the report.	
Activities and workers			
2-6	Activities, value chain and other business relationships	How Multitude creates value, Multitude - The FinTech Pioneer	
2-7	Employees	Employee information	
2-8	Workers who are not employees	43 workers are consultants or technical staff Methodology: Headcount number based on FTE, as at the end of reporting period.	
Governance			
2-9	Governance structure and composition	1. Corporate Governance Statement 2. ESG Governance	
2-10	External initiatives	Corporate Governance Statement	
2-11	Chair of the highest governance body	Corporate Governance Statement	
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Governance	
2-	Delegation of responsibility for managing impacts	ESG Governance	
2-14	Role of the highest governance body in sustainability reporting	ESG Governance	
2-15	Conflicts of interest	Corporate Governance Statement	
2-16	Communication of critical concerns	Corporate Governance Statement	
2-	Collective knowledge of the highest governance body	Group ESG Officer regularly updates board on ESG topics. Board chairman, Frederik Strange, is an experienced leader and finance expert with specialization including ESG.	
2-18	"Evaluation of the performance of the highest governance body"	Corporate Governance Statement	

2-19	Remuneration policies	Remuneration Report
2-20	Process to determine remuneration	Remuneration Report
2-21	Annual total compensation ratio	Ommitted
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Our ESG Approach
2-23	Policy commitments	Our ESG Approach
2-24	Embedding policy commitments	Our ESG Approach
2-25	Processes to remediate negative impacts	Anti-bribery and corruption and whistleblowing
2-	Mechanisms for seeking advice and raising concerns	Our Policies, Anti-bribery and corruption and whistleblowing
2-27	Compliance with laws and regulations	Poland Polish data protection supervisory authority brought a complaint following a delay in the provision of information requested by the said authority to the attention of Pactum Poland, an entity of the Group. The delay was a result of Covid-19 restrictions in place at the time. As a result of this unfortunate delay, the authority imposed an administrative fine of EUR 4,000. Latvia Marketing campaign in Latvia between the 27th of May 2021 and the 28th of June 2021 was determined by the by Latvian Consumer Rights Protection Centre ("CRPC") to contain certain terms that could be perceived as inviting consumers to apply for consumer loans unnecessarily and was ceased. **Malta** Malta Financial Services Authority ("MFSA") imposed an administrative penalty of EUR 3,750 on Ferratum Bank for failure to submit its external auditor's Management Letter within the regulatory deadline. This originated from delays in the submission of the management letter to the Bank itself and the law still obliged the MFSA to impose the relative fine on the Bank. Australia The Australian Securities and Investment Commission ("ASIC") commenced civil proceedings in the Federal Court against Ferratum Australia Pty Ltd ("Ferratum") for allegedly charging prohibited fees and overcharging consumers who paid off loans early. Ferratum is currently investigating the claims made by ASIC. "
2-28	Membership	Multitude is part of country and industry associations under regulations.
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Employees are not covered under collective bargaining agreements. The Group does not restrict employees from collective bargaining agreements.

GRI 3: Material Topics (2021)			
3-1	Process to determine material topics	Stakeholder Engagement	
3-2	List of material topics	Stakeholder Engagement	List of material topics: updated materiality assessment will be conducted during 2022. After the new materiality assessment, Multitude will further develop its GRI reporting on GRI 200, 300 and 400.
3-3	Management of material topics	1. Stakeholder Engagement 2.Responsible Business Practice	List of material topics: updated materiality assessment will be conducted during 2022
ECONOMIC STANDARDS			
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	Board of Director's Report Unaudited, Financial Highlights	
GRI 202: Market presence (2016)			
202-2	Proportion of senior management hired from the local community	Senior management members are from the local communities in our countries of operation.	
GRI 205: Anti-corruption (2016)			
205-	Communication and training about anti-corruption policies and procedures	The anti-bribery and corruption policy is part of the Code of Business Conduct and Ethics, which is approved by the board.The Code of Business Conduct and Ethics is circulated to all the employees for signature. No ad hoc training anti-corruption training was organised in 2021. Under the 2022 Regulatory Compliance Plan training on the Code of Business Conduct and Ethics is planned for Q2 and Q3 2022.	
205-3	Confirmed incidents of corruption and actions taken	No incidents of corruption recorded.	
GRI 206: Anti-competitive behavior(2016)			
206-1	"Legal actions for anti-competitive behavior, anti-trust, and monopoly practices"	There were no legal actions relating to anti-competitive behaviour, anti-trust or monopoly practices.	
GRI 207: Tax (2019)			
207-1	Approach to tax	Responsible Tax Governance	
207-	Tax governance, control, and risk management	Responsible Tax Governance	
207-3	Stakeholder engagement and management of concerns related to tax	Responsible Tax Governance	
207-4	Country-by-country reporting		

SOCIAL STANDARDS			
GRI 401: Employment (2016)			
401-1	New employees hired and employee turnover	Employee information	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	
401-3	Parental leave	Parental leave policy is applied according to each country of operation's regulation.	
GRI 402: Labor/ management relations (2016)			
402-1	Minimum notice periods regarding operational changes	Employees are informed of operational changes at the earliest possible date post decision-making.	
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	GRI index	Multitude has no health and management system. Relevant sections: Caring for the well-being of employees, Policies
403-3	Occupational health services	Caring for the well-being of employees, Policies	
403-4	Worker participation, consultation, and communication on occupational health and safety	Caring for the well-being of employees, Policies	
403-6	Promotion of worker health	Caring for the well-being of employees, Policies	
403-10	Work-related ill health	Caring for the well-being of employees, Policies	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	Employee information	
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee information	
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	Employee information	
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	There have been no recorded incidents of discrimination during 2021.	
GRI 413: Local communities (2016)			
413-2	Operations with significant actual and potential negative impacts on local communities	GRI index	As a FinTech our operations have limited impact on local communities.
GRI 415: Public policy (2016)			

415-1	Political contributions	No political contributions were made.
GRI 417: Marketing and labelling (2016)		
417-	Requirements for product and service information and labeling	Responsible Marketing and Selling, Responsible Lending
417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents relating to product and service information and labeling.
417-3	Incidents of non-compliance concerning marketing communications	Marketing campaign in Latvia between the 27th May 2021 and the 28th June 2021 determined by the by Latvian Consumer Rights Protection Centre ("CRPC") to contain certain terms that could be perceived as inviting consumers to apply for consumer loans unnecessarily and was ceased.
GRI 418: Customer privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no incidents.

Meeting

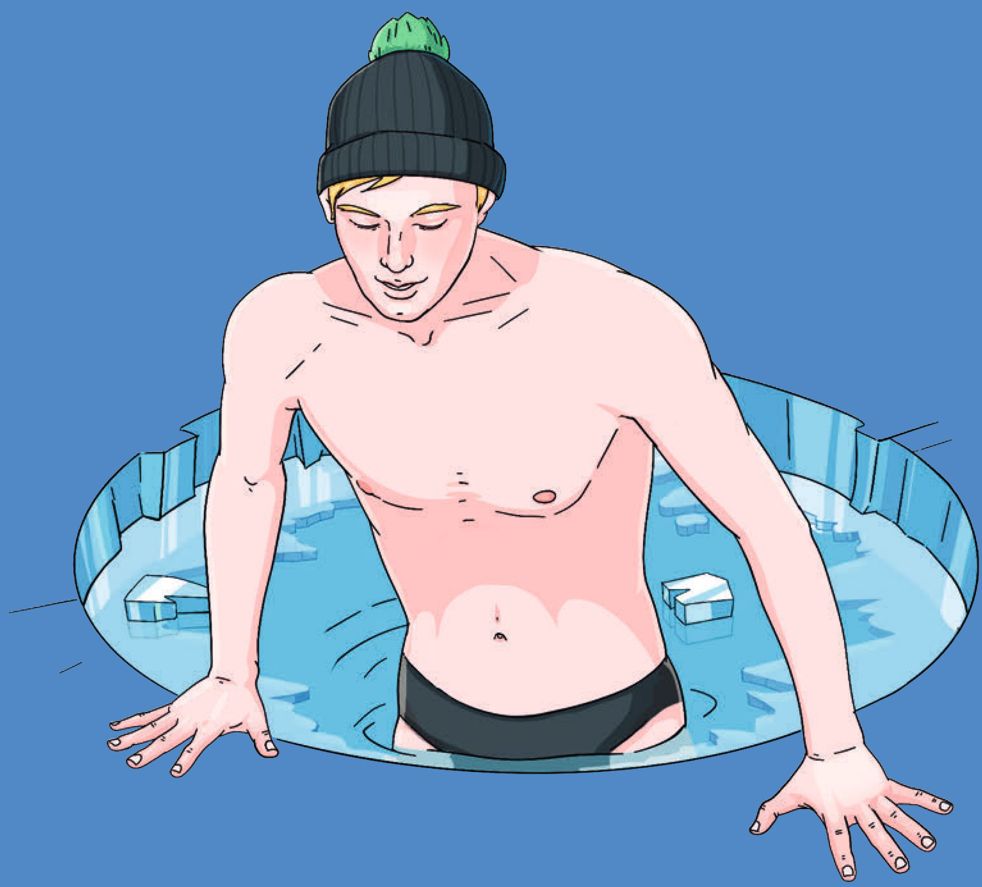
our people

At Multitude, we understand that exceptional people are the driving force behind our success.

As a dynamic company with a global mindset, we are proud of our diversity. Currently, we employ and celebrate the success of our people in 25 locations from more than 40 different nationalities and varied walks of life.

We are humbled and proud to have attracted such incredible talent, and no matter in which location or in which role, our employees have the freedom and support to thrive and realise their aspirations. Our teams also strongly value flexibility; thus, we allow them to choose where they feel they can do their best in our smart, hybrid work environment.

On the following pages you can meet some of our people; our greatest asset in ensuring Multitude to become the most valued financial ecosystem.



Thomas

Grimm

Head of Credit Risk Management & Analytics

Why I chose to work for Multitude

At Multitude, the company provides an atmosphere where opinions and new business ideas are encouraged. I am happy, that this first impression proved to be right. Employees are both empowered and responsible for delivering on their goals, which are customer-centric, and results driven.

My role and how it impacts the Group

I am Head of Credit Risk Management for the Group and own the loan policy rules and credit loss management. Impairment on loans is the largest expense item on the company's income statement and my team must ensure the credit losses staying within the budget. We monitor each market tightly in terms of performance of paid-out loans and adjust policy rules as needed.

What motivates me in my role

I am very proud of the level of quality we have built over the years in the Credit Risk team. The quality of the teams work and their effort motivate me in my job every day.

Why I like working at Multitude

I enjoy being part of the Credit Risk function because it requires both technical knowledge and good communication skills. I also enjoy the fact that we work very closely with other teams, such as marketing and data science. We are only able to succeed because all teams collaborate and steer towards the same goal.

My life outside of work

I have three great children and the best wife, with whom I am more than happy to spend the bulk of my free time. I enjoy all sports and especially enjoy skiing with my children.

Nontokozo

Khumalo

Group ESG Officer

Why I chose to work for Multitude

I have a finance background and have always been interested in how the sector can create a positive impact on society.Multitude offered an opportunity to work in this area within a growing Fintech with a relatively flat organisational structure, while implementing an agile approach. As a non-traditional bank, operating digitally, and given the flat hierarchies, I knew that I would be joining a company that would be adaptable to the new societal demand for banking that is conscious of environmental and social issues.

My role and how it impacts the Group

My position as the Multitude ESG Officer is to support the Group in formulating and implementing an ESG (Environmental, Social, and Governance) and sustainability strategy towards purpose-led growth that solves the problems of today. This means actively supporting the Group's business functions, tribes and leadership in aligning commitments and strategies with stakeholder expectations and in demonstrating an understanding of the Group's ESG impact, risks, and opportunities. As the ESG Officer, I work on ESG and sustainability topics across different market segments with the tribes to help address their unique customer needs for ESG-conscious products and services and support them in their contribution to the Group's ESG and sustainability strategy, and ultimately to the global transition to a sustainable economy.

What motivates me in my role within the Group

My role enables me to contribute to positive transformation of the way people access money through products and services that better serve the needs of our stakeholders, including society. We work with employees to formulate ESG values that define how we do ESG at Multitude - it is encouraging to be part of a team that understands the importance of ESG and sustainability and supports our values. I am excited about what lies ahead for Multitude in ESG and sustainability as we seek to further develop the ESG programme. There is huge potential to innovate and forge partnerships that will drive sustainable value creation.

Why I like working at Multitude

My role provides me with the opportunity to work with people from various functions to develop the ESG strategic direction and how it will be embedded across the Group. I benefit from the knowledge sharing fostered by the agile environment, whilst meaningfully contributing to how we create positive change through finance and communicate our efforts to stakeholders. Multitude is at the start of the ESG and sustainability journey, therefore much of my role is about education and socialisation of the ESG topic across the Group. I like being able to support my colleagues as they grow their knowledge on the ESG and sustainability topics, and their impact on the Group's journey of green and sustainable Fintech.

My life outside of work

I am a curious person, so I spend a lot of time learning about the world around me, whether through travel or watching documentaries. I am based in Berlin where there are many coffee shops and diverse restaurants to explore with friends. I also enjoy the lakes and camping.

Ladislav

Lengyel

Software Engineering Chapter Lead

Why I chose to work for Multitude

I joined Multitude in May 2017. At that time, I had spent 13-years in the tech industry, with experience working in a big corporation, as well as multiple mid and small-sized companies. During that period, I had learned that the progressive mid-size companies with in-house software development have the biggest potential to grow. When I saw the track record of Multitude and their ambitious plans, I knew this was the company I had been searching for. Even though the company brand was not known to me then, I felt that I could trust the people I met during the interview. I started as a software engineer, then gradually took over more technical and leadership responsibilities. At the beginning, our biggest technical challenge was to create a financial platform that could support our ambitious business objectives. We 've chosen Microservice architecture based on domain driven design. It was not as widespread then as it is now, and we had many ups and downs during the platform development process. However, we successfully delivered it to our first countries. Later, it became our core platform that now enables us to open new countries or products quickly and to integrate it with our new partners more easily. It also helped us to attract new talents interested in modern technologies. Overall, Multitude offers an exceptional combination of new technology, top people and exciting business visions.

My role and how it impacts the Group

In October 2021, I took over the software engineering chapter lead role. From the personal side, I am responsible for recruiting new talents and our software engineer's personal development, coaching and performance evaluation. On the personnel side, I am responsible for our software engineer's personal development, performance evaluation, mentoring and recruiting of new talents. We continuously improve our processes, evaluate our Key Value Indicators and align our targets with the business needs to achieve the best possible customer impact. We have learned that cross functional teams with end-to-end ownership bring us the highest productivity for colleagues as well as the best results for customers.

What motivates me in my role within the Group

I am motivated by the responsibility I have, by the support of my colleagues, by business success, by the technology stack we use and by the challenging goals set by our CEO and our business leads.

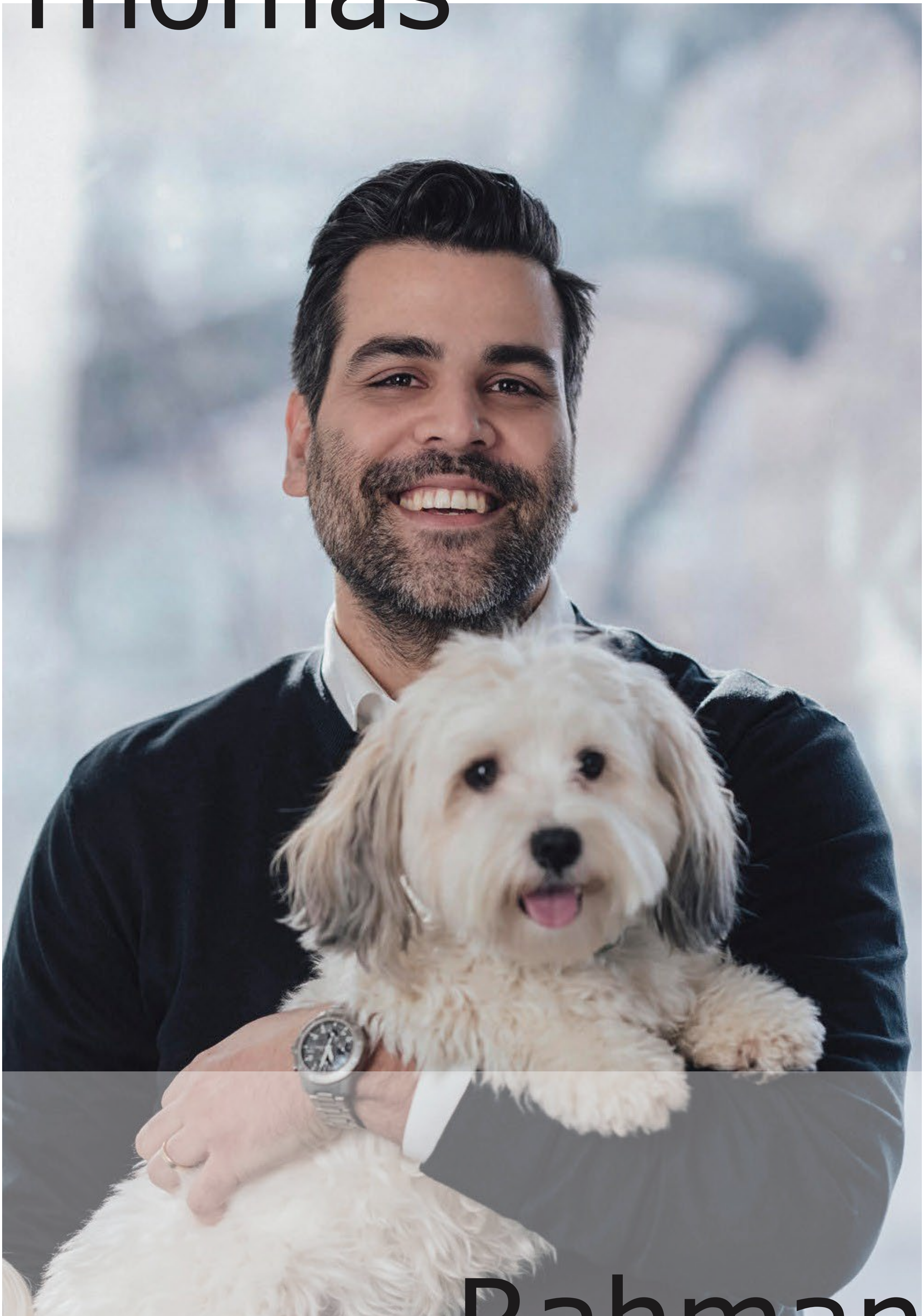
Why I like working at Multitude

From my childhood onwards, I have liked to come up with algorithms and processes in order to build valuable solutions. Now I can apply it not only technically, but also on the company level. I also like the dynamic environment and that together with my colleagues we are pushing each other to the next level.

My life outside of work

In 2021 I travelled to Iceland, and trips to Lapland and Corsica are planned this year. I like to take landscape photos from nature and the urban area. In the summer I enjoy mountain biking and kayaking. During the wintertime you can find me hiking, snowboarding and cold-water swimming.

Thomas



Rahman

Business Product Owner, SweepBank

Why I chose to work for Multitude

I started working for Multitude while studying business administration at university. In my mind it was supposed to be a short-term job with work involving late nights and weekends, but little did I know that it would be the journey of my life where I've been able to learn in depth the details of customer needs, accounting, collections, P&L, digital marketing, leadership, product development and so much more.

My role and how it impacts my tribe

Today, 14 years later, I work as a Business Product Owner for the SweepBank tribe, focusing on our Shopping and App experience. As BPO, I'm mainly responsible for the strategic product decisions which requires close collaboration with our Market, Marketing and Product squads. Ensuring that we have a clear and common vision for our products helps the tribe to align and focus on the right things at the right time so that we can bring value to our customers faster.

What motivates me in my role within my tribe

What motivates me the most in my role are the continuous challenges we are trying to solve, for example building a financial app that is simple to use, saves time and money for the users but at the same time is also profitable for our company. Or how to stand out in a market that is becoming more and more competitive with new apps being released every month. Also, seeing the hard work and the level of engagement of my colleagues motivates me to always be on my toes and do my very best every day.

Why I like working at Multitude

What I like in my role is that it allows you to be creative, but then also to think about the next steps in terms of transforming a great idea into reality. You need to be able to mentally flip the switch from exploration to execution. I've always felt that Multitude has supported its employees to be creative but balanced also by focusing on results.

My life outside of work

Outside of Multitude, I enjoy spending my time with my family playing boardgames, eating great food or hanging out with our dog. I'm not the outdoor type of person, but I like urban environments with city life and nature. That's why I truly enjoy living in Stockholm. Another hobby of mine is to try newly released apps that can simplify or reduce the boring stuff in our lives.

Kirsten

Fay

Chief Marketing Officer
Ferratum

Why I chose to work for Multitude

I was excited by the opportunity to enter a completely new industry, one that I had not worked in before. Multitude was appealing as a stock listed and reputable company that has already been an industry leader in its field for 16 years. The global, international aspect was also an important factor for me.

My role and how it impacts my tribe

I am the CMO for the Ferratum tribe and lead our marketing squad. Our focus is on building a strong foundation and frameworks for the rest of our marketing colleagues. The marketing squad provides scalable, cost-effective, centralised solutions for the markets to utilise in their day-to-day operations. In addition to that, I am part of the tribe leadership team where strategy, profitability, growth, and employee happiness are key areas. Achievements and impact are an outcome of teamwork; everyone chipping in and working together towards mutual goals. My role is to take part in shaping and clarifying those goals and ensuring our team members have everything they need to be able to work to the best of their abilities.

What motivates me in my role within the tribe

Many things motivate me. Being competitive, I am thrilled by growing the business. Growth is one driver. Challenges are another motivator. They can come in many expected or unexpected forms, which could be related to marketing, IT, data, process or anything else that needs fixing or sorting out. The one thing, however, that stands out above all else here in my tribe, and Multitude in general, it is the people. I am very fortunate to have amazing colleagues. For a large company, we have maintained a family-like feeling with very little, if any, hierarchy and genuinely lovely people who I enjoy working with and who motivate me every day.

Why I like working at Multitude

I love working with people from around the world. The fast changing, exciting, agile environment. In my role specifically, I like the freedom and ownership I have and the trust I have been given.

My life outside of work

Outside of Multitude, I spend most of my time with my wonderful family, enjoying Malta and the Mediterranean lifestyle.

Emil

Jönsson

Head of sales CapitalBox

Why I chose to work for Multitude?

The biggest reason for me to work at Multitude was the people – I immediately saw that we have a great team that I would really enjoy working with. On top of that, Multitude is an exciting, fast paced and growing business. We work hard to implement new ideas, initiatives, products and projects to not only achieve but beat our ambitious targets. No day is like the other, which makes it a lot of fun.

My role and how it impacts my tribe

I work as the Head of Sales. My job is to ensure that we are smart on an emotional level,that we understand our clients' needs, and can fulfil them. My role is to make sure that the sales team is motivated and engaged, that we connect personally with our customers and that we find the best solution for each customer.

What motivates me in my role within the tribe

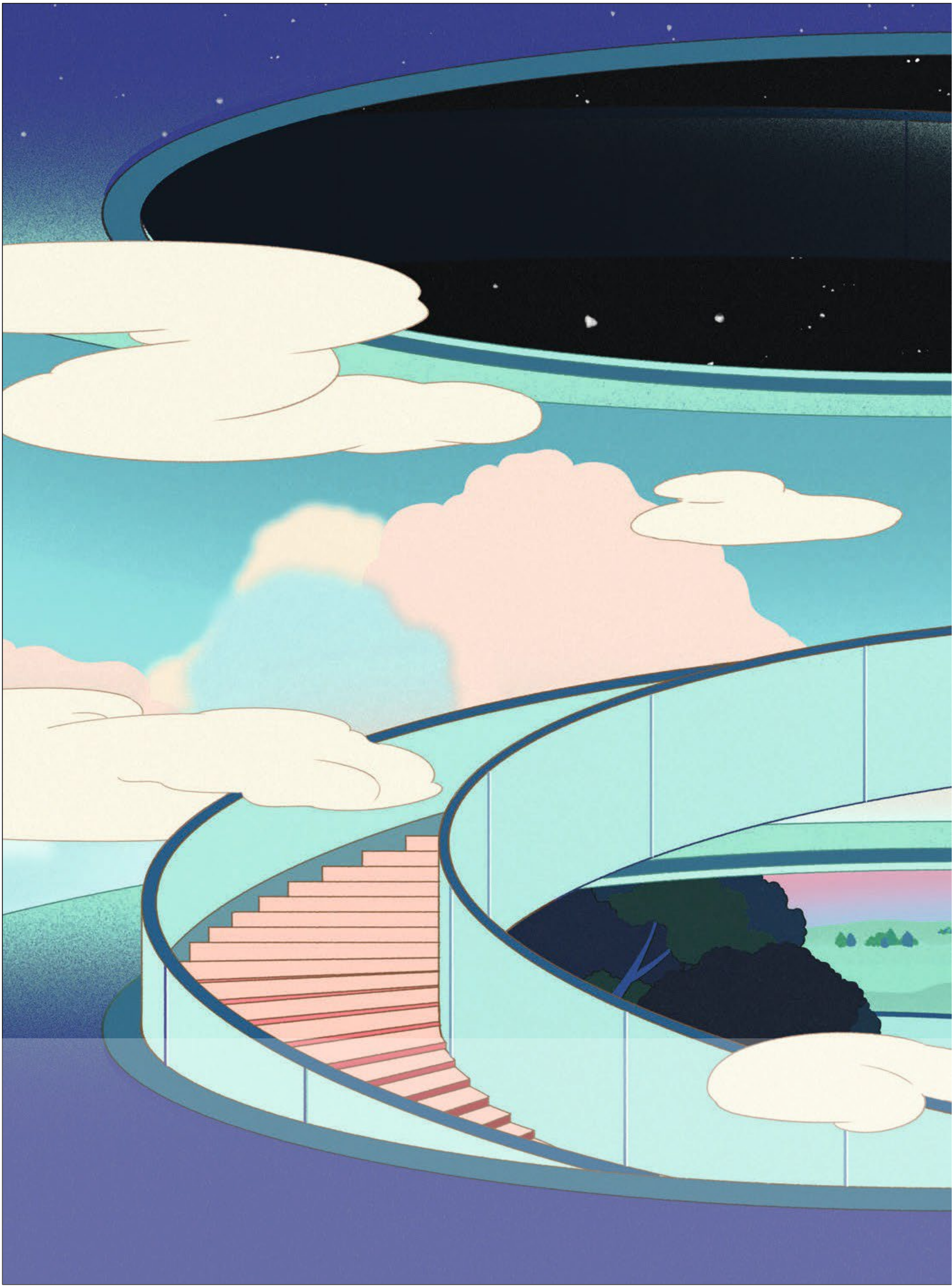
I get really motivated when I see our people succeed - this includes small and big successes. It can be one of the Loan Officers making a hard sale, for example, or someone beating their personal targets for the month. And as I'm in sales, one can also not neglect the fact that money is a big motivator.

Why I like working at Multitude

Again – I really enjoy working with people. On top of that I'm happy to be creative and drive new initiatives, develop the business and see the business grow. Another big reason for me to like my job is my boss, who continues to motivate me constantly.

My life outside of work

I'm actually engaged to a woman who also works at Multitude, and we're getting married this summer in Spain, Mallorca – so a big chunk of my spare time is spent planning the wedding at the moment. Other than that, I really like downhill skiing and have four weeks of skiing planned for this winter season in different locations. I also play a lot of Padel (a racquet sport, typically played in doubles), which is a huge sport in a small number of countries so far.



Information for

shareholders

Annual General Meeting 2021

Multitude's Annual General Meeting will be held on 27 April 2022 at 10 EET at the offices of Castren & Snellman Attorneys Ltd, in Helsinki. In order to limit the spread of the COVID-19 epidemic, the Company's Board of Directors has decided to adopt the exceptional meeting procedure provided for in the Finnish Act 375/2021, which temporarily deviates from some of the provisions of the Finnish Limited Liability Companies Act (the so-called temporary act). The Board of Directors has decided to take the measures permitted by the temporary legislation in order to hold the General Meeting in a predicable manner while also taking into account the health and safety of the Company's shareholders, personnel and other stakeholders.

The Company's shareholders can participate in the meeting and exercise their rights only by voting in advance and by presenting counterproposals and questions in advance. Instructions for shareholders are provided in the AGM notice published on the Company's website. It will not be possible to participate in the meeting in person, and no video link to the meeting venue will be provided. The Company's Board of Directors, the CEO, other management and the auditor will not be present at the meeting venue.

Financial calendar

Date	Publication
15.03.2022	Multitude Group: 2021 preliminary results
31.03.2022	Multitude Group: full year 2021 results
31.03.2022	Ferratum Capital Germany GmbH: full year 2021 results
31.03.2022	Ferratum Bank p.l.c.: full year 2021 results
27.04.2022	Multitude Group: Annual General Meeting
12.05.2022	Multitude Group: Q1 2022 results
18.08.2022	Multitude Group: H1 2022 results
18.08.2022	Ferratum Capital Germany GmbH: H1 2022 results
18.08.2022	Ferratum Bank p.l.c.: H1 2022 results
17.11.2022	Multitude Group: 9M 2022 results

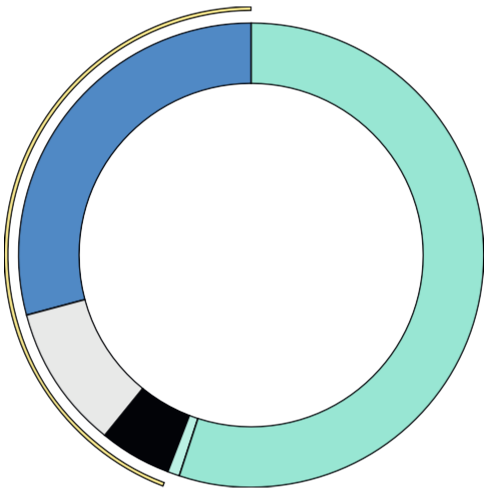
Shareholder structure

Jorma Jokela	55.2%
Multitude SE*	0.67%
Total Free Float**	44.13%
Universal Investment Gesellschaft GmbH	9.98%
Dorval AM	5.09%
Other shareholders	29.06%

All information of shareholders holding based on the latest shareholder notifications received

* Treasury shares held by Multitude SE (no voting right and no dividends paid on treasury shares)

** Total free float includes shares held by institutional investors, but not treasury shares held by Multitude SE



Multitude share data

Market:	Frankfurt Stock Exchange, Prime Standard
ISIN:	FI4000106299
Symbol:	FRU
Shares in issue	21,723,960
High 2021:	7.70
Low 2021:	3.775
Closing 2021:	3.83

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Legal and regulatory enviroment

General overview

2021 enabled most businesses across the EU to start looking beyond the COVID-19 pandemic and shift their focus towards growth opportunities and business development in 2022 and beyond. Multitude's Legal and Compliance function was no exception to this approach. For the greater part of the year under review, its work was guided by the projected post-COVID economic recovery in the countries in which it operates. It concurrently maintained the momentum of the previous years in working towards strengthening Multitude's compliance with the applicable regulatory and supervisory standards in its target markets, including in internal governance, anti-money laundering, adherence to consumer protection legislation and the protection of personal client data. The resources of the Legal and Compliance function were strengthened further during 2021 to increase performance, enhance its internal continuity planning, as well as to enable increased focus on the ever-changing legal and regulatory needs of Multitude while supporting the business plans of the different, independent business units on the Multitude platform.

Legal changes

To continue complying with the applicable legal frameworks, whilst ensuring that it carries on providing enhanced services to its customers, the Multitude Group continuously tracks legal changes in all the countries in which it is active. During 2021, the Group actively considered and managed a number of changes in the following countries, while monitoring legislative proposals at a national and EU level which are expected to come into force in 2022:

Consumer credit directive

Amendments are presently being considered to the EU's Consumer Credit Directive (CCD) with proposals aiming to, among others, extend its scope and enhance the rights of the consumer. In Q1 2022, a draft report on the Consumer Credit Directive 2 (CCD2) proposal by the rapporteur from the Committee on the Internal Market and Consumer Protection will be published. Current proposed amendments include the introduction of APR caps throughout the Union, but these are yet to be considered by different Committees within the Institutions. It is expected that a compromise on the proposed amendments will be agreed on in mid-April. The entire CCD2 will be voted on in the Internal Market and Consumer Protection Committee in May 2022.

EBA Guidelines on Loan Origination and Monitoring

The EBA Guidelines on Loan Origination and Monitoring came into force in June 2021, and from research carried out by the Group, it appears that most Member States have transposed the Guidelines into their own law without material changes. Uniformity in transposition of such Guidelines facilitates the cross-border offering of services by entities like Ferratum Bank.

Finland

On 10 November 2020, a new transitory draft law was published in Finland in terms of which consumer credit (except for commodity-linked credit, such as car loans and credit cards) carried a maximum interest rate of 10%. The President approved this law on 29 December 2020, and it came into force on 1 January 2021. It is no longer in force since it expired on 30 September 2021. That same month, the Ministry of Justice established a working group to prepare further amendments to the consumer loan legislation. Based on its mandate, the working group will inter alia investigate permanently lowering the consumer loan interest cap and include further restrictions to consumer loan marketing legislation.

Norway

Numerous legislative initiatives originating from Norway were tracked during the course of the year, including a new law to substitute the Financial Contracts Act, which, among other matters, covers changes in interest rates that are in obvious disproportion to the credit and legal consequences for inadequate credit assessments. Multitude is also closely following reports published by the Ministry of Finance that can provide an indication of potential new laws and regulations, together with other ongoing consultation exercises on the modernisation of EU consumer protection rules and the updating of the legal framework in line with the CRR2/CRDV/BRRD2.

Latvia

Legal amendments monitored during the year under review included a new law regarding the release of natural persons from debt obligations, amendments to the creditworthiness guidelines published by the Financial and Capital Markets Commission, the coming into force of new requirements on employee training for anti-money laundering purposes, changes to the requirements on the reporting of suspicious transactions, as well as guidelines on the default interest for the delay of the performance of civil obligations.

Croatia

The Act on Credit Institutions was amended in December 2020. The provisions of this Act regarding measures and instruments directed to increase the durability and maintain the stability of the Croatian financial system also became applicable to an EU credit institution providing mutually recognised services in Croatia.

In 2021, a decision was furthermore published by the Croatian National Bank, which regulates the conditions and the manner in which the supervision over credit institutions is carried out, including the obligations of a credit institution during and after supervisory actions.

Czech Republic

A new law on allocation of payments in the case of late loan repayments became applicable from 1 July 2021 to agreements entered into on or after this date. Additionally, a draft amendment to the Consumer Credit Act was published, which proposes to formalise an interpretation of the law which in practice is already being applied by the Financial Arbiter. This did not require any changes to the loan agreements and procedures applied by Multitude.

Denmark

The Danish Ombudsman and the Danish Financial Services Authority issued guidelines on consumer creditworthiness assessments in April 2021. These provided, among others, that lenders should obtain information and documentation on the applicant's actual fixed monthly expenses, whilst also being responsible for assessing whether the expendable income suffices for the applicant.

Germany

Multitude has updated the terms and conditions applicable to this market following the coming into force of two laws in June 2021. The first law amended the model of the withdrawal information for general consumer loan agreements, in response to the decision of the European Court of Justice (ECJ) 26.03.2020 – C-66/19. The second law concerned different withdrawal notices that apply to loans not considered consumer credit and other financial services. Further legislative amendments in Germany during 2021 concerned reducing costs to customers in the case of early repayment of loan agreements and the assigning by consumers of their rights under the agreement.

Malta

The CRDV, which is primarily applicable to the operations of Ferratum Bank, was transposed into the Maltese legislative framework through amendments that were signed off into law on 28 December 2021. As a result, a number of amendments were made to primary acts and subsidiary legislation, including the European Passport Rights for Credit Institutions Regulations and the Banking Act (Supervisory Review) Regulations. Several regulations forming part of this framework are yet to come into force.

A regulation governing moratoria on credit facilities, as well as a directive issued by the Central Bank of Malta (CBM), came into force on 13 April 2020. This was updated in June 2020 and January 2021. Banks are obliged to grant a temporary moratorium on credit facilities/loans to support economically vulnerable persons who have been materially affected by the exceptional circumstances brought about by the COVID-19 outbreak. The moratorium is not automatic and must be applied for by the customer. A regulation that entered into force in January 2021 allowed customers granted a moratorium to extend this period to 9 months, subject to several conditions being met.

Poland

Multitude has also been carefully tracking a number of legislative changes discussed on the Polish market. They cover a range of areas, such as the amendment to many acts adjusting the thresholds of non-interest costs, the definition of what constitutes non-interest costs, costs of services that are additional to the granting of credit and new rules on creditworthiness assessments. Other proposed legislative measures being monitored include draft amendments on competition and consumer protection and the proposed transfer of functions from the office of the Financial Services Ombudsman (FOS) to the remit of the Office for Competition and Consumer Protection (OCCP).

Amendments to the Civil Code affecting certain contractual obligations were signed into law in December 2021. They will come into force in mid-2022, while in December 2021, the Monetary Policy Council decided to increase the Lombard rate to 2.75% annually, with effect from 5 January 2022.

Romania

In Romania, legislative amendments were passed on creditworthiness assessments related to instances where loans are paid out to repay previously granted loans. In such cases, banks are given more freedom in the creditworthiness assessment policies. There have been further changes to the regulations on prudential requirements for credit institutions, based on the CRD V.

Sweden

As part of the transposition into Swedish law of Directive (EU) 2019/2161, a number of measures covering repeated violations of marketing law are being considered for inclusion in the draft law. It is proposed that the new rules enter into effect in July 2022. Additionally, the Swedish FSA has proposed new general advice on consumer credits to replace general advice FFFS 2014:11. The new proposal encompasses changes to its current guidance on good lending practices and credit assessments. Most of the proposed rules align with EBA's Guidelines on Loan Origination and Monitoring.

Lea Liigus

Legal & Compliance

Board of Director’s Report 2021 Unaudited

Company structure and business model

Multitude SE and its subsidiaries form the Multitude Group (“Multitude” or the “Group”). Multitude is a fully regulated growth platform for financial technology. Its ambition is to become the most valued financial ecosystem. This vision is backed by +16 years of solid track record in building and scaling financial technology. Through its full European banking license, profound know-how in technology, regulation, cross-selling, and funding, Multitude enables a range of sustainable banking and financial services to grow and scale. Currently, it has three independent business units on this growth platform: Ferratum as a consumer lender, CapitalBox as a business lender, and SweepBank as a shopping and financing app.

Multitude, headquartered in Helsinki, Finland, was established in 2005 (in Finland) and currently serves approx. 400,000 active customers. These customers have or have had an active loan balance with at least one of the independent business units within Multitude within the past 12 months or are active users of the SweepBank app, or a combination of these. The business units within Multitude operate across 19 countries across multiple continents. Ferratum Bank p.l.c., is a wholly-owned subsidiary of Multitude SE, a credit institution licenced by the Malta Financial Services Authority (MFSA), allowing Multitude to passport financial services and products to all European Economic Area (EEA) member states.

Over the past +16 years, Multitude has developed proprietary data and credit scoring algorithms that can deliver instant credit decisions digitally, allowing to make fully risk-assessed scoring at a pace and scale unmatched by traditional banking, neo banks, or the general lending industry. This technology and data, paired with the regulatory experience from global operations over so many years, brings Multitude a significant competitive advantage in large scale disruption of the financial industry.

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

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

Key figures and ratios

EUR '000	2021	2020	2019*
Revenue, continuing operations	213,671	230,472	293,104
Profit before interests and taxes ('EBIT'), continuing operations	23,901	28,514	45,532
Profit before tax, continuing operations	3,585	6,210	27,543
Profit before tax ratio, continuing operations, in %	0.6	2.2	9.4
Net cash flows from operating activities before movements in loan portfolio and deposits received	67,710	110,681	135,091
Net cash flows from operating activities	71,723	140,360	22,534
Net cash flows used in investing activities	(13,677)	(13,701)	(7,316)
Net cash flows from (used in) financing activities	7,056	(43,313)	27,990
Net increase in cash and cash equivalents	65,102	83,345	43,208

*Includes result of operations and cash flows from Ferratum UK Ltd.

EUR '000	31 Dec 2021	31 Dec 2020	31 Dec 2019
Loans to customers	443,872	360,955	386,167
Impaired loan coverage ratio, in %	21.6	28.9	30.5
Deposits from customers	484,764	339,522	242,161
Cash and cash equivalents	301,592	236,564	155,518
Total assets	819,028	675,081	614,923
Non-current liabilities	140,934	242,960	174,236
Current liabilities	508,605	306,552	315,453
Total equity	169,489	125,569	125,235
Equity ratio, in %	20.7	18.6	20.4
Net debt to equity ratio	2.05	2.49	2.67

Calculation of key financial ratios		
Profit before tax (%) =	100x	Profit before tax / Revenue
Impaired Loan coverage ratio (%) =	100x	Credit loss allowance / Gross loans to customers
Equity ratio (%) =	100x	Total equity / Total assets
Net debt to equity ratio =		Total liabilities – cash and cash equivalents / Total equity

Products and services

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

Business Unit: SweepBank

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

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

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

Prime Loan
Prime Loans are longer-term instalment loans of up to EUR 30,000 for consumers, with loan maturity ranging between 1-10 years. The average loan amount is EUR 8,000 and the average loan term five years.

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

Business Unit: Ferratum

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

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

Micro Loan

A Micro Loan is a rapid and easy loan for the instant, short-term need and quick payback. The application takes a few minutes with only a handful of data to insert, while the in-house developed and automated, AI-powered scoring algorithms handle the rest. Within an average of less than 15 minutes from an approved application, the customer has the money in the bank account. Micro Loans range from EUR 25 to EUR 1,000 and are paid back in one single instalment within 7–60 days. The average term of a Micro Loan is 30 days, with an average loan of EUR 279.

Plus Loan

A Plus Loan is a larger loan, currently ranging from EUR 300-4,000 with maturity periods of between 2–18 months. These longer-term instalment loans with equally distributed repayments throughout the whole term of the loan cater to the more significant needs of individuals. The loan application is as easy, fast, and convenient as with a Micro Loan. From the approved application, the borrowed money is transferred within, on average, less than 15 minutes to the customers' bank account. The average term for a Plus Loan is 416 days and the average loan amount is EUR 927.

Credit Limit

Credit Limit is a pre-approved credit line, also called revolving credit, allowing customers financial flexibility. Eligible customers are pre-approved for up to EUR 5,000 and can draw money or repay without fixed amounts or timelines. Credit Limit is similar to a credit card without a physical card. The average loan amount for a Credit Limit is EUR 1,521, and the term is open-ended.

Business unit: CapitalBox

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

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

Instalment loans

CapitalBox provides working capital instalment loans of up to EUR 350,000. These 6–36-month solutions are designed to help SMEs, e.g., finance expansion, inventory, marketing, hiring new talent, and purchasing or leasing equipment. The average loan amount is EUR 15,842 and the average term 482 days.

Credit Line

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

Purchase Finance

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

Key developments and process in 2021

Financial overview

Enhanced financial reporting structure

Following the rebranding of its tribes and the disposal of operations in certain markets, the Group has revised its financial reporting structure as at and for the years ended 31 December 2021 and 2020. Segment information are now presented based on the new tribes – Ferratum, Capital-Box, and SweepBank, representing its operating and reportable segments disclosed in Note 7 of the Group's 2021 consolidated financial statements. The Group's consolidated statements of profit or loss, total comprehensive income, and cash flows, including relevant note disclosures, have also been adjusted to reflect the impact of discontinued operations, at the financial statement line item level, relating to the disposal of Ferratum UK Ltd. ("FGB").

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

The financial information presented in this section reflect the results of Continuing operations and as if the new financial reporting structure had been in operation for full years ended 31 December 2021 and 2020. Results of discontinued operations are separately presented in Note 6 of the Group's 2021 consolidated financial statements. The Group also defines 'earnings before interests and taxes ("EBIT") as the sum total of its operating profit (loss) and other income (expenses), before considering the impact of financial income (costs), income tax expense (benefit), and profit (loss) from discontinued operations.

Selective increase in risk appetite and increased market activities

Group revenue amounted to EUR 213.7 million in 2021, a decrease of EUR 16.8 million (-7.3%), as compared to EUR 230.5 million in 2020, mainly due to the impact of COVID-19 and the Group's decision to discontinue lending activities in selected markets.

The Group has opted to apply a more strategic approach by selectively increasing its risk appetite, boosting its marketing, and lending activities, and investing in the development of products and infrastructures, in more stable markets and customer bases. These resulted into a steady increase of EUR 82.9 million (+23.0%) in the Group's collective loan portfolio, which stands at EUR 443.9 million at the end of 2021 as compared to EUR 361.0 million at the end of 2020.

Accordingly, the above activities have resulted into increases in the Group's bank and lending, selling and marketing, and amortization expenses by EUR 1.0 million (+7.3%), EUR 3.8 million (+16.7%), and EUR 2.0 million (+14.7%), respectively, when comparing 2021 and 2020 continuing operations.

On the other hand, Multitude's cautious sales approach and enhanced scoring algorithms proved to be beneficial in improving the overall quality of the Group's underwriting in spite of high economic volatility as evident by the significant decrease in impairment losses from EUR 91.0 million (39.5% of revenue) in 2020 to EUR 71.9 million (33.7% of revenue) in 2021 – a decrease of EUR 19.0 million (-20.9%), which offsets the decrease in revenue year-on-year.

Stable personnel and general and administrative expenses year-on-year

In 2020, the Group introduced measures to streamline its operations and reduce its overall expenditures in activities outside of lending, marketing, and product and infrastructure developments in order to counteract the impacts of the COVID-19 pandemic and to improve overall operational efficiency and profitability, which resulted into a sharp decline in the Group's personnel and general and administrative expenses.

During the year, personnel expenses remained flat with a slight decrease from EUR 33.1 million in 2020 to EUR 33.0 million in 2021 (a decrease of EUR 0.1 million or -0.3%), with a minor decrease in Group average headcount from 695 HC in 2020 to 674 HC in 2021. The same is true with the Group's general and administrative expenses which amounted to EUR 28.9 million in both 2021 and 2020.

Positive EBIT from continuing operations

The Group's EBIT from continuing operations resulted to profits of EUR 23.9 million and EUR 28.5 million in 2021 and 2020, respectively, which include net other income of EUR 0.3 million and EUR 0.5 million in 2021 and 2020, respectively.

The decrease in EBIT from continuing operations amounting to EUR 4.6 million (-16.2%), was mostly driven by the decrease in revenue and increases in the Group's bank and lending, selling and marketing, and amortization expenses, partially offset by the decrease in impairment loss on loans to customers, resulting from the Group's application of a cautious sale and scoring approach while selectively increasing risk appetite and marketing activities.

Lower net finance costs

Net finance costs decreased by EUR 2.0 million (-8.9%), amounting to EUR 20.3 million in 2021, as compared to EUR 22.3 million in 2020, as a result of lower foreign exchange losses and interest expenses during the year – the latter of which was a result of the conversion of a portion of the outstanding 2018 and 2019 bonds to the 2021 perpetual bonds, which interests are charged directly against retained earnings instead of profit or loss, slightly offset by the premiums paid by the Group in the repurchase of the converted 2018 and 2019 debt instruments.

Streamlined operations resulting to overall profitable continuing results

In line with its measures to streamline its operations and reporting structure, the Group has disposed all of its shareholdings in FGB, requiring the need to present the results of such discontinued operations separately from that of continuing operations in the Group's consolidated statements of profit or loss and cash flows.

Accordingly, the Group has carved out losses from discontinued operations, after tax, amounting to EUR 3.8 million and EUR 4.5 million in 2021 and 2020, respectively, representing the results of operations from FGB for the comparative years presented. The 2021 loss from discontinued operations include a EUR 2.0 million loss on disposal relating to FGB.

Resulting after-tax profit from continuing operations amounted to EUR 1.2 million and EUR 5.0 million in 2021 and 2020, respectively.

Solid asset position

Total assets at the end of 2021 amounted to EUR 819.0 million, an increase of EUR 143.9 million (+21.3%), as compared to EUR 675.1 million at the end of 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 65.0 million (+27.5%), amounting to EUR 301.6 million at the end of 2021 (2020 - EUR 236.6 million), whereas loans to customers increased by EUR 82.9 million (+23.0%), amounting to EUR 443.9 million at the end of 2021 (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 765.0 million, representing 93.4% of the Group's total assets at the end of 2021 (2020 - EUR 615.1 million, 91.1%), while non-current assets stood at EUR 54.1 million or 6.6% of total assets at the end of 2021 (2020 - EUR 59.9 million, 8.9%).

Increase in customer deposits contributing to Group liquidity

Shareholders' equity increased from EUR 125.6 million at the end of 2020 to EUR 169.5 million at the end of 2021, resulting in a healthy equity ratio of 20.7% (2020 - 18.6%). This was coupled with a corresponding decrease in net debt-to-equity ratio from 2.49 at the end of 2020 to 2.05 at the end of 2021. These changes were primarily driven by the replacement of the 2018 and 2019 bonds with a hybrid bond, accounted for as an equity instrument.

Current liabilities amounted to EUR 508.6 million, representing 78.3% of the Group's total liabilities at the end of 2021, an increase of EUR 202.1 million (+65.9%), as compared to EUR 306.6 million at the end of 2020, representing 55.8% of total liabilities at the end of 2020. The increase in current liabilities is primarily due to the increase in current customer deposits, which stood at EUR 402.0 million at the end of 2021 as compared to EUR 275.8 million at the end of 2020 to - an increase of EUR 126.1 million (+45.7%), 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 484.8 million at the end of 2021 (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.

Treasury update

Compared to 2020, Multitude successfully managed to increase its cash position by more than 27.5% to EUR 301.6 million (2020: EUR 236.6 million) at the end of 2021. Multitude continued to strengthen its funding base through the shift towards long-term customer deposits funding. At the end of 2021, the Group's customer deposit base totalled EUR 484.8 million, an increase of 42.8% compared to EUR 339.5 million in 2020. Out of the customer deposit base in 2021, EUR 82.8 million is classified as long term deposits with a tenor longer than 12 months (2020 - EUR 63.7 million).

On 10 June 2021, Fitch Ratings affirmed Multitude SE's Long-Term Issuer Default Rating ("IDR") and the long-term rating of the senior unsecured callable floating rate bonds, issued by Ferratum Capital Germany GmbH (ISIN: SE0012453835 and ISIN: SE0011167972), at 'B+' with a 'Stable Outlook'.

On 5 July 2021, Multitude SE launched unsecured and subordinated perpetual capital notes (ISIN: NO0011037327) for EUR 50 million. Proceeds from the transaction were 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 April 2023, who were subscribing to the perpertual capital notes the option to tender their 2022 bonds or 2023 bonds. Accordingly, Ferratum Capital GmbH repurchased EUR 15.6 million and EUR 21.0 million of the outstanding 2022 and 2023 bonds at a price of 101.50% and 102.00% of their nominal amounts, respectively. The perpetual capital notes are listed in the Nasdaq Stockholm Aktienbolag and with trading commencement date on 27 October 2021.

During the 2021 Annual General Meeting ("AGM"), the Board of Directors was authorized to repurchase a maximum of 1,086,198 shares of Multitude SE, which represents approximately 5% of all outstanding shares of the company. The Board of Directors were also authorized to issue a maximum of 3,258,594 shares. Board of Directors may issue either new shares or transfer existing shares held by the Group. The authorisation also includes the right to issue special rights, in the meaning of Chapter 10 Section 1 of the Finnish Limited Liability Companies Act, which entitles the shareholders to receive new shares or the treasury shares held by the Group against consideration. Subscribed shares arising from these special rights are included in the maximum number of shares authorized for issue. These authorisations are in force until the next Annual General Meeting, but not later than 30 June 2022.

Personnel

The average number of employees in 2021 is equal to 674 (2020 - 695). Payroll expenses amounted to EUR 33.0 million (2020: EUR 33.1 million).

Appointment of new leadership team members

Oscar Barkman Joined multitude as Tribe CEO for Capital Box and Multitude's leadership team in September 2021, as a seasoned leader with over 15 years' experience working in the Financial Services Industry and a strong entrepreneurship professional skilled in business relationship management, electronic payments, payment systems, banking, and sales, with a proven track record in building companies within the FinTech field. Oscar succeeded Peter Koning, who was Interim Tribe CEO.

Ari Tiukkanen took on the role of Deputy CEO as of October 2021 to lead and support the day-to-day operations of the leadership team. This role is instrumental for Multitude's strategy ensuring smooth daily operations, agile transformation and equipping teams with tools and processes to execute. With this transition Kornel Kabele took on the role as CTO and appointed member of Multitude's leadership team with effect on the same date. Kornel joined Multitude in 2017 with over 17 years' experience, having worked in senior roles with leading companies. In his role as CTO Kornel, will continue building on the strong foundation and drive the IT chapter to further enable the tribes and chapters.

Risk factors and risk management

Multitude takes moderate and calculated risks in conducting its business. The prudent management of risks minimises the probability of unexpected losses and threats to the reputation of the Group. Therefore, it can enhance profitability and shareholder value.

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

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

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

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

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

Significant investments

The Group primarily uses its funds for lending to its customers and for investing in the development of its products and infrastructure. During the year, the Group has granted loans to its customers amounting to EUR 571.6 million and has capitalised a total of EUR 9.0 million worth of internally generated software development costs.

Changes in Group structure

Disposed group companies

During 2021, the Group has disposed of Auxilium Limited, Ferratum Services Limited, Ferratum Denmark, Ferratum UK Ltd, and Ferratum Vakuutus Oy. The impact of the disposal of Auxilium Limited, Ferratum Services Limited, and Ferratum Vakuutus Oy to the Group consolidated financial statements were not deemed significant at Group level.

Shareholdings in Ferratum UK Ltd. and Ferratum Denmark were sold for total net proceeds of EUR 100 and EUR 27, resulting into losses on disposals of subsidiaries amounting to EUR 1.9 million and EUR 0.2 million.

In addition, since Ferratum UK Ltd. is considered as a component of the Group that represents a major geographic area of operations, the results of operations of the subsidiary, including the loss on its disposal, for the years ended 31 December 2021 and 2020 were reclassified and presented as a single line in 'loss from discontinued operations' in the consolidated statement of profit or loss.

New strategy and rebranding

In line with its new strategy and operating model, the Group has rebranded its operating segments in Q2 2021 – Near Prime, which includes Credit Limit, PlusLoan and MicroLoan, is now Ferratum; CapitalBox digital SME Lending, is simply called CapitalBox; and PrimeLoan and Wallet are combined into SweepBank.

The shift in the strategy promotes an environment that allows the new Ferratum, CapitalBox and SweepBank tribes to better understand and identify the specific needs of their customer base and develop products and services to align with these needs in a more agile manner. Whereas the Group's central operations focus on business-critical and strategic decisions that are aimed at maximising cost advantages from delivering greater economies of scale, while remaining as an enabler by setting-up a platform that allows each tribe to reach its full business potentials

Subsequent events

Fitch rating affirmation

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'.

Changes in shareholdings

The Group did not receive any notification of changes in the number of shares held by shareholders with at least five percent (5%) ownership in Multitude SE.

Shares of the company

Largest shareholdings as at 31 December 2021

The table below summarises the shareholders with the largest holdings, excluding nominee-registered shares, in Multitude SE as at 31 December 2021 based on information provided by Euroclear Finland Ltd. The shareholdings representing at least five percent (5%) ownership in the Group are updated based on latest notification of major holdings.

Largest shareholders	Shares	% of shares	% of voting rights
Jokela, Jorma*	11,991,344	55.20%	55.57%
Universal Investment Gesellschaft mbH	2,167,660	9.98%	10.05%
Dorval AM	1,105,012	5.09%	5.12%
Timonen, Saku	96,465	0.44%	0.45%
Vanhala, Juhani	64,458	0.30%	0.30%
Pääkkönen, Roope	21,645	0.10%	0.10%
Kalliola, Sami	19,182	0.09%	0.09%
Krause, Clemens	18,923	0.09%	0.09%
Kumpulainen, Antti	18,559	0.09%	0.09%
Egger, Bernd	14,330	0.07%	0.07%
Tiukkanen, Ari	14,173	0.07%	0.07%
Total	15,531,751	71.50%	71.98%

* Jokela, Jorma holds directly 159,470 shares (0.73%), through Jokela Capital OÜ 5,773,139 shares (26.57%) and through JT Capital Limited 6,058,735 shares (27.89%).The shares held by Jokela Capital OÜ and JT Capital Limited are nominee-registered.

Board of directors' shareholdings as at 31 December 2021

Name	Position	Holdings and voting righs*	% of holdings and voting rights
Jokela, Jorma	Member	11,991,344	55.20%
Liigus, Lea	Member	124,599	0.57%
Krause, Clemens	Member	85,356	0.39%
Vanhala, Erkki Juhani	Member	84,458	0.39%
Strange, Frederik	Chairman	4,000	0.02%
Cusumano, Michael	Member	-	0.00%
Challagalla, Goutam	Member	-	0.00%
Total		12,289,757	56.57%

*Include shareholdings held directly and indirectly by BOD

Leadership team shareholdings as at 31 December 2021

Name	Position	Holdings and voting righs*	% of holdings and voting rights
Jokela, Jorma	Chief Executive Officer	11,991,344	55.20%
Liigus, Lea	Chief Legal and Compliance Officer	124,599	0.57%
Egger, Bernd	Chief Financial Officer	27,379	0.13%
Kumpulainen, Antti	CEO of Ferratum Bank	18,559	0.09%
Kajakas, Kristjan	Tribe CEO - Ferratum	14,511	0.07%
Tiukkanen, Ari	Deputy Chief Executive Officer	14,173	0.07%
Hanson - Tönning, Adam	Chief Financial Planning Analyst	13,134	0.06%
Chatterjee, Julie	Tribe CEO - SweepBank	3,205	0.01%
Barkman, Oscar	Tribe CEO - CapitalBox	2,112	0.01%
Kliem, Daniel	Chief Risk Officer	1,780	0.01%
Kabele, Kornel	Chief Technology Officer	1,687	0.01%
Vella, Shaun	Chief HR Officer	1,011	0.00%
Neilands, Aksels	Chief Marketing Officer	954	0.00%
Total		12,214,448	56.23%

*Include shareholdings held directly and indirectly by leadership team

Distribution of holdings by number of shares held as at 31 December 2021

Lower Limit	Number of shareholders	% of shareholders	Total number of shares and voting righs	% of share capital and voting rights
1-100	50	27.26%	2,353	0.01%
101-500	61	33.70%	16,058	0.07%
501-1 000	23	12.71%	16,255	0.08%
1 001-5 000	29	16.02%	58,286	0.27%
5 001-10 000	3	1.66%	24,245	0.11%
10 001-50 000	9	4.97%	160,990	0.74%
50 001-100 000	2	1,11%	160,923	0.74%
100 001-500 000	2	1,11%	301,700	1.39%
500 001 and over	2	1,11%	20,983,150	96.59%
Total	181	100.00%	21,723,960	100.00%
Nominee registered	4	-	21,014,916	96.74%
Treasury shares held by Multitude SE	0	-	146,200	0.67 %

Distribution of holdings by group as at 31 December 2021

Sector	Total number of shares (book-entries)		Total number of shares (nominee-registered)		Total number of shares and voting rights	% of share capital and voting rights
Financial and insurance corporations	146,200	0.67%	1,269,412	5.84%	1,415,612	6.52%
Households	407,344	1.88%	-	-	407,344	1.88%
Shares registered in the member states of the Euro area	155,500	0.72%	19,745,504	90.89%	19,901,004	91.61%
Total	709,044	3.27%	21,014,916	96.74%	21,723,960	100.00%

Board of Directors' Proposals for Profit Distribution

The operations of the Group's parent company, Multitude SE, for the year ended 31 December 2021amounted into a loss of EUR 4.3 million (2020 - EUR 4.9 million, loss), which resulted into a distributable equity amounting to EUR 60.1 million as at 31 December 2021 (2020 - EUR 64.3 million). Accordingly, the Board of Directors proposed during the Annual General Meeting to not distribute any dividends in relation to the 2021 results and that 2021 loss to be carried forward.

Corporate Governance Statement

Multitude's Corporate Governance Statement has been prepared in accordance with the reporting requirements set out by the Corporate Governance Code 2020 issued by the Finnish Securities Market Association. The Corporate Governance Statement is published separately from the Board of Directors' report and it is available on Multitude's website at: https://www.multitude.com/investors/corporate-governance/corporate-governance-statement.

Company Management and Auditor

Frederik Strange was appointed as Chairman by the Board on 28 April 2021. Other members of the Board were Jorma Jokela, Lea Liigus, Michael A. Cusumano, Goutam Challagalla, Dr. Clemens Krause, and Juhani Vanhala. Christopher Wang stepped down from the Board after the 2021 Annual General Meeting. The Chief Executive Officer is Jorma Jokela. The 2021 Annual General Meeting re-appointed PricewaterhouseCoopers Oy as the company's auditor, with APA Jukka Karinen as the auditor with principal responsibility.

Consolidated Financial Statements 2021 Audited

Consolidated statement of profit or loss

For the years ended 31 December:

EUR '000	Notes	2021	2020
Revenue	8	213,671	230,472
Operating expenses:			
Impairment loss on loans to customers	4.2, 10	(71,949)	(90,967)
Bank and lending costs	10	(14,338)	(13,358)
Personnel expense	9	(33,010)	(33,120)
Selling and marketing expense	10	(26,535)	(22,744)
General and administrative expense	10	(28,896)	(28,868)
Depreciation and amortisation	10, 14, 15, 16	(15,323)	(13,354)
Operating profit		23,620	28,061
Other income	11	2,280	485
Other expense	11	(1,999)	(32)
Profit before interests and taxes ('EBIT')		23,901	28,514
Finance income	12	3,603	521
Finance costs	12	(23,919)	(22,825)
Profit before income taxes		3,585	6,210
Income tax expense	13	(2,358)	(1,215)
Profit from continuing operations		1,227	4,995
Loss from discontinued operations		(3,789)	(4,511)
Profit (loss) for the year		(2,562)	484
Earnings per share:			
Weighted average number of ordinary shares in issue *		21,578	21,578
Earnings per share from continuing operations, EUR		0.06	0.23
Earnings per share from discontinued operations, EUR		(0.18)	(0.21)
Total earnings per share, EUR		(0.12)	0.02

*There are no items that have dilutive impact on the weighted average number of ordinary shares, and as such, basic and diluted for the years ended 31 December 2021 and 2020.

Consolidated statement of comprehensive income

For the years ended 31 December:

EUR '000	2021	2020
Profit from continuing operations	1,227	4,995
Other comprehensive income (expense) from continuing operations:		
Items that may be reclassified to profit or loss		
Currency translation difference from continuing operations	(55)	34
Total other comprehensive income (loss) from continuing operations	(55)	34
Total comprehensive income from continuing operations	1,172	5,030
Total comprehensive loss from discontinued operations	(3,789)	(4,369)
Total comprehensive income (loss) for the period	(2,617)	661

Consolidated statement of financial position

EUR '000	Notes	2021	2020
ASSETS			
Non-current assets:			
Property, plant and equipment	14	3,404	3,907
Right-of-use assets	15	1,618	4,207
Intangible assets	16	35,850	38,904
Deferred tax assets	13	6,981	7,897
Other non-current financial assets	17	6,215	5,028
Total non-current assets		54,068	59,943
Current assets:			
Loans to customers	17	443,872	360,955
Other current financial assets	17	13,344	12,348
Derivative financial assets	17	324	496
Current tax assets	13	2,200	1,567
Prepaid expenses and other current assets	18	3,628	3,208
Cash and cash equivalents	17	301,592	236,564
Total current assets		764,960	615,138
Total assets		819,028	675,081
EQUITY AND LIABILITIES			
Equity:			
Share capital		40,134	40,134
Treasury shares		(142)	(142)
Retained earnings		67,172	73,696
Perpetual bonds	1.1	50,000	-
Unrestricted equity reserve		14,708	14,708
Translation differences		(5,014)	(5,458)
Other reserves		2,631	2,631
Total equity		169,489	125,569
Liabilities			
Non-current liabilities:			
Long-term borrowings	19	57,656	174,849
Deposits from customers	19	82,793	63,689
Other non-current finance liabilities	1.1, 19	-	2,160
Lease liabilities	15, 19	282	1,961
Deferred tax liabilities	13	203	301
Total non-current liabilities		140,934	242,960
Current liabilities:			
Short-term borrowings	19	84,158	-
Deposits from customers	19	401,971	275,833
Derivative financial liabilities	19	1,232	3,230
Lease liabilities	15, 19	1,412	2,418
Current tax liabilities	13	3,247	3,241
Trade payables	19	1,426	9,932
Accruals and other current liabilities	19, 20	15,159	11,898
Total current liabilities		508,605	306,552
Total liabilities		649,539	549,512
Total equity and liabilities		819,028	675,081

Consolidated statement of cash flow

For the years ended 31 December:

EUR '000	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year		(2,562)	484
Adjustments for:			
Depreciation and amortization	10, 14, 15, 16	17,237	13,354
Finance costs, net	12	19,648	21,201
Tax on income from operations	13	2,440	1,292
Other adjustments		(1,466)	(659)
Impairments on loans		72,487	92,894
Working capital changes:			
Increase (-) / decrease (+) in current receivables		(11,470)	(1,590)
Increase (+) / decrease (-) in trade payables and other liabilities		(10,464)	1,288
Interest paid		(16,815)	(14,465)
Interest received		1,102	552
Income taxes paid		(2,427)	(3,670)
Net cash flows from operating activities before movements in loan portfolio and deposits		67,710	110,681
Deposits from customers		145,443	97,361
Movements in gross portfolio	4.2	(141,432)	(67,682)
Net cash flows from operating activities		71,721	140,360
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intagible assets	14, 15, 16	(11,542)	(12,502)
Purchase of investments and other assets		(747)	(1,199)
Disposal of subsidiaries	6	(1,388)	-
Net cash flows used in investing activities		(13,677)	(13,701)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity bonds	1.1	50,000	-
Repayment of long-term borrowings	1.1	(21,441)	-
Repayment of short-term borrowings	1.1	(15,861)	(47,514)
Perpetual bonds interests and issuance costs	1.1	(3,342)	-
Repayment of finance lease liabilities		(2,297)	(2,299)
Proceeds from long-term borrowings		-	6,500
Net cash flows from (used in) financing activities		7,059	(43,313)
Cash and cash equivalents, as at 1 January	17	236,564	155,518
Exchange gains (losses) on cash and cash equivalents		(74)	(2,300)
Net increase in cash and cash equivalents		65,103	83,345
Cash and cash equivalents, as at 31 December	17	301,592	236,564

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 2020	40,134	(142)	75,536	-	14,708	(2,583)	1,485	129,138
Change in accounting policy	-	-	(3,277)	-	-	-	-	(3,277)
Prior period adjustment	-	-	(626)	-	-	-	-	(626)
As at 1 January 2020, restated	40,134	(142)	71,633	-	14,708	(2,583)	1,485	125,235
Comprehensive income for the year								
Profit or loss	-	-	484	-	-	-	-	484
Currency translation difference	-	-	3,052	-	-	(2,875)	-	177
Total comprehensive income	-	-	3,537	-	-	533	-	661
Transactions with owners								
Acquisition of own options	-	-	(330)	-	-	-	-	(330)
Share-based payments (Note 21)	-	-	(25)	-	-	-	-	(25)
Transfers between items	-	-	(1,146)	-	-	-	1,146	-
Other changes	-	-	27	-	-	-	-	27
Total transactions with owners	-	-	(1,474)	-	-	-	1,146	(328)
As at 31 December 2020	40,134	(142)	73,696	-	14,708	(5,458)	2,631	125,569
As at 1 January 2021	40,134	(142)	73,696	-	14,708	(5,458)	2,631	125,569
Comprehensive income								
Profit or loss	-	-	(2,562)	-	-	-	-	(2,562)
Currency translation difference	-	-	(499)	-	-	444	-	(55)
Total comprehensive income	-	-	(3,061)	-	-	444	-	(2,617)
Transactions with owners								
Proceeds from equity bonds	-	-	-	50,000	-	-	-	50,000
Perpetual bonds interests and issuance costs	-	-	(3,342)	-	-	-	-	(3,342)
Share-based payments (Note 21)	-	-	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

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.

On 31 March 2022, Multitude's Board of Directors authorised the Group's consolidated financial statements as at and for the year ended 31 December 2021 and comparative year 31 December 2020 for issuance and filing.

1.1 Significant changes in the current reporting period

New strategy and rebranding

In line with its new strategy and operating model, the Group has rebranded its operating segments in Q2 2021 – Near Prime, which includes Credit Limit, Plus Loan and Micro Loan, is now Ferratum; CapitalBox digital SME Lending, is simply called CapitalBox; and PrimeLoan and Wallet are combined into SweepBank.

The shift in the strategy promotes an environment that allows the new Ferratum, CapitalBox and SweepBank tribes to better understand and identify the specific needs of their customer base and develop products and services to align with these needs in a more agile manner. Whereas the Group's central operations focus on business-critical and strategic decisions that are aimed at maximising cost advantages from delivering greater economies of scale, while remaining as an enabler by setting-up a platform that allows each tribe to reach its full business potentials. Segment results from for the comparative years ended 31 December 2021 and 2020 are presented in Note 7.

Perpetual bonds issue

On 5 July 2021, Multitude SE issued EUR 50 million worth of unsecured and subordinated perpetual capital notes ("capital notes") at of 99.50% of the nominal amount. The capital notes (ISIN NO0011037327) were drawn against a total authorised framework of EUR 100 million with a floating coupon rate of 8.90% plus 3-month Euribor. On 20 October 2021, the Finnish Financial Supervisory Authority ('FIN-FSA') approved the prospectus listing of the capital notes and provided the Swedish Financial Supervisory Authority ("Finansinspektionen") with a certificate of approval on 21 October 2021, attesting that the capital notes were draw-up in accordance with prospectus regulation. On 27 October 2021, Nasdaq Stockholm Aktiebolag ("Nasdaq Stockholm") has approved the listing and trading of Multitude's capital notes.

In conjunction with the above issuance, holders of the Group 2018 (ISIN AS5772809 / SE0011167972) and 2019 (ISIN SE0012453835) debt instruments under Ferratum Capital Germany GmbH ("FCGE"), were given the option to tender their outstanding instruments in exchange for holdings in the 2021 capital notes. In connection to this, the Group has purchased EUR 15.6 million worth of nominal 2018 FCGE debt instruments, with carrying amount of EUR 15.5 million, at a price of 101.50% and EUR 21.0 million worth of nominal 2019 FCGE debt instruments, with carrying amount of EUR 20.6 million, at a price of 102%. The repurchase of these debt instruments resulted into loss on repurchase of borrowings amounting to EUR 1.2 million recognised in the consolidated statement of profit or loss. The remaining carrying amounts of the 2018 and 2019 bonds are presented as current and non-current liabilities, respectively, in the consolidated statement of financial position and in Note 19.

Disposals of Ferratum UK Ltd. and Ferratum Denmark ApS

In line with its initiatives to streamline its operations and reporting structure, Multitude disposed of its total shareholdings, representing 100% ownership interests, in Ferratum UK Ltd. ("FGB") and Ferratum Denmark ApS ("FDK") on 31 October 2021 and 31 December 2021, respectively.

Shareholdings in FGB and FDK were sold for total net proceeds of EUR 100 and EUR 27, resulting into losses on disposals of subsidiaries amounting to EUR 1.9 million and EUR 0.2 million. Net assets of FGB and FDK, immediately prior to their respective disposals, are disclosed in Note 5.

In addition, since FGB is considered as a component of the Group that represents a major geographic area of operations, the results of operations of the subsidiary, including the loss on its disposal, for the years ended 31 December 2021 and 2020 were reclassified and presented as a single line in 'loss from discontinued operations' in the consolidated statement of profit or loss. Further details on the results and cash flows arising from discontinued operations are disclosed in Note 6.

Acquisition and subsequent valuation of Spotcap Netherlands BV

On 15 October 2020, the Group acquired the SME lending business of Spotcap Netherlands BV ("Spotcap"), including part of its active portfolio. The acquisition was accounted for as a business combination as at and for the year ended 31 December 2020 with a net purchase price of EUR 3.9 million in exchange for Spotcap's net identifiable assets, which consisted of loans to customers and separate identifiable intangible assets relating to Spotcap's partner network valued at EUR 1.9 million and EUR 1.2 million, respectively, resulting into the recognition of goodwill from acquisition valued at EUR 0.8 million. The acquisition net purchase price included a EUR 2.0 million contingent consideration payable by Multitude to Spotcap conditional upon meeting certain revenue levels and profitability targets expected to arise from the synergies gained from merging the acquired Spotcap SME lending business with the Group's operations in the Netherlands.

During 2021, it has become apparent to the Group that the agreed revenue targets in relation to the acquired partner network and SME lending business will not be fully met within the agreed time frame. As a result, the contingent consideration, presented as other non-current liabilities in the consolidated statement of financial position, was written down to EUR 0.4 million with a corresponding gain amounting to EUR 1.4 million recognised as other operating income in the consolidated statement of profit or loss.

The Group also performed an impairment assessment of the acquired goodwill and partner network to determine whether their carrying amounts exceed their respective recoverable amounts as at 31 December 2021, which resulted into a full write-down of goodwill with carrying amount of EUR 0.8 million and a partial impairment of partner network amounting to EUR 0.6 million. These impairment losses are presented under other operating expenses in the consolidated statement of profit or loss. (Note 11)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Multitude Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ("EU"). The consolidated financial statements are presented in thousand euros ("EUR 000"), except as otherwise indicated, and are prepared under the historical cost convention, except as disclosed in the summary of significant accounting policies in Note 2.3.

2.2 New and amended standards and interpretations

On 1 January 2021, 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 IFRS 16, 'Leases' on Covid-19-related rent concessions that provides lessees with an option to treat rent concessions in the same way as they would if they were not lease modifications under certain circumstances.

• Temporary amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 on interest rate benchmark reform ("IBOR") - phase 2 that addresses issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

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

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

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

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

• Annual improvements make minor amendments to IFRS 1, 'First-time adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the illustrative examples accompanying IFRS 16, ' Leases'.

• 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.

2.3 Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and each of those companies over which it exercises control. Control over an entity exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Group has less than a majority of voting or similar rights in an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including the contractual arrangements, and voting rights and potential voting rights. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to the elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control in a subsidiary, the related assets, liabilities, non-controlling interests, and other components of equity are derecognized with any gains or losses recognised in the consolidated statement of profit or loss. Any investment retained in the former subsidiary is measured at fair value.

All intercompany transactions are eliminated as part of the consolidation process. Since Multitude wholly owns all of its subsidiaries, there are no components of non-controlling interests ("NCI") presented separately as a component of the Group's consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured as the aggregate of the fair values of the assets transferred, liabilities incurred towards the former owners of the acquired entity or business, and equity instruments issued. Acquisition-related costs are recognised as expenses in the consolidated statement of profit or loss in the period in which the costs are incurred and the related services are received with the exception of costs directly attributable to the issuance of equity instruments that are accounted for as a deduction from equity.

Identifiable assets acquired and liabilities assumed are measured at the acquisition date fair values. The Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets on a business combination by business combination basis. The excess of the consideration transferred over the aggregate amount of the non-controlling interests and the fair values of the identifiable net assets acquired is recorded as goodwill.

Non-current assets or disposal groups held for sale and discontinued operations

Non-current assets or disposal groups are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset, or the disposal group, must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets or disposal groups, and the sale must be highly probable. These assets, or in the case of disposal groups, assets and liabilities, are presented separately in the consolidated statement of financial position and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets classified as held for sale or included in a disposal group classified as held for sale, are not depreciated or amortised.

Discontinued operations are reported when a component of the Group, comprising operations and cash flows that can be clearly distinguished both operationally and for financial reporting purposes from the rest of the Group, is classified as held for sale or has been disposed of, or the component represents a major line of business or geographical area of operations, or is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. Profit or loss from discontinued operations is reported separately from income and expenses from continuing operations in the consolidated statement of profit or loss, with prior periods presented on a comparative basis. Cash flows from discontinued operations are presented separately in the consolidated financial statements and accompanying notes. Intra-group revenues and expenses between continuing and discontinued operations are eliminated.

Revenue recognition

The Group recognises revenue from interest and fee charges arising from its banking and lending activities when it is probable that associated economic benefits will flow to the Group and the amount of the can be measured reliably.

Interest revenue

Interest revenue is calculated and recognised based on the effective interest rate method. The effective interest includes fees considered to be an integral part of the effective interest rate on loans to customers. The effective interest rate is the rate that discounts estimated future cash flows to the net carrying amount of loans to customers. Interest revenue recognition starts on the day when the customer loan agreement is executed and the proceeds from the loan are transferred to the customer and is accrued on a day-to-day basis until the derecognition of the underlying loan to customer.

Loan servicing fees

The Group charges origination and commitment fees that can be considered to be an integral part of the effective interest rate on loans to customers and are under the scope of IFRS 9. Other fees, including invoicing, penalty, and other similar loan servicing fees, that are not considered to be an integral part of the effective interest rate on loans to customers are accounted for under IFRS 15, 'Revenue from contracts with customers'. These fees are recognised at the point in time when the Group satisfies the underlying performance obligations, normally when such fees are due from the customers or upon invoicing. There are no contract assets and liabilities relating to loan servicing fees as at 31 December 2021 and 2020.

Segment reporting

Operating segments are reported in a manner consistent with the internal reports provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the senior management team that makes strategic decisions. The Group's operating and reportable segments comprise 100% of the Group's external revenue.

Employee benefits

Post-retirement plans

The Group companies have various post-employment plans in accordance with local regulations and practices in the countries in which they operate. Group companies' pension plans are generally considered to be defined contribution plans that are funded by employees and relevant Group companies through pension insurance contracts, local government retirement schemes, and other external post-employment retirement plan arrangements, where the Group does not retain or incur any additional legal or constructive obligations on top of its regular contributions to such plans. These contributions are recognised as expense in the consolidated statement of profit or loss in period they are incurred.

Share-based payments

The Group's share-based payments granted are equity-settled share-based payment transactions. They are booked as employee benefit expense and as increases in equity based on the grant date fair value of the options or shares granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are satisfied.

At the end of each period, the Group revises its estimates of the number of options or shares that are expected to vest based on the vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Cancellation of a share-based payment arrangement is accounted for as an acceleration of vesting, and the Group recognises immediately the amount that would have been settled with employees at the end of the original vesting period. Any payment made to the employee is accounted for as deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the cancellation date.

Finance income and costs

Interest income and expense

Interest income is recognised based on the amount receivable or received from deposits in bank and other financial institutions and other financial assets at amortized cost apart from loans to customers.

Interest expense arises primarily from current and non-current portion of borrowings, deposits from customers, and lease liabilities. Similar to interest revenue, interest expense is calculated and recognised based on the effective interest rate method, and considers transaction costs, premiums, or discounts that are integral parts of the origination of the underlying financial liability.

Other operating income and expenses

Gains and losses not arising from the Group's ordinary course of business, such as those arising from impairment, sale, and disposal of non-current assets, among others, are recognised under other operating income (expenses) in the Group's consolidated statement of profit or loss.

Foreign currency translation

Functional and presentation currency

The financial statements of all Group companies are measured using functional currency, which is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in euro ("EUR"), the functional and presentation currency of the Parent Company.

Transactions and balances in foreign currencies

Transactions in foreign currencies are recorded at exchange rates prevailing at the dates of the individual transactions. For practical reasons, a rate that approximates the actual rate as of the date of the transaction is often used in day-to-day accounting. Monetary assets and liabilities denominated in foreign currency are valued at the exchange rates prevailing at the end of the reporting period.

Foreign exchange gains and losses, realised or otherwise, arising from foreign currency denominated transactions and balances, including those arising from hedging activities, are recognised in financial income (cost) in the consolidated statement of profit or loss.

Group companies with different functional currencies

On consolidation, the assets and liabilities of Group companies, whose functional currency is other than euro, are translated into euro at the exchange rates prevailing at the end of the reporting period. The income and expenses of these foreign operations are translated into euro at the average exchange rates for the reporting period. The exchange differences arising from translation for consolidation are recognised as translation differences in the consolidated statement of comprehensive income.

Income taxes

The income taxes comprise current tax and deferred tax. Income tax income or expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income, or directly in equity; then the related tax is recognised in other comprehensive income or equity, respectively.

Current taxes
Current taxes are based on the results of Group companies and are calculated using local tax regulations and tax rates that are enacted or substantively enacted at each reporting date. Corporate taxes withheld at the source of the income, on behalf of Group companies, are accounted for in income tax expense where they are determined to represent tax on profit or loss for the period.

Deferred taxes
Deferred tax assets and liabilities are determined using the balance sheet liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilised in the relevant jurisdictions. Deferred tax assets are assessed for realisability as of each reporting date. When circumstances indicate it is no longer probable that deferred tax assets will be utilised, adjustments are made as necessary.

Deferred tax liabilities are recognised for taxable temporary differences, and for temporary differences that arise between the fair value and the tax base of identifiable net assets acquired in business combinations. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax liabilities are provided for the taxable temporary differences arising from investments in subsidiaries, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The enacted or substantively enacted tax rates as of each reporting date, that are expected to apply in the period when the asset is realised or the liability is settled, are used in the measurement of deferred tax assets and deferred tax liabilities.

Deferred tax assets and liabilities are not discounted. The Group periodically evaluates positions taken in tax returns with respect to the situations in which applicable tax regulation is subject to interpretation. The Group adjusts the amounts of current and deferred tax assets and liabilities recorded, where it is considered probable, i.e., more likely than not, that certain tax positions may not be fully sustained upon review by tax authorities. The amounts recorded are based on the most likely amount or the expected value, depending on which method the Group expects to better predict the resolution of the uncertainty.

Deferred tax assets and deferred tax liabilities are offset for presentation purposes when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period where significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

Property, plant and equipment

Property, plant and equipment are recognized in the financial statements at their carrying amount, which is equal to the cost of acquisition less cumulative depreciation, and where applicable, cumulative impairment. The cost of acquisition includes costs directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognized as expense in the consolidated statement of profit or loss when they are incurred.

Property, plant and equipment are depreciated using the straight-line method towards their residual values and over their estimated useful lives, as follows:

Office Building	3 – 8 years
Furniture, fittings, and equipment	3 – 8 years

The asset's residual value and useful live are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gain or loss on disposal is determined as the difference between the net disposal proceeds, if any, and the carrying amount. The gain or loss from disposal is recognised in non-operating income and expenses in the consolidated statement of profit or loss.

Intangible assets

The Group's intangible assets mainly consist of internally generated and capitalised software development costs, as well as computer software purchased from third parties. The Group also has licenses, trademark, and goodwill that are presented under other intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. Research costs associated with internally generated intangible assets, except for development costs that may be capitalised, are expensed in the period when they are incurred. Development costs are capitalised only if the Group has the technical feasibility to complete the asset; has an ability and intention to use or sell the asset; can demonstrate that the asset will generate future economic benefits; has resources available to complete the asset; and has the ability to measure reliably the expenditure during development.

The useful economic life of the Group's intangible assets, other than goodwill, is finite. Following initial recognition, finite intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method, which is considered to best reflect the pattern in which the asset's future economic benefits are expected to be consumed, over their useful economic lives as follows:

Capitalized development costs:	2 – 5 years
Computer software:	2 – 10 years

Trademarks:	3 – 5 years
Licenses:	2 – 10 years

Leases

The Group's lease agreements primarily consist of office buildings and equipment. At contract inception, the Group assesses, whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and, accordingly, recognises a right-of-use asset and a lease liability for all leases with a lease term exceeding 12 months. The commencement date is the date when the lessor makes the underlying leased asset available for use by the Group.

The Group applies a practical expedient whereby leases for which the lease term is 12 months or less at the lease commencement date ("short-term leases") are not recognised in its consolidated statement of financial position. Instead, the Group recognises the lease payments associated with short-term leases as an operating expense on a straight-line basis over the lease term. In addition, as a practical expedient, the Group does not separate certain non-lease components from lease components but instead accounts for each lease component and associated specified non-lease component as a single lease component. Other payments for non-lease components, that are variable based on consumption (e.g., property taxes, insurance payments and variable property service costs), are recognised as an expense when incurred.

Right-of-use asset

The right-of-use asset is initially measured at cost, which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, and estimated restoration costs of leased asset to the condition required by the contract at the end of lease period, less any lease incentives (e.g., lease-free months) and any direct costs of the lease.

Subsequent to initial measurement, right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight-line method, from the commencement date to the earlier of the end of the contractual lease term, or the estimated useful economic lives of the right-of-use assets, as follows:

Office buildings:	3 – 6 years
Office equipment:	3 – 4 years

At the end of each reporting period, the Group assesses the lease terms of open-ended contracts to determine whether an extension or reduction in the lease term is appropriate.

Lease liability

At commencement date, lease liabilities are measured at the present value of lease payments to be made over the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, as well as any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The lease payments include fixed lease payments and certain fixed non-lease components less any lease incentives receivable, variable lease payments that depend on an index or a rate, and appropriate termination fees whenever the lease term has been determined based on the expectation that the Group will exercise its option to terminate. The Group does not generally enter into lease contracts with variable lease payments linked to future performance or use of an underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. In addition, the carrying amounts for the right-of-use asset and lease liability are remeasured if there is a modification, a change in the lease term or a change in the future lease payments resulting from a change in an index or rate used to determine such lease payments. The interest component of the lease payments is recognised as interest expense within finance costs in the consolidated statement of profit or loss.

Incremental borrowing rate

The lease payments are discounted using the Group's incremental borrowing rate. This rate is calculated at the beginning of the lease and is equal to the weighted nominal interest rate paid on the Group's long-term borrowings. At the beginning of each period, the Group reviews and assesses the need to modify the applicable incremental borrowing rate based on whether there have been significant changes in the economic conditions and assumptions used for modelling the incremental borrowing rate.

Impairment of non-financial assets

Property, plant and equipment, intangible assets, excluding goodwill, and right-of-use assets are reviewed annually for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Goodwill arises from business combinations accounted for using the acquisition method, where the Group is the acquirer. Goodwill is not subject to amortisation, but is tested annually for impairment, or more frequently if events or changes in circumstances indicate impairment may have occurred.

Impairment loss is recognised as a non-operating expense in the consolidated statement of profit or loss when the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's fair value less costs of disposal and value-in-use.

Financial assets

Initial recognition and measurement

The Group recognises a financial asset in its consolidated statement of financial position when it becomes a party to a contract that gives rise to financial instruments and when the underlying financial instrument meets the definition of a financial asset as set out in IAS 32. At initial recognition, the Group measures all financial assets are at fair value plus transaction costs, except for those financial assets classified as subsequently measured at fair value through profit or loss, which are only measured at fair value at initial recognition.

Classification and subsequent measurement

The Group classifies its financial assets as either financial assets subsequently measured at amortised cost (carrying amount less loss allowances calculated using expected credit losses), financial assets measured at fair value with changes recognised through other comprehensive income ("FVOCI"), and financial assets measured at fair value with changes recognised through profit and loss ("FVPL"). The selection of the appropriate category is made based on both the Group’s business model for managing the financial asset and on the contractual cash flow characteristics of the asset.

The Group’s business model for managing financial assets is assessed at the portfolio level as this best reflects the way the business and financial assets are managed in order to generate cash flows, and how information is provided to management. Similarly, the Group assesses contractual cash flow characteristics of financial assets at the portfolio level, and where applicable, at the individual product level. The Group assesses whether the contractual cash flows are generated solely through payments of principal and interest ("SPPI"), by considering contractual terms that might introduce elements of variability in the contractual cash flows in relation to contingent events, leverage features, prepayment clauses, extension of payment terms, and similar modifications to the contract giving rise to a recognition of the financial asset.

Financial assets measured at amortised cost are debt instruments held within a business model that has an objective to hold assets to collect contractual cash flows. The Group’s financial assets measured at amortised cost include loans to customers, cash and cash equivalents, and other current and non-current receivables from third parties. Subsequent to initial measurement, the Group determines loss allowances related to financial assets, except for cash and cash equivalents, using expected credit loss ("ECL") model. The Group’s ECL model, inputs, and assumptions are disclosed in Note 3.1.

Financial assets at FVOCI are either debt instruments held within a business model which objective is achieved both by holding the financial assets to collect contractual cash flows and by selling the financial assets, or equity instruments that would otherwise be classified as financial assets at FVPL that are irrevocably designated as Financial assets at FVOCI at initial recognition. The Group did not have any financial assets classified as FVOCI, designated or otherwise, as at and for the years ended 31 December 2021 and 2020.

Financial assets at FVPL are either equity instruments that do not meet the definition of equity under IAS 32, debt instruments that do not fall in either of the preceding categories, or debt instruments that fall in either of the preceding categories but are irrevocably designated as Financial asset at FVPL at initial recognition to eliminate or significantly reduce measurement or recognition inconsistency. The Group’s financial assets at FVPL consists of derivative financial assets that are used to hedge the cash flow impact of changes in exchange rates in relation to foreign currency denominated intercompany loans, and as a result, do not fall in either of the preceding categories. The Group did not have any financial assets irrevocably designated as Financial asset at FVPL at initial recognition as at and for the years ended 31 December 2021 and 2020.

Derecognition

The Group generally derecognises a financial asset, or a part of a financial asset, when its ceases to have control of the contractual rights that comprise the financial asset, or a part of a financial asset.

In determining the date when the Group ceases to have control of the financial asset, or a part of a financial asset, the Group considers the earliest date when the rights to the cash flows from the asset has expired; when the Group has transferred its rights to receive the cash flows and substantially all risks and rewards from the asset to another entity; and when the Group has assumed an obligation to pay the cash flows from the asset to another entity that meets the requirements set out in IFRS 9 and has transferred substantially all risks and rewards from the asset to the said entity.

At derecognition, the Group recognises the difference between the net proceeds received from the transfer of the financial asset, or a part of a financial asset, to another entity, if any, and the carrying amount of the financial asset, or a part of a financial asset, transferred as gain or loss on derecognition of the financial asset in the consolidated statement of profit or loss.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Group assesses whether there have been substantial differences between the terms and conditions, and the contractual cash flows associated with the financial asset after the modification. If so, the Group derecognises the carrying amount of the underlying financial asset, recalculates and recognises the gross carrying amount of the new financial asset based on the revised contractual terms and cash flows, and recognises any gains or losses arising from such modification in its consolidated statement of profit or loss.

Modifications of terms and conditions and contractual cash flows related to loans to customers normally arise from various product features included in the terms and conditions of loan agreements with customers including rescheduling, payment holidays, due date changes, modification to the payment schedule, and payment-free months, which do not necessarily constitute forbearance as defined by EU Regulation 575/2013 ("CRR2"). These arrangements normally arise from short-term consumer loans that are not considered to be individually significant at Group level, and usually occur without substantially modifying the contractual terms and cash flows of the underlying loan agreements apart from upfront payments of minor rescheduling and extension fees. As a result, the Group does not usually recognise any gain or loss arising from modifications of low-value consumer loans, rather, upfront rescheduling and extension fees are recognised as revenue at the point in time when the Group’s performance obligation to reschedule or extended the underlying loan agreement has been satisfied.

Financial liabilities

Classification

The Group generally recognises and classifies all its issued debt instruments as financial liabilities subsequently measured at amortised cost, except for derivative financial liabilities that are classified as financial liabilities at FVPL and issued debt instruments with characteristics of an equity instrument, classified as such. The Group’s financial liabilities measured at amortised cost consist of borrowings, deposits from customers, lease liabilities, trade payables, and other current and non-current liabilities that will be extinguished through cash payments.

At initial recognition, the Group assesses whether an issued debt instrument should be classified as an equity instrument. The Group considers all relevant contractual terms to determine whether the instrument does not include a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the Group. In applying these criteria, the Group considers that discretionary payments of the principal amount, or any interests thereon, to the holders of the issued debt instrument do not necessarily constitute a contractual obligation to deliver cash or another financial asset to another entity. As at 31 December 2021, the carrying amount of issued perpetual bonds classified as equity instrument in the Group’s consolidated statement of financial position is EUR 50 million.

Measurement
The Group generally recognises financial liabilities on initial measurement at their fair value including transaction costs, and subsequently at amortised cost using the effective interest method, with resulting interest expense recognised as a financial cost in the consolidated statement of profit or loss, except for financial liabilities at FVPL, which are initially measured at fair value, excluding transaction costs, and are thereafter carried at fair value, with changes in fair value recognised through profit or loss. The Group's financial liabilities at FVPL consists of derivative financial liabilities that are used to hedge the cash flow impact of changes in exchange rates in relation to foreign currency denominated intercompany loans.

Derecognition and modification
The Group derecognises a financial liability, or portion of a financial liability, when its contractual obligations that comprise the financial liability are extinguished.

An exchange between the Group and the lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of an existing financial liability, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group recognises the difference between the carrying amount of a financial liability, or part of a financial liability, extinguished or transferred to another party and the consideration paid, including any non cash assets transferred, or liabilities assumed, as gain or loss in the consolidated statement of profit or loss.

When the Group repurchases a part of a financial liability, the Group allocates the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. Similarly, the Group recognises the difference between the carrying amount allocated to the part derecognised and the consideration paid, including any non cash assets transferred, or liabilities assumed, for the part derecognised in the consolidated statement of profit or loss.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and on hand as well as short-term highly liquid investments that are readily convertible to known amounts of cash with the maturities at acquisition of three months or less, as well as bank deposits with maturities or contractual call periods at acquisition of three months or less.

Bank deposits that are set aside for the purpose of funding the Group's swaps and forward contracts and do not meet the definition of cash and cash equivalents are classified as financial assets at amortised cost and presented as Receivables from banks under Other current financial assets in the consolidated statement of financial position.

Derivative instruments
Foreign exchange swaps, and forward contracts are part of the Group's risk management policy. All derivatives arising from swaps and forward contracts are recognised initially at fair value on the date a derivative contract is entered into and subsequently remeasured at fair value. Derivative financial assets and liabilities are presented in the consolidated statement of financial position under the current assets and current liabilities section, respectively.

The Group does not apply hedge accounting. As a result, realised and unrealised gains and losses arising from changes in fair values of the derivative financial assets and liabilities, as well as accumulated interest income and expenses for interest swaps and forward contracts during the financial period, are recognised as finance income or cost in the Group's consolidated statement of profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest, by using quoted market rates, discounted cash flow analyses and other appropriate valuation models, whereas equity instruments are mainly valued using Multitude's market share price, adjusted using valuation techniques that can include both observable and unobservable inputs, where applicable. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial instruments for which fair values are being measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices for exchange-traded products in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which significant inputs other than quoted prices are directly or indirectly observable; and

Level 3 - Valuation techniques for which significant inputs are unobservable.

The Group categorises assets and liabilities that are measured at fair value on a recurring basis into an appropriate level of the fair value hierarchy at the end of each reporting period as presented in Notes 17 and 19 for financial assets and liabilities, respectively.

Contingent assets and contingent liabilities

The Group discloses probable assets and contingent liabilities such as commitments, guarantees, pledges, and other items that do not meet the recognition criteria for an asset or a liability, as outlined in the conceptual framework, to the extent that the amount can be measured reliably and that upon meeting such measurement criteria, the underlying asset or liability could have significant impact to the Group's consolidated statements of financial position, profit or loss, and cash flows. The Group does not disclose contingent assets and contingent liabilities wherein the probability of the occurrence or non-occurrence of one or more uncertain future events that can confirm the existence of the underlying asset or liability is considered remote.

At each reporting period, the Group performs a continuous assessment and monitoring of whether underlying events and circumstances give rise to assets and liabilities that requires disclosure and recognition in its consolidated statement of financial of position. As at 31 December 2021 and 2020, the Group does not have any contingent assets or contingent liabilities that require disclosure its consolidated financial statements.

Equity

Share capital

The Group has 21,577,760 shares issued and outstanding as at 31 December 2021 and 2020, with par value of EUR 1.00 per share. The difference between the share par value and the fair value of considerations received in exchange for such shares are accounted for as additional paid-in capital.

Treasury shares

The Group recognises its own equity instruments that are acquired (treasury shares) as a reduction of equity at cost of acquisition. When cancelled or reissued, the acquisition cost of treasury shares is recognised in retained earnings or other distributable reserves of the equity. The Group holds 146,200 shares, representing 0.7% of total shares issued, held as treasury shares as at 31 December 2021 and 2020. No consideration is paid to the treasury shares in a distribution of equity.

Perpetual bonds

The carrying amount of perpetual bonds issued by the Group, classified as an equity instrument, is presented as part of consolidated statement of shareholders' equity. Transaction costs, interest payments, and principal repayments are deducted directly from retained earnings.

Unrestricted and other reserves

The unrestricted equity reserve contains the amount paid for shares in a share issue, while other reserves include Multitude's legal reserves.

The Group did not declare any dividend distributions in relation to the results of its operations for the years ended 31 December 2021 and 2020.

Subsequent events

The Group monitors subsequent events or those transactions occurring after the end of the reporting period but before its consolidated financial statements are authorised for issue. The Group assesses whether each subsequent event provides evidence of conditions that existed at the end of the reporting period, constituting an adjusting event, or whether such subsequent events are indicative of conditions that arose after the reporting period, constituting a non-adjusting event.

The Group further assesses whether each identified subsequent event would significantly impact the fair presentation of the Group's consolidated financial statements, including the accompanying note disclosures, and accordingly adjusts or discloses the nature, timing, and amount relating to each significant adjusting or non-adjusting subsequent events, respectively.

Significant adjusting or non-adjusting subsequent events that requires adjustments or additional disclosures occurring after 31 December 2021 and 31 March 2022, when Multitude's Board of Directors authorised the consolidated financial statements as at and for the year ended 31 December 2021 are disclosed in Note 23.

3. Critical accounting estimates and judgements

The preparation of financial statements requires use of management judgment in electing and applying accounting policies as well as making estimates and assumptions about the future. These judgments, estimates and assumptions may have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions used in determining the carrying amounts of assets and liabilities are based on historical experience, expected outcomes and various other factors that were available when these consolidated financial statements were prepared, and they are believed to be reasonable under the circumstances. The estimates and assumptions are reviewed continually and revised if changes in circumstances occur, or as a result of new information or more experience. As estimates and assumptions inherently contain a varying degree of uncertainty, actual outcomes may differ resulting in adjustments to the carrying amounts of assets and liabilities in the subsequent periods.

The accounting matters presented in this note are determined to involve the most difficult, subjective or complex judgments, or are considered as key sources of estimation uncertainty.

3.1 ECL model, inputs, and assumptions

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 ("EIR2").

3.1.1 Exposure at default

For MicroLoans, the Group considers that the gross balance, inclusive of the principal and processing fees charged at the inception of the loan, of its outstanding loans to customers at reporting date to be a reasonable estimate of EAD in regard to this facility.

On the other hand, PlusLoans, PrimeLoans and SME loans facilities are typically subject to a monthly repayment schedule which is expected to impact EAD at different points in time throughout the residual life of such facilities. Similarly, the Group charges daily interest on outstanding balances in relation to Credit Limit facilities and collects monthly minimum repayments, which ultimately impacts EAD. However, due to the high volume and low value of individual PlusLoans and credit facilities, the Group does not calculate the amortisation profile to estimate the EAD over the different points in time throughout the residual life of such facilities, rather, the Group considers the gross balance, inclusive of both principal and accrued interests, of its outstanding loans to customers at reporting date to be a reasonable estimate of EAD in regard to these facilities.

3.1.2 Probability of default

For MicroLoans, the Group utilises a roll-rate methodology at the country level, which employs statistical analysis of historical data and experience of delinquency to estimate the amount of loans that are expected to reach default status as a result of events which the Group is not able to identify on an individual loan basis. Under this methodology, loans are grouped into buckets according to the number of days past due ("DPD buckets") and statistical analysis (Markov Model) is used to estimate the likelihood that loans in each bucket will progress through the various stages of delinquency until default status is achieved.

In line with IFRS 9, the Group adopted the curve-stitching methodology in order to estimate the unconditional PDs for its PlusLoans, PrimeLoans, SME loans and Credit Limit facilities. Under this approach, an analysis of historical default data is carried out in order to estimate cumulative monthly loss rates at various snapshot dates. Subsequently, statistical analysis is employed in order to combine curves with different historical performance windows into a single PD curve over the expected lifetime of the short-term credit exposures. Loans are further grouped into ranges according to the number of days past due, with an individual lifetime PD curve being calculated for each range. Similar to MicroLoans, this methodology is also applied at the territory or country level in order to incorporate adaptations to reflect the nature of the different markets in which the Group operates.

The unconditional PD for each loan portfolio is further adjusted to consider forward-looking information through macro-economic modelling to arrive at the applicable PD.

3.1.3 Loss given default
The Group calculates LGD based on the loan sales price and loan repayment recoveries.

Based on historical data on past portfolio sales, the Group estimates that it will take a period of approximately 12 months after occurrence of default before it can sell the underlying portfolio, and that the average loan sales price of each portfolio will be between 20% and 51%, and that the average loan sales price will be approximately 2% lower at each subsequent DPD bucket.

For MicroLoans, the Group utilises the statistical information the roll-rate methodology, to estimate the level of recoveries from loan repayments it expects subsequent to loan facilities reaching non-performing status.

For PlusLoans, PrimeLoans, SME loans and Credit Limit facilities, the Group estimates the level of recoveries from loan repayments it expects subsequent to loan facilities reaching non-performing status. The Group calculates the marginal recovery rates up to 12 months after default by tracking the monthly recoveries from loan repayments experienced over each performance window as a percentage of the total balance of defaulted exposures at each snapshot date.

3.1.4 Discounting using effective interest rate
The Group discounts the recoverable amount, which represents the future cash flows expected to be received from loan sales and loan repayment recoveries using the EIR at the date of default at a rate reflective of the late payment interest based on the applicable discount period, taking into account all relevant contractual terms relating to the loan. In the case of loan sales, a time to sell period of 12 months is assumed, whereas repayment recoveries are discounted on a monthly basis based on the month of occurrence. Subsequently, the Group discounts the ECL at the date of default at reporting date.

3.1.5 Forward-looking considerations
IFRS 9 requires institutions to estimate ECL by taking into account ‘reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions’. Accordingly, the Group uses macro-economic modelling to determine the forward-looking factors used to adjust the unconditional PD before arriving at the final PD used in the ECL calculations.

The Group starts by identifying the key drivers of credit risk and credit losses associated with each of its loan portfolio and then analysing the relationship between the identified key drivers and the underlying macro-economic variables ("MEV"), taking into account variabilities in customer behaviours and different product characteristics for each market and portfolio. The Group utilises various statistical techniques in order to establish relationship between the identified key economic drivers and the Group's historical data on customer behaviour and occurrences of default at market and portfolio level.

Starting from 30 June 2021, the Group has shifted from a linear regression analysis to an 'Error Correction Model' ("ECM") in determine the relationship between the performance of each Market's loan portfolios and the underlying macro-economic factors. ECM improves the overall reliability of the ECL model by establishing better 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. This shift also resulted in the establishment of stricter requirements for new loans and overall improvement in the average quality of customer base.

In markets where the Group has recently launched new products, the Group only uses proxy statistical data available in other markets with close geographical and demographical similarities due to limitations in the availability of historical data.

In regard to the MEVs, to be able to determine the way in which economic conditions will be impacting the ECL estimates, the Group first performs an assessment to select the MEV which has the highest correlation to credit risk factors for a certain country and product. The Group has determined that the key drivers for microloans, PlusLoans, Credit Limit facilities and prime loans are Gross Domestic Product ("GDP"), Personal Disposable Income ("PDI") and Unemployment Rate ("UR"), whereas the Consumption Rate Private ("CRP") is the key driver for SME loans. The choice of MEV to be used for a particular country and product is determined through an optimised approach in which the ECM is run separately for each of these variables. The variable that is ultimately applied for the respective portfolio is the one that produces the most statistically significant result.

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

The 'base line' scenario captures business-as-usual macroeconomic expectations if the current rhythm of economic activity is maintained. The 'Downside' scenario is based on a subdued level of economic activity hypothesized to correspond to an economic recession, while the 'Upside' Scenario is based on the assumption that it is possible for the economy to marginally improve over benign economic conditions.

The Group considers the 'base line' scenario as most likely outcome as it is based on published authoritative sources, whereas the 'downside' and 'upside' scenarios represent a more pessimistic and optimistic views, respectively, as they factor in current top and emergent risks and opportunities. As the Group considers that each scenario represents plausible outcome, probability weightings are assigned to each scenario based on current global economic outlook – 60% for 'base line' scenario, and 20% each for 'downside' and 'upside' scenarios.

The following tables show the outlooks on the aforementioned MEVs as at 31 December 2021:

Unemployment rate

In %	2021			2022			2023			2024		
	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Australia	5.3	5.3	5.3	4.7	5.3	3.9	4.5	4.2	4.1	4.5	4.4	4.3
Bulgaria	5.9	5.9	5.9	5.1	6.0	4.8	4.7	4.6	4.3	4.6	4.3	4.3
Denmark	3.3	3.3	3.3	3.4	4.3	3.1	3.6	3.5	3.2	3.7	3.3	3.5
Finland	7.2	7.2	7.2	7.0	7.4	6.7	6.9	6.9	6.7	6.7	6.6	6.5
Hungary	7.2	7.2	7.2	6.6	7.5	6.4	6.5	6.4	6.2	6.4	6.2	6.1
Norway	3.4	3.4	3.4	3.4	3.8	2.9	3.4	3.3	3.1	3.4	3.2	3.2
Romania	3.0	3.1	3.0	3.2	4.2	3.0	3.2	3.1	2.8	3.2	2.8	2.8

Personal disposable income

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Germany	EUR	158	158	158	166	163	166	169	170	169	171	173	171
Sweden	SEK	212	212	212	214	212	214	216	215	216	219	219	220

Consumption rate private

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Finland	EUR	10.11	10.09	10.11	10.32	10.04	10.48	10.49	10.54	10.60	10.62	10.59	10.71

Gross domestic product

Billion units		2021			2022			2023			2024		
	Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Brazil	BRL	154	154	154	156	153	157	160	161	162	164	164	166
Czechia	CZS	432	431	432	454	438	462	470	474	477	483	489	488
Estonia	EUR	2	2	2	2	2	2	2	2	2	2	2	3
Hungary	EUR	34	34	34	35	34	35	36	36	37	37	37	37
Lithuania	EUR	4	4	4	4	4	4	4	4	4	4	4	4
Latvia	EUR	2	2	2	2	2	2	3	3	3	3	3	3
Netherlands	EUR	65	65	65	66	64	68	67	68	68	68	69	69
Poland	PLZ	187	187	187	195	190	197	202	203	204	208	209	209
Romania	RON	15	15	15	16	15	16	16	16	16	16	16	17
Spain	EUR	95	95	95	100	97	103	104	105	105	106	107	107
Sweden	SEK	443	442	443	453	442	459	462	465	466	470	472	474

3.2. Recoverability of deferred tax assets

The Group uses judgment in determining the extent to which deferred tax assets can be recognised. The recognition of deferred tax assets is based on the assessment of whether it is probable that sufficient taxable profit will be available in the future to utilise the deductible temporary differences, unused tax losses and unused tax credits before the unused tax losses and unused tax credits expire. This assessment requires estimates of the future financial performance of a particular legal entity or a tax group that has recognised the deferred tax asset.

3.3. Fair value of rewards shares

The Group valuation techniques to determine the fair value of the reward shares arising from the 2021 performance share plan at grant date. The Group applies a valuation methodology based on geometric Brownian motion and the assumption that logarithmic returns are normally distributed, taking into account the dividend adjusted share price at valuation dates, expected rate of return, and risk-free volatility. Since the performance share plan is essentially a derivative, the Group applies a risk-neutral valuation concept that uses risk-free rate as the expected return. Using this methodology, the Group has calculated the performance share valuation by modelling potential outcomes of the Group's share price at the end of the performance period and discounted the average calculated payoffs from each outcome to get the present value of the average payoffs after performance period.

4. Financial risk management

4.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks, including credit risk, market risk (foreign exchange, cash flow and fair value interest), and liquidity risk. The Group's overall risk management program focuses on financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is primarily carried out by Group treasury that identifies, evaluates, and hedges financial risks in close cooperation with the management of Group's operating units, who are responsible for the overall effectiveness of risk management.

4.2 Credit risk

4.2.1 Credit risk management

Credit risk is defined as the potential for financial losses arising from financial instruments due to the failure of the counterparty to meet their obligations to the Group. Multitude's credit risk arises from exposure from loans to customers, cash and cash equivalents, and other financial assets at amortized cost, arising from receivables from sold portfolio, and other current and non-current receivables, advances, and deposits to other third parties.

The Group's maximum credit risk exposure without collateral held or other credit enhancements as at 31 December are as follows:

EUR '000	2021	2020
Loans to customers (gross)	565,881	507,372
Cash and cash equivalents	301,592	236,564
Other financial assets at amortized cost:		
Receivables from banks	5,108	5,095
Receivables from sold portfolio	4,657	3,848
Other non-current receivables	6,215	5,028
Other current financial assets	3,579	3,405
Total	887,032	761,312

Loans to customers

The Group's loans to customers can be grouped into several portfolio based on the structure of the underlying con-tracts with customers:

SweepBank

Prime Loans

Prime Loans are longer-term instalment loans of up to EUR 30,000 for consumers, with loan maturity ranging between 1-10 years. The average loan amount is EUR 8,000 and the average loan term five years.

Ferratum

Micro Loan

A Micro Loan is a rapid and easy loan for the instant, short-term need and quick payback. Micro Loans range from EUR 25 to EUR 1,000 and are paid back in one single instalment within 7–60 days. The average term of a Micro Loan is 30 days, with an average loan of EUR 279.

Plus Loan

A Plus Loan is a larger loan, currently ranging from EUR 300-4,000 with maturity periods of between 2–18 months. The average term for a Plus Loan is 416 days and the average loan amount is EUR 927.

Credit Limit

Credit Limit is a pre-approved credit line, also called revolving credit, allowing customers financial flexibility. Eligible customers are pre-approved for up to EUR 5,000 and can draw money or repay without fixed amounts or timelines. Credit Limit is similar to a credit card without a physical card. The average loan amount for a Credit Limit is EUR 1,521, and the term is open-ended.

CapitalBox

Instalment loans

CapitalBox provides working capital instalment loans of up to EUR 350,000. These 6–36-month solutions are designed to help SMEs, e.g., finance expansion, inventory, marketing, hiring new talent, and purchasing or leasing equipment. The average loan amount is EUR 15,842 and the average term 482 days.

Credit Line

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

Purchase Finance

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

Credit risk exposure from loans to customers pertain to short and long-term lending as part of the Group's principal activities and business model. Multitude considers this exposure as the most critical risk and the biggest driver of risk in its operating structure. The Group carefully manages this risk through a centralised risk governance and management framework that allows for group-wide steering of scoring and credit policies, while measuring and monitoring of country and portfolio-specific performances and credit risks in varying aggregation levels and frequencies.

Customer credit rating and grading systems are in place to facilitate early identification and management of potential deteriorations in loan quality. Credit decisions are based on established risk governance framework, business credit policies, customer behaviour scorecards and risk categories, and country-specific legislations. Credit risk exposure, including recognition and measurement of expected credit losses on loans to customers are discussed in more detail in Note 4.2.3.

Cash and cash equivalents

Credit risk exposure from cash and cash equivalents arise mainly from potential liquidity issues, coupled with liability caps applicable in various jurisdictions, of banks and other financial institutions which hold the Group's cash and cash equivalents. To manage this risk, the Group diversifies its deposits amongst 350 bank accounts in 19 countries.

The table below shows the amount of cash and cash equivalents deposited in various bank accounts, grouped based on Fitch's credit ratings for the years ended 31 December:

EUR '000	2021	2020
AA	-	1,071
AA-	1,773	2,139
A+	103,773	84,009
A	59,757	76,603
A-	69,696	2,819
BBB+	5,796	16,297
BBB	23	12,267
BBB-	17,488	74
BB+	-	1,879
BB	8,575	-
BB-	208	-
B	151	-
B-	-	20
No rating available	34,352	39,385
Total	301,592	236,564

Other financial assets at amortized cost

The Group's other financial assets are mainly comprised of receivables from banks, receivables from sold portfolio, and other current and non-current financial assets.

Receivables from banks include bank deposits that are set aside for the purpose of funding the Group's swaps and forward contracts and do not meet the definition of cash and cash equivalents. Credit risks associated with these receivables are similar to those of cash and cash equivalents and are managed by the Group's treasury function as part of its hedging activities as discussed in Note 4.3.1.

Receivables from sold portfolio include mostly loans to customers that were considered to be non-performing and credit impaired. The Group manages the credit risk associated with these loans by selling related portfolio, in part or as a whole, to other financial institutions, normally on a non-recourse basis. The Group has defined vetting procedures to ensure the credit risk exposure arising from any amounts receivable from sold portfolio are minimised, and such portfolio sales are backed by strict contractual terms and conditions in regard to payment terms and settlement of the amount due to the Group.

Other current and non-current financial assets mostly include non-operative receivables and deposits from various third parties. Credit risk exposure arising from underlying financial assets are individually assessed by the Group at the end of each reporting period based on the applicable measurement guidelines under IFRS 9.

Recognition and measurement of expected credit losses in relation to other financial assets at amortised cost are discussed in detail in Note 4.2.3.

4.2.2 Expected credit losses

IFRS 9 requires that an entity shall recognise loss allowance for ECL relating financial assets measured at amortised cost and financial assets at FVOCI, both at initial recognition and thereafter at each reporting date. Since Multitude does not have any Financial assets at FVOCI, this section only applies to the Group’s financial assets measured at amortised cost, including loans to customers, and other financial assets measured at amortised cost, as outlined in Note 3.2.1.

4.2.3 ECL for loans to customers

Following ‘three-stage’ model for recognising ECL under IFRS 9, at initial recognition, the Group presumes that loans to customers are not credit-impaired (Stage 1) and measures the related loss allowance at an amount equal to the portion of credit losses from expected defaults occurring within the next 12 months (’12-month ECL’).

At each reporting period, the Group assesses whether a significant increase in credit risk (‘SICR’) since initial recognition has been identified (Stage 2) or whether the underlying financial assets have been credit-impaired (Stage 3). In doing this as-sessment, the Group compares the risk of default occurring over the expected lifetime of its loans to customers at initial recognition and as at the reporting date, considering relevant, reasonable, and supportable information based historical data, credit scoring, delinquency status, and days past due (‘DPD’), and other forward-looking factors.

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

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

The Group further categorises outstanding loans to customers using internal risk grading system based on their credit quality and performance, with ‘Regular’ considered to be ’performing’ and not-credit impaired (Stage 1), ‘Watch’ and ‘Substandard’ considered as ‘underperforming’ with occurrence of SICR since initial recognition (Stage 2), and ‘Sub-standard’ and ‘Doubtful’ considered to be ‘non-performing’ and credit-impaired (Stage 3).

The table below shows the Group’s gross outstanding loans to customers balances, risk grading, and basis for ECL recognition and measurement as at the years ended 31 December:

Risk grade	Category	Basis for ECL	Days past due*		2021	2020
			Lower range	Upper range		
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		386,621	304,113
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	20,207	14,813
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	9,416	9,158
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	27,971	29,908
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		121,666	149,381
Total					565,881	507,373

*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.

In addition, the table below summarises the movements and the balances of loss allowances for loans to customers for the years ended and as at 31 December:

EUR '000	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
Transfers in between stages:				
Transfers out of Stage 1	(42,493)	8,358	34,135	-
Transfers out of Stage 2	2,473	(12,070)	9,597	-
Total changes from transfers in between Stages	(40,020)	(3,712)	43,732	-
Other changes in gross loans to customers				
New loans originated during the year	704,726	28,796	62,357	795,879
Loans derecognized during the year	(581,661)	(19,509)	(118,683)	(719,853)
Write-offs	-	-	(17,451)	(17,451)
Changes in forex and other movements	(537)	77	393	(67)
Net changes in gross loans to customers	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				
Loss allowances, as at 1 January 2021	20,589	7,818	118,011	146,418
Transfers in between stages:				
Transfers out of Stage 1	(3,743)	603	3,141	-
Increase (decrease) due to transfers out of Stage 1	-	1,718	13,471	15,189
Transfers out of Stage 2	583	(3,834)	3,250	0
Increase (decrease) due to transfers out of Stage 2	(393)	-	2,428	2,035
Increase (decrease) due to changes in DPD buckets	340	16	9,997	10,353
Total changes from transfers in between Stages	(3,213)	(1,497)	32,287	27,577
Other changes in loss allowances:				
New loans originated during the year	42,576	9,321	31,472	83,369
Loans derecognized during the year	(38,204)	(6,801)	(74,639)	(119,644)
Write-offs	-	-	(17,451)	(17,451)
Remeasurements from changes in model	(1,126)	(58)	1,358	174
Unwind of discount	-	-	787	787
Changes in forex and other movements	(14)	23	770	779
Net changes in loss allowances	19	988	(25,416)	(24,409)
Loss allowances as at 31 December 2021	20,608	8,806	92,595	122,009
Impaired loan coverage ratio ('ICLR')	5.3%	29.7%	61.9%	21.6%

EUR'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
As at 1 January 2020	321,722	33,086	201,105	555,913
Transfers in between stages:				
Transfers out of Stage 1	(66,191)	14,230	51,961	-
Transfers out of Stage 2	10,214	(30,752)	20,538	-
Transfers out of Stage 3	4,040	1,432	(5,472)	-
Total changes from transfers in between Stages	(51,937)	(15,090)	67,027	-
Other changes in gross loans to customers				
New loans originated during the year	621,870	29,965	66,628	718,463
Loans derecognized during the year	(587,802)	(23,786)	(129,890)	(741,478)
Write-offs	-	-	(20,868)	(20,868)
Changes in forex and other movements	260	(204)	(4,713)	(4,657)
Net changes in gross loans to customers	(17,609)	(9,115)	(21,816)	(48,540)
Gross loans to customers as at 31 December 2020	304,113	23,971	179,289	507,373
LOSS ALLOWANCES				
Loss allowances, as at 1 January 2020	23,330	8,822	137,594	169,746
Transfers in between stages:				
Transfers out of Stage 1	(6,070)	990	5,080	-
Increase (decrease) due to transfers out of Stage 1	-	2,493	22,730	25,223
Transfers out of Stage 2	2,140	(8,601)	6,461	-
Increase (decrease) due to transfers out of Stage 2	(1,457)	-	5,518	4,061
Transfers out of Stage 3	365	2,033	(2,398)	-
Increase (decrease) due to transfers out of Stage 3	(69)	(1,701)	-	(1,770)
Increase (decrease) due to changes in DPD buckets	300	154	14,734	15,188
Total changes from transfers in between Stages	(4,791)	(4,632)	52,125	42,702
Other changes in loss allowances:				
New loans originated during the year	34,222	9,424	39,050	82,696
Loans derecognized during the year	(35,669)	(5,900)	(87,797)	(129,366)
Write-offs	-	-	(20,868)	(20,868)
Remeasurements from changes in model	3,643	203	5,434	9,280
Unwind of discount	-	-	(4,028)	(4,028)
Changes in forex and other movements	(146)	(99)	(3,499)	(3,744)
Net changes in loss allowances	(2,741)	(1,004)	(19,583)	(23,328)
Loss allowances as at 31 December 2020	20,589	7,818	118,011	146,418
Impaired loan coverage ratio ('ICLR')	6.8%	32.6%	65.8%	28.9%

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.

4.2.3 ECL for other financial assets at amortised cost

IFRS 9 provides for a practical expedient for recognising 12-month ECL for financial instruments that are deemed to have low credit risk at reporting date. Where applicable, the Group applies this practical expedient in determining loss allowances in regard to other financial assets measured at amortised cost. This is to the extent that the underlying receivables from counterparties are considered to be 'investment grade' based on the definition of external rating agencies – between AAA to BBB- (Standard & Poor's, Fitch) or Aaa-Baa3 (Moody's).

At each reporting date, the Group assesses whether there have been any changes in circumstances that would result into significant increase in credit risk since initial recognition in relation to its other financial assets at amortised cost and determines whether loss allowances should be recognised using lifetime ECL.

4.2.4 Write-off policy

The Group writes off and derecognises loans to customers and other financial assets at amortised cost when it determines that these are credit-impaired for a significant period of time, and the Group has exhausted all practical efforts and debt recovery strategies. In some cases, the Group may opt to conduct a one-off sale of the underlying financial assets, in part or as a whole, to third parties.

In case of sale, the Group recognises the gain or loss from the sale of loans to customers or other financial assets as the difference between the consideration received, and the carrying amount (gross amount less any loss allowances) of such financial assets and costs incurred during the sale, in the statement of profit or loss. In case of the write-offs, loss on disposal is recognised equal to the carrying amount of such financial assets in the consolidated statement of profit or loss.

4.2.5 Credit concentration risk

Credit concentration risk exposure results from inadequate diversification of the Group's loans to customers. The Group manages this risk by actively and regularly monitoring, measuring, and analysing credit concentrations at the portfolio and market levels, and where applicable, with other counterparties.

Credit concentration risk for counterparties

The Group's loans to customers do not include any major concentrations of credit risk and these are comprised of retail exposures which are considered to be individually insignificant, with the biggest value per customer arising from SME loans at a cap of EUR 350,000 or 0.01% of total Group loans to customers for the years ended 31 December 2021 and 2020.

Credit concentration risk by geographic region

The Group has also assessed and analysed the credit concentration risk exposure by geographical region based on the country of domicile of the respective customers or counter parties. The top three credit exposure by country accounts for 22.5% 16.8%, and 9.0% (21.2%, 16.2% and 7.7% in 2020) of the Group's loans to customers, cash and cash equivalents, and other financial assets at amortised cost. The 22.6% credit concentration risk as at 31 December 2021 (21.2% in 2020) relates to loans to customers, cash and cash equivalents, and other financial assets at amortised cost in Finland.

4.3 Market risk

The Group's operations in different markets exposes it to variety of market risks, including foreign exchange risk, interest rate risk, and fair value risk.

4.3.1 Foreign exchange risk

The Group operates in different markets, mainly within and selectively outside of the Euro zone, and generates significant transactions and balances in various currencies. In addition, intercompany transactions, and loans between entities with different functional currencies are often carried out within the Group due to the nature and wide geographic scope of its operations. As a result, the Group is exposed to fluctuations in future cash flows arising from foreign currency denominated assets and liabilities, both with external and internal parties, primarily driven by changes in foreign exchange rates between euro and other currencies.

Multitude manages foreign exchange risks through its treasury risk management policy that aims to hedge and mitigate potential adverse impact of fluctuations in foreign exchange rates between euro and other currencies. In order to hedge the foreign exchange risks arising from routine and recurring transactions, the Group maintains the same functional and reporting currencies for each group entities, depending on its market of operations.

In addition, the Group also enters into foreign exchange swaps and forward contracts in regard to significant intercompany loans and balances that are not denominated in euros. Group treasury policy further requires all group entities to fully manage and hedge all significant foreign currency denominated transactions and balances against their own and, ultimately, the Group's functional currencies.

As at 31 December 2021 and 2020, the Group's main foreign exchange exposure arises from intercompany loans and other monetary assets and liabilities denominated in Polish zloty ('PLN') and Swedish crown ('SEK'). Accordingly, the Group hedges the foreign exchange risks arising from the net assets denominated in these currencies using PLN-to-EUR and SEK-to-EUR foreign exchange forward contracts.

The table below shows the nominal value of the Group's net asset exposures and the hedging coverage from foreign exchange and forward contracts in relation to PLN and SEK as at 31 December:

	2021		2020	
EUR '000	PLN	SEK	PLN	SEK
Intercompany loan	18,020	30,460	14,481	22,924
Cash in bank	4,790	12,549	14,808	8,367
Portfolio	2,653	105,551	9,960	44,278
Net position	25,463	148,559	39,249	75,569
Hedging	14,143	138,943	41,634	63,773
Hedging coverage in %	56%	94%	106%	84%

The impact to the after-tax profit or loss if euro had weakened/strengthened by 10% against PLN and SEK, with all other variables held constant, for the years ended 31 December are as follows:

	2021		2020	
EUR'000	PLN	SEK	PLN	SEK
Currency up by 10%	1,132	962	238	1,180
Currency down by 10%	(1,132)	(962)	(238)	(1,180)

4.3.2 Interest rate risk

The Group is exposed to interest rate risk either through market value fluctuations of items in the consolidated statement of financial position (price risk) or through changes in interest income or expenses. Interest rate risk mainly arises through interest-bearing liabilities and assets. Estimated future changes in cash flows and the structure of the consolidated statement of financial position

The objective of interest rate risk management is to mitigate adverse impacts arising from interest rate fluctuations on the consolidated statements of profit or loss, cash flows, and financial position, while taking into consideration the Group's target capital structure and the resulting net interest rate exposure. The Group maintains a diverse portfolio of financial assets and liabilities that yield interest income and expenses, respectively, based on fixed and variable interest rates. The Group's financial assets and liabilities with variable and a combination of fixed and variable interest rates are based on Euribor, which is the basic rate of interest used in lending between banks and is commonly used as a reference for setting the interest rate on loans within the European union ('EU'). In addition, the Group also enters into interest rate swaps to hedge cash flows fluctuations relating to interest-bearing intercompany loans.

Interest rate profile of the Group's financial assets and liabilities as at 31 December are as follows:

EUR '000	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
31 December 2021				
Loans to customers	62,704	381,168	-	443,872
Cash and cash equivalents	134,589	125,964	41,039	301,592
Receivables from banks	-	5,108		5,108
	197,293	512,240	41,039	750,572
Deposits from customers	1,276	(477,969)	(8,071)	(484,764)
Short-term borrowings	(84,371)	-	-	(84,371)
Long-term borrowings	(58,979)	-	-	(58,979)
Lease liabilities	-	(1,764)	-	(1,764)
	(142,074)	(479,733)	(8,071)	(629,878)
Net exposure	55,219	32,507	32,968	120,694
31 December 2020				
Loans to customers	62,704	298,251	-	360,955
Cash and cash equivalents	107,442	81,840	47,282	236,564
Receivables from banks	-	5,095		5,095
	170,146	385,186	47,282	602,614
Deposits from customers	(109,634)	(227,107)	(2,781)	(339,522)
Long-term borrowings	(180,000)	-	-	(180,000)
Lease liabilities	-	(4,379)	-	(4,379)
	(289,634)	(231,486)	(2,781)	(523,901)
Net exposure	(119,488)	153,700	44,501	78,713

The Group analyses its interest rate exposures on a continuous basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing, and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabil-ities that represent the major interest-bearing positions.

4.4 Liquidity risk

Liquidity risk is defined as financial distress or extraordinarily high financing costs arising from a shortage of liquid funds in a situation where outstanding debt needs to be refinanced or where business conditions unexpectedly deteriorate and require financing. Transactional liquidity risk is defined as the risk of executing a financial transaction below fair market value or not being able to execute the transaction at all within a specific period of time. The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is readily available without endangering its value in order to avoid uncertainty related to financial distress at all times.

Cash flow forecasting is performed at the market level in each operating entities and aggregated centrally by Group treasury. The Group's treasury function monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom for its borrowing facilities and other non-current liabilities to avoid breaches in debt agreements. Such forecasting takes into consideration the Group's debt financing plans, debt covenants, internal balance sheet ratio targets, legal and regulatory requirements, and currency restrictions. The Group invests surplus cash in interest-bearing current accounts, time deposits, money market deposits, and marketable securities, which terms and maturities coincide with the Group's liquidity forecasts.

The undiscounted repayment schedule for financial liabilities, including future interest payments, as at 31 December are as follows:

EUR '000	Less than 12 months	Between 1-2 years	Between 2-5 years	Total
31 December 2021				
Deposits from customers	401,971	65,015	17,778	484,764
Borrowings:				
Principal	84,731	58,979	-	143,350
Interests	5,014	995	-	6,009
Trade payables and other liabilities*	15,221	-	-	15,221
Lease liabilities	1,467	181	116	1,764
Total	508,044	125,170	17,894	651,108
31 December 2020				
Deposits from customers	275,833	35,275	28,413	339,521
Borrowings:				
Principal	-	180,000	-	180,000
Interests	9,900	6,692	1,467	18,059
Trade payables and other liabilities*	20,478	-	-	20,478
Lease liabilities	2,418	1,855	106	4,379
Total	308,629	223,822	29,987	562,438

*Trade payables and other liabilities exclude accrued interests on borrowings.

4.5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for the Group's stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new bonds, or sell assets to reduce debt.

The Group's funding structure and cost of capital is primarily comprised of deposits received from customers and issued financial instruments such as the German bonds issued in 2018 and 2019, presented as short-term and long-term borrowings, respectively, in the consolidated statement of financial position. In order to generate additional capitaliztion, the Group has issued a perpetual bond, accounted for as restricted reserves in equity, with a nominal value of EUR 50 million on 5 July 2021 (Note 1.1).

The nominal values, grouped by liquidity and interest characteristics, of the Group's costs of capital as compared to cash and cash equivalents ('net debt'), and the movements for the years ended and as at 31 December are as follows:

EUR '000	2021	2020
Cash and cash equivalents	301,592	236,564
Gross debt, due within 1 year	(486,342)	(275,833)
Gross debt, due after 1 year	(141,772)	(243,689)
Perpetual bonds with no maturity date	(50,000)	-
Net debt	(376,522)	(282,958)
Cash and cash equivalents	301,592	236,564
Gross debt - non-interest bearing	(477,969)	(227,107)
Gross debt - variable interest rates	(192,074)	(289,634)
Gross debt - fixed interest rates	(8,071)	(2,781)
Net debt	(376,522)	(282,958)

EUR '000	Cash and cash equivalents	Gross debt, due within 1 year	Gross debt, due after 1 year	Perpetual bonds	Net debt
AS AT 1 JANUARY 2020	236,564	(278,252)	(240,498)	-	(282,185)
Repayment of borrowings	-	50,000	-	-	50,000
Net increase in deposits	-	(33,672)	(63,689)	-	(97,361)
Net increase in cash and cash equivalents	83,345	-	-	-	83,346
Foreign exchange adjustments	(2,300)	-	-	-	(2,300)
AT 31 DECEMBER 2020	236,564	(275,833)	(243,689)	-	(282,958)
Issuance of perpetual bonds	-	-	-	(50,000)	(50,000)
Repayment of borrowings	-	15,629	21,021	-	36,650
Net (increase) decrease in deposits	-	(226,138)	80,896	-	(145,242)
Net increase in cash and cash equivalents	65,103	-	-	-	65,103
Foreign exchange adjustments	(75)	-	-	-	(75)
AT 31 DECEMBER 2021	301,592	(486,342)	(141,772)	(50,000)	(376,522)

5. Group companies

Disposed group companies

During 2021, the Group has disposed of Auxilium Limited, Ferratum Services Limited, Ferratum Denmark, Ferratum UK Ltd, and Ferratum Vakuutus Oy. Further details on the disposal of Ferratum Denmark and Ferratum UK Ltd. are disclosed in Note 5. The impact of the disposal of Auxilium Limited, Ferratum Services Limited, and Ferratum Vakuutus Oy to the Group consolidated financial statements were not deemed significant at Group level.

The table below summarises the Group's holdings in its subsidiaries as at the years ended 31 December:

Ownership in Group companies	Country	2021	2020
Auxilium Limited	Malta	-	100%
Bhawana Capital Private Limited	India	99%	99%
Bidellus Bangladesh Ltd	Bangladesh	100%	100%
CapitalBox AB	Sweden	100%	100%
CapitalBox GmbH	Germany	100%	100%
Ferratum (Malta) Holding Limited	Malta	100%	100%
Ferratum Australia Pty Ltd	Australia	100%	100%
Ferratum Bank p.l.c.	Malta	100%	100%
Ferratum Brazil Servicos De Correspondente Bancario Ltda	Brazil	100%	100%
Ferratum Bulgaria EOOD	Bulgaria	100%	100%
Ferratum Canada Inc	Canada	100%	100%
Ferratum Capital Germany GmbH	Germany	100%	100%
Ferratum Capital Oy	Finland	100%	100%
Ferratum Czech s.r.o.	Czech Republic	100%	100%
Ferratum Denmark ApS	Denmark	-	100%
Ferratum International Services Oy	Finland	100%	100%
Ferratum Latvia SIA	Latvia	100%	100%
Ferratum Mexico S. de R.L. de C.V.	Mexico	100%	100%
Ferratum New Zealand Ltd.	New Zealand	100%	100%
Ferratum Portfolio S.à r.l.	Luxembourg	100%	100%
Ferratum Romania I.F.N.S.A.	Romania	99.94%	99.94%
Ferratum Services Limited	Malta	-	100%
Ferratum UK Ltd	Great Britain	-	100%
Ferratum Vakuutus Oy	Finland	-	100%
fe Business Services OÜ	Estonia	100%	100%
Guarantee Services OÜ	Estonia	100%	100%
Global IT Services s.r.o.	Slovakia	100%	100%
Inari Serviços Financeiros Ltda	Brazil	100%	100%
Numeratum d.o.o.	Croatia	100%	100%
Pactum Collections GmbH	Germany	100%	100%
Pactum Poland Sp. z.o.o.	Poland	100%	100%
Saldodipje SL	Spain	100%	100%
Saldo Gestion SL	Spain	100%	-
Swespar AB	Sweden	100%	100%
UAB "Ferratum Finance"	Lithuania	100%	100%

Net assets and loss on disposal of subsidiaries

Immediately prior to their disposals, the Group has determined the fair values and carrying amounts of FGB and FDK's assets and liabilities as follows:

EUR '000	Ferratum UK at 31 October 2021	Ferratum Denmark at 31 December 2021
ASSETS		
Right-of-use assets	-	52
Loans to customers	1,058	-
Other current financial assets	-	35
Current tax assets	-	555
Prepaid expenses and other current assets	87	21
Cash and cash equivalents	927	461
Total assets	2,072	1,124
LIABILITIES		
Lease liabilities	-	(53)
Trade payables	(8)	-
Accruals and other current liabilities	(73)	(863)
Total liabilities	(81)	(916)
Net assets	1,991	208

In addition, immediately prior to their disposals, there were no components of non-controlling interests or other comprehensive income attributable to FGB or FDK. Total consideration from the disposals included cash receipts of EUR 100 and EUR 27 for FGB and FDK, respectively. Losses from these disposals are calculated as follows:

EUR	Ferratum UK	Ferratum Denmark
Consideration received	100	27
Carrying amount of net assets sold	1,990,540	208,361
Loss on disposal	1,990,440	208,324*

*Loss on disposal of FDK is presented in other income (expenses) in Note 11.

6. Discontinued operations

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

Loss from discontinued operations

The after-tax loss from discontinued operations, including the loss arising from the disposal of FGB for the years ended 31 December, as presented in the table below, is presented as a single line item in the consolidated statements of profit or loss.

EUR '000	2021	2020
Revenue	(459)	(907)
Operating expenses:		
Impairment loss on loans to customers	(538)	(1,927)
Bank and lending costs	(530)	(2,386)
Personnel expense	(403)	(828)
Selling and marketing expense	(1)	(50)
General and administrative expense	(457)	810
Operating loss	(2,388)	(5,288)
Loss on disposal of discontinued operations	(1,991)	-
Other income (expense), net	4	(249)
Loss before interests and taxes ('EBIT')	(4,375)	(5,537)
Finance income, net	668	1,103
Loss before income tax	(3,707)	(4,434)
Income tax expense	(82)	(77)
Loss from discontinued operations	(3,789)	(4,511)

Net cash flows from discontinued operations

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

EUR '000	2021	2020
Net cash flows from (used in) operating activities	26	(16,251)
Net cash flows from investing activities*	8,755	19,515
Net cash flows from discontinued operations	8,781	3,264

*The net cash flows (used in)/from investing activities include cash and cash equivalents transferred, net of cash proceeds received, from the disposals of FGB amounting to EUR 0.9 million.

7. Segment information

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

Accordingly, the Group has restated the comparative information presented within this note to reflect the changes in the Group's structure. The results of operations from the Group's operating and reportable segments for the years ended 31 December 2021 and 2020 are as follows:

Operating and reportable segments for the year ended 31 December 2021:

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Revenue	182,655	8,982	22,034	-	213,671
Share in revenue, in %	85.5%	4.2%	10.3%	-	100%
Operating expenses:					
Impairment loss on loans to customers	(60,206)	(6,220)	(5,523)	-	(71,949)
% of revenue	-33.0%	-69.2%	-25.1%	-	-33.7%
Bank and lending costs	(12,337)	(991)	(1,010)	-	(14,338)
Personnel expense	(18,584)	(8,771)	(5,656)	-	(33,010)
Selling and marketing expense	(17,971)	(4,570)	(3,994)	-	(26,535)
General and administrative expense	(17,469)	(7,691)	(3,736)	-	(28,896)
Depreciation and amortisation	(13,676)	(1,365)	(282)	-	(15,323)
Operating profit (loss)	42,412	(20,625)	1,833	-	23,620
Other income (expense), net	179	54	48	-	281
Profit (loss) before interests and taxes ('EBIT')	42,591	(20,572)	1,881	-	23,901
EBIT margin, in %	23.3%	-229.0%	8.5%	-	11.2%
Allocated finance costs, net	(11,623)	(3,351)	(2,914)	-	(17,888)
Unallocated foreign exchange losses, net	-	-	-	(2,428)	(2,428)
Profit before income taxes	30,968	(23,923)	(1,033)	(2,428)	3,585
Profit before tax margin, in %	17.0%	-266.3%	-4.7%	-	1.7%
Loans to customers	282,641	85,794	74,438	-	443,872
Unallocated assets	-	-	-	-	375,156
Unallocated liabilities	-	-	-	-	649,539

Operating and reportable segments for the year ended 31 December 2020:

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Revenue	200,512	3,644	26,315	-	230,472
Share in revenue, in %	87.0%	1.6%	11.4%	-	100%
Operating expenses:					
Impairment loss on loans to customers	(80,782)	(3,037)	(7,147)	-	(90,967)
% of revenue	-40.3%	-83.3%	-27.2%	-	-39.5%
Bank and lending costs	(11,767)	(156)	(1,436)	-	(13,358)
Personnel expense	(23,022)	(5,682)	(4,415)	-	(33,120)
Selling and marketing expense	(18,186)	(1,087)	(3,471)	-	(22,744)
General and administrative expense	(17,596)	(8,289)	(2,982)	-	(28,868)
Depreciation and amortisation	(8,081)	(4,026)	(1,247)	-	(13,354)
Operating profit (loss)	41,078	(18,633)	5,617	-	28,061
Other income (expense), net	400	18	35		453
Profit (loss) before interests and taxes ('EBIT')	41,478	(18,615)	5,652	-	28,514
EBIT margin, in %	20.7%	-510.8%	21.5%	-	12.4%
Allocated finance costs, net	(13,630)	(1,466)	(2,955)	-	(18,051)
Unallocated foreign exchange losses, net	-	-	-	(4,253)	(4,253)
Profit before income taxes	27,848	(20,081)	2,697	(4,253)	6,210
Profit before tax margin, in %	13.9%	-551.1%	10.3%	-	2.7%
Loans to customers	264,440	33,572	62,943	-	360,955
Unallocated assets	-	-	-	-	314,126
Unallocated liabilities	-	-	-	-	549,512

8. Revenue

Revenue by nature

EUR '000	2021	2020
Interest revenue	210,339	226,281
Loan servicing fees	3,332	4,191
Total revenue	213,671	230,472

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

Revenue by geographic market

The Group further analyses by geographic market that represents how economic factors impact the nature, amount, timing, uncertainty, and cash flows of the above revenue streams. Revenue recognized per geographic market, including the composition of each geographic market, for the years ended 31 December 2021 and 2020 are as follows:

EUR '000		2021	2020
Northern Europe*	Finland, Sweden, Denmark, Norway	94,804	104,269
Western Europe	Germany, Netherlands, Spain	34,042	36,762
Eastern Europe**	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	76,567	79,807
Other	Australia, Brazil, Mexico, New Zealand	8,258	9,634
Total revenue		213,671	230,472

*Revenues in Northern Europe include revenue from Finland amounting to EUR 31.3 million and EUR 41.7 million in 2021 and 2020, respectively.

** There are no more active business or portfolio in Ukraine and Russian Federation.

9. Personnel expenses

EUR '000	Note	2021	2020
Wages and salaries		26,776	27,424
Social security costs		3,089	2,853
Post-employment benefit expense		1,572	1,669
Share-based payment expense	21	156	349
Other personnel expense		1,417	825
Total personnel expenses		33,010	33,120

10. Operating expenses by nature

EUR '000	Notes	2021	2020
Impairment loss on loans to customers	4.2.3	71,949	90,967
Bank and lending costs:			
Invoicing and collection costs		6,288	6,157
Scoring costs		3,877	2,853
Loan handling costs		3,600	3,778
Other bank and lending costs		574	568
Total bank and lending costs		14,339	13,356
Selling and marketing expenses:			
Marketing expenses		12,597	11,943
Commissions		12,047	9,476
Other selling and marketing expense		1,892	1,324
Total selling and marketing expense		26,536	22,743
Personnel expenses	9	33,010	33,120
Depreciation and amortization:			
Amortization expense	16	12,380	10,175
Depreciation expense	14, 15	2,944	3,179
Total depreciation and amortization		15,324	13,354
General and administrative expense			
Professional fees		13,032	12,295
Other tax expense		6,379	6,050
Repairs and maintenance costs		6,042	6,167
Administrative expense		1,176	1,192
Fees and charges		652	805
Other operating expense		1,612	2,362
Total general and administrative expense		28,893	28,871
Total operating expenses		190,051	202,411

Audit and non-audit fees from audit companies

EUR '000	2021	2020
PWC:		
Audit fees	1,011	577
Non-audit fees:		
Audit-related services	134	652
Tax advice	48	24
Other non-audit services	67	-
OTHER AUDIT COMPANIES:		
Audit fees	128	132
Non-audit fees:		
Tax advice	24	25
Other services	-	6
Total audit fees	1,139	709
Total non-audit fees	273	707
Total fees from audit companies	1,412	1,416

Only non-audit fees paid by Multitude Group companies to audit companies performing the local statutory audits of said Multitude Group companies are included in the above disclosure.

PricewaterhouseCoopers Oy has provided non-audit services to entities of Multitude Group in total 13 thousand euros during the financial year 2021. These services included auditors' statements (4 thousand euros), tax services (0 thousand euros) and other services (9 thousand euros).

11. Other income and expenses

EUR '000	Notes	2021	2020
OTHER INCOME:			
Gain from revaluation of contingent liabilities*	1.1	1,417	-
Other income		886	485
Total other income		2,280	485
OTHER EXPENSES:			
Impairment losses*	1.1	(1,387)	-
Loss from disposal of non-current assets		(404)	(32)
Loss from sale of FDK	5	(208)	-
Total other expenses		(1,999)	(32)
Net other income		281	453

*Gain from revaluation of contingent liabilities and impairment losses in 2021 both relate to the subsequent valuation of Spotcap.

12. Finance income and costs

EUR '000	Note	2021	2020
FINANCE INCOME			
Net realised foreign exchange gain		2,526	-
Interest income		1,077	521
Total finance income		3,603	521
FINANCE COSTS			
Interest expense on borrowings		16,582	17,144
Net unrealised foreign exchange loss		5,194	3,857
Interest expense on lease liabilities		194	323
Net unrealised foreign exchange loss on derivatives		78	-
Net realised foreign exchange loss		-	493
Other finance costs*	1.1	1,871	1,008
Total finance costs		23,919	22,825
Net finance costs		20,316	22,304

*Other finance costs in 2021 include loss on repurchase of the 2018 and 2019 bonds amounting to EUR 1.2 million.

13. Income tax expenses

EUR '000	2021	2020
CURRENT TAX:		
Current tax on profits for the year	(921)	(3,186)
Adjustments in respect of prior years	(216)	650
Other direct taxes	(668)	(415)
Total current tax	(1,805)	(2,951)
DEFERRED TAX:		
Origination and reversal of temporary differences	(554)	1,737
Total deferred tax	(554)	1,737
Total income tax expense	(2,359)	(1,214)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR '000	2021	2020
Profit before tax	3,585	6,210
Tax calculated at Finnish tax rate	(717)	(2,206)
Tax effects of:		
Difference between Finnish tax rate and rates in other countries	2,774	6,192
Income not subject to tax	2,321	4,308
Expenses not deductible for tax purposes	(4,034)	(7,652)
Utilization of previously unrecognized tax losses	-	899
Tax losses for which no deferred income tax asset was recognized	(951)	(2,105)
Write down of previously recognised tax losses	(875)	(886)
Adjustment in respect of prior years	(216)	650
Other direct taxes	(660)	(415)
Total income tax expense	(2,358)	(1,215)

EUR '000	2021	2020
Losses on carried forward balance as at 31 December	41,136	29,913
of which		
Expires in one year	2,116	1,758
Expires in two years' time	-	2,116
Expires in later than two years	39,020	26,039

As at 31 December 2021, the Group has EUR 11.0 million (2020 - EUR 15.6 million) losses carried forward, with an average maturity of 5 years and for which no deferred tax assets have been recognised.

Deferred tax assets and liabilities

Changes in and balances of deferred tax assets and liabilities for the years ended and as at 31 December:

EUR '000	As at 1 Jan 2021	Recognized in profit or loss	Translation difference	As at 31 Dec 2021
DEFERRED TAX ASSETS:				
Tax losses carried forward	5,157	1,234	101	6,492
Deferred revenue and credit loss reserve	2,714	(2,226)	-	488
Derivative	26	(26)	-	-
Total deferred tax assets	7,897	(1,017)	101	6,980
DEFERRED TAX LIABILITIES:				
Discretionary provisions	(301)	92	6	(203)
Total deferred tax liabilities	(301)	92	6	(203)

EUR '000	As at 1 Jan 2020	Recognized in profit or loss	Translation difference	As at 31 Dec 2020
DEFERRED TAX ASSETS:				
Tax losses carried forward	4,606	854	(281)	5,157
Deferred revenue and credit loss reserve	2,278	416	(2)	2,714
Derivative	26			26
Total deferred tax assets	6,910	1,270	(283)	7,897
DEFERRED TAX LIABILITIES:				
Discretionary provisions	(672)	390	(18)	(301)
Total deferred tax liabilities	(672)	390	(18)	(301)

14. Property, plant and equipment

EUR '000	Office building	Furnitures, fittings, and equipment	Total
ACQUISITION COSTS			
As at 1 January 2020	2,563	3,634	6,197
For the year ended 31 December 2020:			
Additions	-	1,805	1,805
Disposals	-	(1,033)	(1,033)
Reclassifications and adjustments	-	2	2
Acquisition costs, as at 31 December 2020	2,563	4,409	6,972
ACCUMULATED DEPRECIATION			
As at 1 January 2020	(446)	(1,855)	(2,301)
For the year ended 31 December 2020:			
Depreciation (Note 10)	(151)	(707)	(858)
Disposals	-	95	95
Accumulated depreciation, as at 31 December 2020	(597)	(2,468)	(3,065)
Net carrying amount, as at 1 January 2020	2,117	1,778	3,895
Net carrying amount, as at 31 December 2020	1,966	1,941	3,907
ACQUISITION COSTS			
As at 1 January 2021	2,563	4,409	6,972
For the year ended 31 December 2021:			
Additions	67	381	448
Disposals	-	(234)	(234)
Reclassifications and adjustments	(107)	-	(107)
Acquisition costs, as at 31 December 2021	2,523	4,556	7,079
ACCUMULATED DEPRECIATION			
As at 1 January 2021	(597)	(2,468)	(3,065)
For the year ended 31 December 2021			
Depreciation (Note 10)	(128)	(725)	(853)
Disposals	-	136	136
Reclassifications and adjustments	107	-	107
Cumulative depreciation, as at 31 December 2021	(618)	(3,057)	(3,675)
Net carrying amount, as at 1 January 2021	1,966	1,941	3,907
Net carrying amount, as at 31 December 2021	1,905	1,499	3,404

15. Leases

Right-of-use assets, for the years ended and as at 31 December

EUR '000	Office buildings	Office equipment	Total
ACQUISITION COSTS			
As at 1 January 2020	8,296	764	9.060
For the year ended 31 December 2020:			
Additions	238	-	238
Disposals	(588)	-	(588)
Acquisition costs, as at 31 December 2020	7,946	764	8,710
ACCUMULATED DEPRECIATION			
As at 1 January 2020	(2,166)	(201)	(2,367)
For the year ended 31 December 2020:			
Disposals	215	-	215
Depreciation (Note 10)	(2,151)	(201)	(2,352)
Cumulative depreciation, as at 31 December 2021	(4,102)	(402)	(4,504)
Net carrying amount, as at 1 January 2020	6,130	563	6,693
Net carrying amount, as at 31 December 2020	3,845	362	4,207
ACQUISITION COSTS			
Cost, at 1 January 2021	7,946	764	8,710
For the year ended 31 December 2021:			
Additions	218	-	218
Disposals	(727)	-	(727)
Reclassifications and adjustments	(757)	(7)	(764)
Acquisition costs, as at 31 December 2021	6,680	757	7,437
ACCUMULATED DEPRECIATION			
Cumulative depreciation, as at 1 January 2021	(4,102)	(402)	(4,504)
For the year ended 31 December 2021:			
Disposals	727	-	727
Depreciation (Note 10)	(1,849)	(194)	(2,043)
Cumulative depreciation, as at 31 December 2021	(5,233)	(596)	(5,819)
Net carrying amount, as at 1 January 2021	3,845	362	4,207
Net carrying amount, as at 31 December 2021	1,457	161	1,618

Lease liabilities, as at 31 December

EUR'000	2021	2020
Current	1,412	2,418
Non-current	282	1,961
Total	1,694	4,379

The above lease liabilities are presented in the consolidated statement of financial position. The maturity analysis of these lease liabilities is disclosed in Note 4.4

Amounts recognised in the consolidated statement of profit or loss for the years ended 31 December:

EUR'000	Notes	2021	2020
Expenses relating to short-term leases	10	(43)	(98)
Depreciation on ROU assets	10	2,043	2,352
Interest expense on lease liabilities	12	194	323

Rent expense on operating leases and depreciation of ROU assets are presented under other operating expense and depreciation and amortization expenses, respectively, in operating expenses (Note 10). Interest expense on lease liabilities is presented under finance costs under finance income and expense (Note 12).

Amounts presented in the in the consolidated statement of cash flows for the years ended 31 December:

EUR'000	2021	2020
Total cash outflow for leases	(2,297)	(2,299)

16. Intangible assets

EUR '000	Internally generated software	Computer Software	Other intangible assets	Total
ACQUISITION AND DEVELOPMENT COSTS				
As at 1 January 2020	27,239	24,561	1,108	52,907
For the year ended 31 December 2020:				
Additions	8,134	3,817	2,000	13,950
Disposals	(216)	36	-	(180)
Reclassifications and adjustments	-	(2)	-	(2)
Acquisition and development costs, as at 31 December 2020	35,156	28,412	3,108	66,676
ACCUMULATED AMORTISATION				
Cumulative amortisation, as at 1 January 2020	(8,190)	(8,330)	(1,107)	(17,627)
For the year ended 31 December 2020				
Amortisation (Note 10)	(6,081)	(4,045)	(20)	(10,145)
Cumulative amortisation as at 31 December 2020	(14,271)	(12,374)	(1,127)	(27,772)
Net carrying amount, as at 1 January 2020	19,049	16,232	-	35,281
Net carrying amount, as at 31 December 2020	20,886	16,037	1,981	38,904
ACQUISITION AND DEVELOPMENT COSTS				
As at 1 January 2021	35,156	28,412	3,108	66,676
For the year ended 31 December 2021:				
Additions	8,970	1,956	77	11,003
Disposals	-	(292)	-	(292)
Reclassifications and adjustments	-	-	(220)	(220)
Acquisition and development costs, as at 31 December 2021	44,127	30,075	2,965	77,167
ACCUMULATED AMORTISATION AND IMPAIRMENT				
As at 1 January 2021	(14,271)	(12,374)	(1,127)	(27,772)
For the year ended 31 December 2021:				
Reclassifications	-	195	22	217
Amortisation (Note 10)	(8,483)	(3,776)	(117)	(12,376)
Impairments (Note 1.1, 11)	-	-	(1,386)	(1,386)
Accumulated amortisation and impairment, as at 31 December 2021	(22,754)	(15,955)	(2,608)	(41,317)
Net carrying amount, as at 1 January 2021	20,886	16,037	1,981	38,904
Net carrying amount, as at 31 December 2021	21,373	14,120	357	35,850

Other intangible assets as at 31 December 2020 include goodwill and partner networks relating to Spotcap acquisition, amounting to EUR 0.8 million and EUR 1.2 million, respectively. During 2021, carrying amounts have been written down to their recoverable value, which resulted to impairment losses of EUR 0.8 million and EUR 0.6 million, respectively. Remaining carrying amounts of good-will and amortisation, after such impairments and amortisation during the year, amounted to EUR 0 (nil) and EUR 0.5 million, respectively, as at 31 December 2021.

17. Financial assets

The table below summarises the Group's financial assets 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, 2 or 3; as at 31 December:

EUR '000	Fair value measure-ment	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	324	324	496	496
FINANCIAL ASSETS AT AMORTIZED COST					
Loans to customers	Level 3	443,872	443,872	360,955	360,955
Cash and cash equivalents	Level 3	301,592	301,592	236,564	236,564
Other non-current receivables	Level 3	6,215	6,215	5,028	5,028
Receivables from banks	Level 3	5,108	5,108	5,095	5,095
Receivables from sold portfolios	Level 2	4,657	4,657	3,848	3,848
Other current financial assets	Level 3	3,579	3,579	3,405	3,405
Total		765,347	765,347	615,391	615,391

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

The fair values of the remaining financial assets measured at amortised cost are determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial assets reasonably approximate their fair values as at 31 December 2021 and 2020.

18. Other non-financial assets

EUR '000	2021	2020
Prepaid expenses	3,381	2,692
VAT receivables	207	384
Other current assets	40	132
Total	3,628	3,208

19. Financial liabilities

The table below summarises the Group's fincial 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, 2 or 3; as at 31 December:

EUR '000	Fair value hierarchy	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	1,232	1,232	3,230	3,230
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	484,764	484,764	339,522	339,522
Short-term borrowings	Level 1	84,158	83,949	-	-
Long-term borrowings	Level 1	57,656	59,038	174,849	164,332
Lease liabilities	Level 3	1,694	1,694	4,379	4,379
Trade payables	Level 3	1,426	1,426	9,932	9,932
Accruals and other current liabilities	Level 3	15,159	15,159	11,898	11,898
Other non-current liabilities	Level 3	-	-	2,160	2,160
Total		646,089	647,262	545,972	535,453

The fair value of derivative financial liabilities are determined using level 2 fair value measurement and is calculated as the present value of the estimated future cash flows based on observable yield curves. Short-term borrowings pertain to the 2018 bonds issued on 25 May 2018 under Ferratum Capital Germany GmbH (ISIN - AS5772809 / SE0011167972) with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, and maturity date of 25 May 2022. The bonds have a total outstanding nominal value of EUR 84.4 million as at 31 December 2021 (2020 - EUR 100.0 million).

Long-term borrowings pertain to the 2019 bonds issued on 24 April 2019 under Ferratum Capital Germany GmbH (ISIN - SE0012453835) with a coupon rate of 5.5% plus a floating rate of 3-month Euribor, and maturity date of 24 April 2023. The bonds have outstanding nominal value of EUR 59.0 million as at 31 December 2021 (2020 - EUR 80.0 million).

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

The fair values of the remaining financial liabilities measured at amortised cost are determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial liabilities reasonably approximate their fair values as at 31 December 2021 and 2020.

20. Accruals and other liabilities

EUR '000	2021	2020
Interest payable	3,008	3,025
Accrued personnel expenses	2,551	2,558
Other accrued expenses	9,600	6,315
Total	15,159	11,898

Interest payables as at 31 December 2021 and 2020 includes accrued interests on 2018 and 2019 bonds amounting to EUR 1.4 million.

21. Share-based payments

Share option plans - 2016, 2017, and 2018

At the beginning of 2020, the Group administered three share option plans – the share option plans for 2016, 2017, and 2018. The plans represent the Group's commitment to deliver share options to eligible participants, subject to a four-year average increase of 25% in EBITDA in the Group's audited consolidated financial statements, representing the vesting condition for the share options. Upon exercise, each share option may be converted into one ordinary share at a subscription price of EUR 11.90 for share options issued in 2016, and 2017, and EUR 13.50 for share options issued in 2018.

During Q2 2020, the Group cancelled all of its outstanding employee option plans and repurchased all outstanding options. Amounts recognized in the consolidated statement of profit or loss amounted to EUR 246 thousand for the year ended 31 December 2020.

Share-based sales bonus 2020

In 2020, the Group introduced a sales bonus scheme wherein bonus earned by eligible participants, upon meeting defined key metrics, are settled and invested in Multitude SE's shares of stocks. The share-based expense recognized in the consolidated statement of profit or loss in relation to this share-based sales bonus for the year ended 31 December 2020 amounted to EUR 100 thousand. However, in Q1 2021, the Group has decided to cancel the share-based sales bonus plan to give way to the new matching share plan and performance share plans introduced in 2021. As a result, a reversal of share-based expense was recognized in the consolidated statement of profit or loss amounting for EUR 100 thousand for the year ended 31 December 2021.

Performance share plan 2021

During 2021, the Group introduced a new performance share plan ('PSP') wherein key personnel are awarded a number of Multitude shares based defined vesting conditions at the end of the performance period.

The PSP issued on 1 June 2021 has a maximum reward share of 1,159,185, of which, 10% to 100%, will be awarded to eligible participants if Multitude's market share price will reach EUR 12 to EUR 30, respectively, and provided that participants will have uninterrupted employment in Multitude at the end of the performance period, 31 December 2023.

The Group determines the total fair value of outstanding PSP reward shares by reference to their fair value at grant date, calculated by determining the present value of average payoffs at the end of the performance period based on a range of potential outcomes in regard to Multitude's market share price (Level 2). The table below summarizes the outstanding PSP reward shares and related expenses as at and for year ended 31 December:

Performance period	Grant date					2021		
	Reward shares	Dividend adj. share price	Realized volatility	Risk-free volatility	Total FV in EUR	Reward shares	Total FV in EUR	Ex-pense in EUR
1 Jun 21 - 31 Dec 23	1,159,175	4.11	62.1%	(0.4%)	743,285	1,064,925	682,850	154,192

Difference between the number of reward shares outstanding at grant date and at reporting date, prior to the end of the performance period, pertains to reward shares attributable to participants who have ceased employment at Multitude and therefore are no longer eligible to receive reward shares.

Matching share plan 2021

During 2021, the Group introduced a matching share plan ('MSP') that allows all employees to invest up to a total of 10% of their annual gross salary in Multitude shares. Investment shares will vest after 2 years provided that the participants have held the shares and have uninterrupted employment during the holding period. After which, the Group will provide free matching shares with a 1:1 ratio for all vested investment shares.

The Group determines the total fair value of outstanding MSP investment shares by reference to Multitude's share price at grant date (Level 1), assessed forfeiture rate, and applicable social security costs. The table below summarises the outstanding MSP investment shares and related expenses as at and for the year ended 31 December:

Holding period	Grant date		2021			
	Investment shares	Share price in Eur	Investment shares	Forfeiture rate	Total FV in EUR	Expenses In EUR
31 Mar 21- 14 Mar 23	39,746	6.05	38,165	8%	226,446	85,155
30 Sep 21 - 30 Sep 23	27,784	4.94	27,585	9%	134,905	17,050
Total	67,530		65,750		361,351	102,205

Differences between the number of investment shares outstanding at grant date and at reporting date, prior to the end of the holding period, pertain to either those investment shares withdrawn from the plan or those that are attributable to participants who have seized employment in Multitude, and therefore are no longer eligible to receive matching shares.

22. Related party transactions

The Group's related parties include members of the board of directors and senior management team, including their close family members, the companies in which the member of the board or senior management team and their close family members has significant control or joint control. The Group is controlled by Jorma Jokela who owns 55.20% of Multitude SE's issued and outstanding shares as at 31 December 2021 (2020 - 55.18%). As a main principle, all transactions with related parties are conducted at arm's-length and are considered to be part of the ordinary course of business. Transactions with related parties for the years ended 31 December 2021 and 2020 are as follows:

EUR '000	2021	2020
Purchase of consultancy fees and other services	656	831
Rent and utilities	125	132
Total	781	963

Outstanding balances arising from the above transactions with related parties as at the years ended 31 December are as follows:

EUR '000	2021	2020
Trade payables to related parties	49	72

Post-employment funds also meet the definition of related parties under IAS 24. The Group companies have various post-employment plans in accordance with local conditions and practices in the countries in which they operate. Total contributions made to these post-employment funds are recognised as expense in the period they are incurred. Total post-employment benefit expense

Key management compensation

EUR '000	2021	2020
COMPENSATION FOR MEMEMBERS OF THE BOARD OF DIRECTORS AND CEO:		
Jorma Jokela, CEO		
Salaries and other short-term employee benefits	222	202
Frederik Strange, Chairman		
Salaries and other short-term employee benefits	48	29
Lea Liigus, Member		
Salaries and other short-term employee benefits	60	-
Share-based payments	-	180
Clemens Krause, Member		
Salaries and other short-term employee benefits*	48	186
Juhani Vanhala, Member		
Salaries and other short-term employee benefits	48	39
Michael Cusumano, Member		
Salaries and other short-term employee benefits	48	36
Goutam Challagalla, Member		
Salaries and other short-term employee benefits	48	36
Christopher Wang, Member (until 20 April 2021)		
Salaries and other short-term employee benefits	20	36
Kati Hagros, Member (until 30 June 2020)		
Salaries and other short-term employee benefits	-	12
Total	542	577
COMPENSATION OF KEY MANAGEMENT PERSONNEL		
Salaries and other short-term employee benefits	3,009	2,861
Share-based payments	154	-
Total	3,163	2,861

The retirement age of CEO is 65 years and he has no pension plan.

23. Subsequent events

Fitch rating affirmation

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'.

Multitude SE standalone financial statements 2021

Statement of profit or loss

EUR '000	Notes	2021	2020
Other operating income	4	13,379	37,235
Material and services		-	-
Wages and salaries		(3,697)	(4,402)
Pension expenses		(571)	(581)
Other social expenses		(101)	(128)
Total personnel expenses		(4,369)	(5,111)
Depreciation, amortisation and impairment	5	(2,566)	(31,409)
Other operating expenses	6, 7	(30,860)	(19,531)
Operating loss		(24,416)	(18,816)
Financial income			
Intra-group dividend income		20,485	8,713
Other interest and financial income Group companies		5,941	6,595
Other interest and financial income from others		292	213
Total finance income		26,717	15,522
Financial expenses			
Other interest and financial expenses, Group companies		(11,440)	(12,450)
Other interest and financial expenses, others		(3,548)	(1,856)
Total financial expenses		(14,988)	(14,306)
Net financial income		11,729	1,216
Loss before appropriations and taxes		(12,687)	(17,600)
Group Contribution		8,340	12,635
Income tax		-	(29)
Loss for the year		(4,347)	(4,994)

Statement of financial position

EUR '000	Notes	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	8	6,585	9,964
Tangible assets	9	1,367	1,363
Investments	10	165,462	121,786
Non-current receivables	11	51,540	96,218
Total non-current assets		224,955	229,331
Current assets			
Current receivables	12	28,749	40,852
Cash and bank		42,528	18,694
Total current assets		71,277	59,546
Total assets		296,232	288,877
EQUITY AND LIABILITIES			
Equity			
Share capital	13	40,134	40,134
Treasury shares		(142)	(142)
Other reserves total		14,708	14,708
Retained earnings		49,783	54,778
Profit/loss for the period		(4,347)	(4,994)
Total equity		100,136	104,483
Liabilities			
Non-current liabilities, interest-bearing	14	190,416	162,815
Current liabilities, interest-free	15, 16	5,680	21,579
Total liabilities		196,097	184,394
Total equity and liabilities		296,232	288,877

Statement of cash flows

EUR '000	31 Dec 2021	31 Dec 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(4,347)	(4,994)
Adjustments for:		
Depreciation, amortization & impairment loss	3,542	3,443
Financial income and expenses	(11,949)	(1,216)
Other adjustments	(34,350)	(4,040)
Operating profit before working capital changes	(47,104)	(6,808)
Working capital changes:		
Increase (-) /decrease(+) in trade and other receivables	5,258	(4,645)
Increase (+) / decrease (-) in trade payables	(1,485)	(1,485)
Cash generated from operations	(42,708)	(12,938)
Interest paid	(29,032)	(7,608)
Dividends received	20,485	15,180
Interest received	8,806	784
Other financing items	(1,160)	(1,788)
Income taxes paid	(509)	666
Net cash from operating activities	(44,118)	(5,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(168)	(680)
Acquisition of subsidiaries	(20,650)	(3,043)
Disposal of subsidiaries	-	923
Loans granted (-) / Repayments of loans (+)	49,803	(27,613)
Net cash used in investing activities	28,985	(30,414)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings (+) / Repayment (-)	27,601	22,662
Dividends paid	-	-
Group contribution received (+) / paid (-)	11,365	31,750
Net cash used in financing activities	38,966	54,412
Net increase/decrease in cash and cash equivalents	23,833	18,295
Cash and cash equivalents at the beginning of the period	18,694	399
Net increase/decrease in cash and cash equivalents	23,833	18,295
Cash and cash equivalents at the end of the period	42,528	18,694

1. Basis of preparation of the parent company

Parent company information
Multitude SE, registered in Helsinki, is the parent company of Multitude Group. Copies of the consolidated financial statements can be obtained from Multitude SE, located in Ratamestarinkatu 11 A, 00520 Helsinki.

Share capital
The share capital of the company is EUR 40,133,560 and the number of shares are 21,723,960. The shares have no nominal value. All the shares are attached with equal voting rights and equal right when distributing dividend.

Accounting principles and methods
Multitude SE financial statements have been prepared in accordance with the Finnish Accounting Standards, FAS.

Valuation methods
Tangible assets have been valued at acquisition cost.

Receivables, financial assets and liabilities
Receivables are stated at face value, but no more than probable value. Securities and other financial assets included in financial assets are carried at cost or, if lower, at their probable value at the balance sheet date. Liabilties are stated at nominal value or, if the debt is linked to an index or other benchmark, at a higher nominal amount than the changed benchmark.

Allocation principles and methods
The acquisition cost of tangible assets are depreciated according to plan. The difference between the acquisition cost and residual value of the asset is booked as depreciation over the economic period of the asset.

Depreciation periods
- Renovation in own premises - 10 years
- Intangible assets - 3 to 10 years
- Tangible assets - 25% declining depreciation

Receivabled and liabilities denominated in foreign currency
Foreign currency transactions are recorded at the exchange rate on the transaction date. Other assets and liabilities denominated in foreign currencies outstanding at the end of the financial year have been translated into Finnish currency at the exchange prevailing in the balance sheet date and exchange differencies have been recognized through profit or loss.

Deferred tax assets and liabilities
Deferred tax assets and liabilties are disclosed in the notes to the income statement in connection with income taxes.

Comparative data
The company's financial year is the calendar year. The comparative figures used are the previous year's financial statements.

Notes to the income statement of the parent company

2. Average personnel	2021	2020
During financial year	50	55

3. Management compensation, EUR '000	2021	2020
Board of directors and CEO	(480)	(394)

4. Other operating income, EUR '000	2021	2020
Sales to Group companies	13,379	13,291
Extraordinary income from selling to Group companies	-	23,944

5. Depreciation and amortization by asset class category, EUR '000	2021	2020
Intangible assets		
Other capitalized expenditure	(3,479)	(3,381)
Tangible assets		
Machinery and equipment	(62)	(62)
Impairment of investment		
Impairment of investment in subsidiaries in UK and Poland	975	(27,966)
Total depreciation and amortization	(2,566)	(31,409)

6. Other operating expenses, EUR '000	2021	2020
Other expenses for Group companies	(8,316)	(7,096)
Other operating cost	(1,710)	(1,597)
Professional fees	(3,383)	(3,904)
Marketing cost	(1,195)	(1,764)
Administration costs	(697)	(4,684)
Audit fees	(609)	(475)
Other operational expenses of selling to Group companies	(14,950)	(2)
Total other operating expenses	(30,860)	(19,531)

7. Audit fees and other services from audit companies		
EUR '000	2021	2020
PWC		
Audit fees	508	167
Non-audit fees:		
Audit related services	4	
Tax advice	-	10
Other services	43	308
OTHER AUDIT COMPANIES		
Audit fees	-	-
Non-audit fees:		
Tax advice	-	-
Other services	-	-
Total audit fees	508	167
Total non-audit fees	47	318

Notes to the statement of financial position of the parent company

8a. Intangible assets, EUR '000	Other capitalized expenditures
Acquisition cost on 1 January 2021	19,238
Additions during the year ended 31 December 2021	102
Acquisition cost on 31 December 2021	19,340
Accumulated depreciation on 1 January 2021	(9,275)
Depreciation during the year ended 31 December 2021	(3,480)
Accumulated depreciation on 31 December 2021	(12,755)
Net Book value on 31 December 2021	6,585
Net Book value on 1 January 2021	9,964

8b. Intangible assets, EUR '000	Other capitalized expenditures
Acquisition cost on 1 January 2020	18,597
Additions during the year ended 31 December 2020	642
Acquisition cost on 31 December 2020	19,238
Accumulated depreciation on 1 January 2020	(5,893)
Depreciation during the year ended 31 December 2020	(3,381)
Accumulated depreciation on 31 December 2020	(9,275)
Net Book value on 31 December 2020	9,964
Net Book value on 1 January 2020	12,703

9a. Tangible assets, EUR '000	Real estate shares	Machinery and equipment	Other tangible assets	Total
Acquisition cost on 1 January 2021	1,241	606	1	1,848
Additions during the year ended 31 December 2021	67	-	-	67
Acquisition cost on 31 December 2021	1,308	606	1	1,915
Accumulated depreciation on 1 January 2021	-	(485)	-	(485)
Depreciation during the year ended 31 December 2021	-	(62)	-	(62)
Accumulated depreciation at 31 December 2021	-	(548)	-	(548)
Net Book value on 31 December 2021	1,308	59	1	1,367
Net Book value on 1 January 2021	1,241	121	1	1,363

9b. Tangible assets, EUR '000	Real estate shares	Machinery and equipment	Other tangible assets	Total
Acquisition cost on 1 January 2020	1,241	568	1	1,810
Additions during the year ended 31 December 2020	-	38	-	38
Acquisition cost on 31 December 2020	1,241	606	1	1,848
Accumulated depreciation on 1 January 2020	-	(424)	-	(424)
Depreciation during the year ended 31 December 2020	-	(62)	-	(62)
Accumulated depreciation at 31 December 2020	-	(485)	-	(485)
Net Book value on 31 December 2020	1,241	121	1	1,363
Net Book value on 1 January 2020	1,241	144	1	1,386

10a. Investments, EUR '000	Other shares and equity interests
Acquisition cost on 1 January 2021	121,786
Additions during the year ended 31 December 2021	61,131
Disposals during the year ended 31 December 2021	(15,948)
Impairment of investment during the year ended 31 December 2021	(1,507)
Acquisition cost on 31 December 2021	165,462
Book value on 31 December 2021	165,462
Book value on 1 January 2021	121,786

10b. Investments, EUR ’000	Other shares and equity interests
Acquisition cost on 1 January 2020	132,393
Additions during the year ended 31 December 2020	4,496
Disposals during the year ended 31 December 2020	(7,085)
Impairment of investment during the year ended 31 December 2020	(8,016)
Acquisition cost on 31 December 2020	121,786
Book value on 31 December 2020	121,786
Book value on 1 January 2020	132,393

11. Non-current receivables, EUR ’000	31 Dec 2021	31 Dec 2020
Receivables from intra-group companies	44,930	92,110
Non-current receivables from employees	-	7
Non-current receivables from external parties	6,610	4,101
Total Non-current receivables	51,540	96,218

12. Current receivables, EUR ’000	31 Dec 2021	31 Dec 2020
Other receivables	790	325
Receivables from intra-group companies, accounts receivables	4,610	9,038
Receivables from intra-group companies, other	20,044	28,445
Accruals	3,306	3,044
Total Current receivables	28,750	40,852

13a. Change in equity 2021, EUR ’000	Share capital	SVOP reserve	Retained earnings	Equity total
Total Equity on 1 January 2021	40,134	14,708	49,641	104,483
Other changes	-	-	-	-
Dividend distribution	-	-	-	-
Loss for the year	-	-	(4,347)	(4,347)
Total equity on 31 December 2021	40,134	14,708	45,294	100,136

13b. Change in equity 2020, EUR ’000	Share capital	SVOP reserve	Retained earnings	Equity total
Total Equity on 1 January 2020	40,134	14,708	54,614	109,456
Other changes	-	-	21	21
Dividend distribution	-	-	-	-
Loss for the year	-	-	(4,994)	(4,994)
Total equity on 31 December 2020	40,134	14,708	49,641	104,483

14. Non-current liabilities, EUR '000	31 Dec 2021	31 Dec 2020
Non-current liabilities others*	50,000	-
Non-current intra-group debts	140,416	162,815
Total non-current liabilities	190,416	162,815

* On 5 July 2021, Multitude SE issued EUR 50 million worth of unsecured and subordinated perpetual capital notes ('capital notes') at of 99.50% of the nominal amount. The capital notes (ISIN NO0011037327) were drawn against a total authorised framework of EUR 100 million with a floating coupon rate of 8.90% plus 3-month Euribor. Perpertual bonds do not meet the definition of capital bond under Finnish companies Act 12 par. 1§ and as such, accounted and presented as liabilities in Multitude SE financial statement. Perpertual capital notes treated according IFRS requirements on Group consolidated annual report (note nr. 1.1)

15. Current liabilities, EUR '000	31 Dec 2021	31 Dec 2020
Trade payables	965	1,769
Other liabilities	417	390
Accruals	1,293	1,304
Intra-group liabilities	3,005	18,116
Total current liabilities	5,680	21,579

16. Accruals (current), EUR '000	31 Dec 2021	31 Dec 2020
Accruals of personnel expenses	557	650
Other accruals	736	654
Total accruals (current)	1,293	1,304

17. Other rental liabilities, EUR '000	31 Dec 2021	31 Dec 2020
Current rental liabilities	2	3

18. Commitments, EUR '000	31 Dec 2021	31 Dec 2020
Corporate pledge	-	20,000
Pledged subsidiary shares, book value	-	11
Commitments for intra-group companies	143,350	180,000

Multitude SE is the guarantor of the bonds issued by Ferratum Capital Germany GmbH. The funds from the bond issues are in accordance with the intercompany loan agreements being lent to Multitude SE.

19. Related party transactions

No loans and or any other commitments were issued to any related parties during 2021.

APPROVAL OF THE FINANCIAL STATEMENTS AND THE BOARD OF DIRECTORS REPORT

Helsinki, 30 March 2022

Frederik Strange	Chairman of the Board
Juhani Vanhala	Member of the Board
Lea Liigus	Member of the Board
Jorma Jokela CEO	Member of the Board
Goutam Challagalla	Member of the Board
Michael Cusumano	Member of the Board
Clemens Krause	Member of the Board

The Auditor's Note
A report on the audit performed has been issued today

Helsinki, 31 March 2022
PricewaterhouseCoopers Oy
Authorized Public Accountants
Jukka Karinen
Authorized Public Accountant