MULTITUDE

Interim financial statements as of
30 June 2022

Ferratum Capital Germany GMBH

Statement of financial position as at 30 June 2022

	Note	30 June 2022 EUR	31 Dec 2021 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	466	635
Loans to shareholder	(2)	-	-
Deferred tax assets	(3)	17,073	-
Total non-current assets		17,539	635
Current assets			
Loans to shareholder	(2)	96,606,970	141,143,607
Other receivables	(4)	23,608	1,238,947
Cash and cash equivalents	(5)	1,563,442	387,843
Total current assets		98,194,021	142,770,397
Total assets		98,211,560	142,771,032
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	(6)	50,000	50,000
Capital reserve	(7)	1,325,000	1,325,000
Retained earnings		(1,196,114)	(996,557)
Total equity		178,886	378,443
Non-current liabilities			
Bonds	(8)	-	55,821,600
Deferred tax liabilities	(3)	-	28,081
Total non-current liabilities		-	55,849,681
Current liabilities			
Bonds	(8)	97,828,662	85,877,557
Other payables and accrued expenses	(9)	71,074	133,529
Trade tax	(10)	132,937	531,821
Total current liabilities		98,032,674	86,542,907
Total equity and liabilities		98,211,560	142,771,032

Statements of profit or loss and other comprehensive income for the period from 1 January to 30 June 2022

	Note	1.1.2022 - 30.6.2022 EUR	1.1.2021 - 30.6.2021 EUR
Other income	(11)	73,500	4,881
Cost of purchased services		-	(1,274)
Personnel expenses	(12)	-	(63,581)
Depreciations and amortization	(1)	(168)	(168)
Other operating expenses	(13)	(204,179)	(200,411)
Impairment loss	(2)	(109,912)	(966)
Financial income	(14)	4,609,570	5,825,256
Financial expense	(15)	(4,444,566)	(5,434,951)
Financial result		165,004	390,305
Profit/(loss) before tax		(75,755)	128,786
Income taxes	(16)	(123,803)	(234,783)
Net income/(loss) for the year		(199,558)	(105,996)
Other comprehensive income		-	-
Items that may be classified subsequently to profit or loss		-	-
Change of fair value-bonds measured in FVTOCI		-	-
Total comprehensive profit/(loss)		(199,558)	(105,996)

MULTITUDE

Notes to the financial statements for the period from 1 January to 30 June 2022

Ferratum Capital Germany GMBH

CONTENT

A. GENERAL INFORMATION

Ferratum Capital Germany GmbH, hereafter called the "company", was incorporated on 24 September 2013 under German Law. The registered office (Satzungssitz) of the company is in Berlin, Germany, and the company is registered with the commercial register of the local court (Amtsgericht) of Charlottenburg under the registration number HRB 152968. The registered office of the company is at Helmholtzstraße 2-9, 10587 Berlin.

Ferratum Capital Germany belongs to the Multitude Group ("Multitude Group") (former: Ferratum Group), which is an international provider of mobile banking and digital consumer and small business loans, distributed and managed by mobile devices. The parent company, Multitude SE (former: Ferratum Oyj), was founded in 2005 and is headquartered in Helsinki, Finland. The company is a 100% subsidiary of the Multitude SE. The purpose of the company is the borrowing of capital through issuing bearer bonds on active market and granting loans to Multitude SE, subsidiaries and affiliated companies within the Multitude Group.

Ferratum Capital Germany has issued EUR 100,000,000 bonds with denomination EUR 1,000 per bond on 25 May 2018. The bonds have a coupon of 3 months Euribor plus 5.50% p.a. and a tenor of four years. The issued EUR 100,000,000 bonds are listed on Nasdaq Stockholm and Prime Standard of the Frankfurt Stock Exchange with ISIN: SE0011167972.

The issuance of the bonds was authorised by resolutions taken by the board of directors of the issuer on 14 May 2018. According to the prospectus dated 13 July 2018 bonds are offered up to EUR 150,000,000. The bonds rating is identical to the issuer rating. The bonds were fully redeemed at the end of the term on 25 May 2022. For further explanation we refer to notes made under D. 2. Loans to shareholders.

Furthermore, the company has issued EUR 80,000,000 bonds with denomination EUR 1,000 at an issue price of 97% per bond on 24 April 2019. The bonds have a coupon of 3 months Euribor plus 5.50% p.a. and a tenor of four years. The issued EUR 80,000,000 bonds are listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market with ISIN: SE0012453835.

The issuance of the bonds was authorised by resolutions taken by the board of directors of the issuer on 22 March 2019. According to the prospectus dated 23 May 2019 the bonds are offered up to EUR 150,000,000. The bonds rating is identical to the issuer rating. For further explanation we refer to notes made under D. 2. Loans to shareholders.

The Multitude Group was downgraded from BBB- to BB by Creditreform in April 2020 due to the general impact of the corona pandemic. The outlook is negative. For the same reason, Fitch downgraded in April 2020 the rating from BB-/Stable to B+/Negative. In March 2021, Fitch confirmed its Rating of April 2020, B+/Negative. In February 2022, Fitch upgraded the Rating from B+/Negative to B+/Stable.

The interim financial year of the company begins on 1 January and ends on 30 June each year.

The company presents its interim financial statements as of 30 June 2022. The presentation currency of the company is EUR which is the same as the functional currency of the company.

These interim financial statements were not subject to a limited review and have not been audited.

Financial Reporting Framework

The interim financial statements as of 30 June 2022 were prepared in accordance with the valid IFRS and IFRIC of the International Accounting Standards Board (IASB) which have to be applied in the EU as at the balance sheet date.

New and revised Standards applied in 2022

Amendments to IFRS

Amendments to IFRS 3 Business Combinations

Issued on 14 May 2020 the IASB decided to update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments are effective as of 1 January 2022. The endorsement dated 28 June 2021.

Amendments to IAS 16 Property, Plant and Equipment

Issued on 14 May 2020 the IASB decided to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments are effective as of 1 January 2022. The endorsement dated 28 June 2021.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Issued on 14 May 2020 the IASB specifies which costs a company includes when assessing whether a contract will be loss-making. The amendments are effective as of 1 January 2022. The endorsement dated 28 June 2021.

Amendments to Annual Improvements 2018-2020

Issued on 14 May 2020 the IASB makes minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases. The amendments are effective as of 1 January 2022. The endorsement dated 28 June 2021.

All new and revised standards do not have material impact on the interim financial statements as of 30 June 2022.

Published and endorsed Standards which are not yet mandatory

Amendments to IFRS 17 Insurance Contracts

Issued on 25 June 2020 the IASB amended IFRS 17 Insurance Contracts. Issued in May 2017, IFRS 17 sets out the requirements for a company reporting information about insurance contracts it issues and insurance contracts it holds. The amendments are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance. IFRS 17 incorporating the amendments is effective from annual reporting periods beginning on or after 1 January 2023. The andorsement dated 19 November 2021.

Amendments to IFRS 1 Presentation of Financial Statements

Issued on 12 February 2021 the IASB amended IFRS 1 Presentation of Financial Statements. The International Accounting Standards Board (IASB) has issued "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" with amendmants that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors

The International Accounting Standards Board (IASB) has published "Definition of Accounting Estimates (Amendments to IAS 8)" to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning in or after 1 January 2023.

All published and adopted standards that are not yet mandatory have not been applied in advance and, even if applied, will not have a material impact on the interim financial statements as at 30 June 2022.

Standards which are not yet endorsed

Amendments	IASB effective date
Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	1 January 2023
Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Presentation of Financial Statements and IFRS Practice Statement 2: Comparative Information (issued on 9 December 2021)	1 January 2023

All not yet endorsed standards do not have material impact on the interim financial statements as of 30 June 2022.

B. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

General principles

The interim financial statements of the company as at 30 June 2022 have been prepared in accordance with IFRS as adopted in the European Union as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

Preparation of the interim financial statements

The interim financial statements have been prepared on a going concern basis, applying a historical cost convention, except for financial assets and liabilities measured at fair value through profit or loss, financial assets classified as measured at fair value through other comprehensive income and derivative financial instruments that have been measured at fair value.

Current and non-current distinction

The Company presents current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Current assets include assets that are sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within 12 months after the reporting period. Some current liabilities, such as trade payables and some accruals for other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities, even if they are due to be settled more than 12 months after the reporting period.

Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Critical judgements and key sources of measurement uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are disclosed in the notes and policies where applicable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of the interim financial statements under IFRS requires assumptions for several items that have a corresponding impact on recognition and measurement in the statements of financial position, in the income statement of the interim financial statements and regarding the disclosure of contingent liabilities. The actual results may deviate from these estimates. Uncertainties mainly result from the use of the expected credit loss model for shareholder loans. For further explanation we refer to section D. (2) Loans to shareholders.

Functional and presentation currency

The primary activity of the company is to borrow capital through issuing bearer bonds and granting loans to Multitude SE, subsidiaries and affiliated companies within the Multitude Group. The performance of the company is measured in EUR. The presentation currency of the company is the same as the functional currency of the company. The numbers in the interim financial statements under IFRS are rounded to full EUR.

Financial instruments

Classification of financial instruments

Financial assets

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced compared to IAS 39. All recognised financial assets are measured at either amortised cost or fair value. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option;

- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting the contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option;

– all other debt instruments must be measured at FVTP;

– all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at intial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

Financial assets only comprising loans to shareholders are valued at amortised cost using the expected credit loss model.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprising bonds are valued at amortised costs using the effective interest method.

Measurement of financial instruments

All financial instruments are initially measured at fair value plus or minus transaction costs that are directly attributable to the financial instruments (IFRS 9.5.1.1.).

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

Loans to shareholder

Loans to shareholder are valued at amortised costs. Interest revenue as well as impairment gains and losses are recognized in profit and loss.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include solely demand deposits.

Bonds

After the initial recognition, bonds are measured at amortised cost using the effective interest method.

Share capital

Share capital represents the nominal value of shares that have been issued.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Income realisation

Interest income

Interest income is recognised when it is probable that the economic benefit will accrue, and the amount of the income can be reliably determined. The interest income is accrued on a time basis, by reference to the principal outstanding nominal amount and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount upon first-time recognition.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. Interest income is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Effective interest method

The effective interest method is the method of calculating the amortised cost of a financial instrument and of allocating the interest income to the corresponding period. The effective interest rate is the interest rate with which the expected future outflows are discounted over the expected term of the financial instrument or a shorter period, where applicable, to arrive at the net carrying amount derived from initial measurement.

Taxation

Income tax comprises the total current tax expenses and deferred taxes. The current tax is determined on the basis of the taxable income for the relevant year.

Current tax

Current tax is recorded as expense or income through the income statements unless it is incurred in connection with the items reported either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

C. DISCRETIONARY DECISIONS AND ASSESSMENTS

The preparation of the interim financial statements under IFRS requires assumptions for several items that have a corresponding impact on recognition and measurement in the statements of financial position, in the income statement of the interim financial statements and regarding the disclosure of contingent liabilities. The actual results may deviate from these estimates.

Impairments of financial assets

Impairments of financial assets valued at amortized costs are addressed by using the expected credit loss model. For further explanation please see D. (2) Loans to shareholders.

D. NOTES TO STATEMENT OF FINANCIAL POSITIONS

(1) Property, plant and equipment

	Office Equipment EUR		Office Equipment EUR
Cost		Cost	
At 1 January 2022	8,613	At 1 January 2021	8,613
Additions	-	Additions	-
Disposals	-	Disposals	-
At 30 June 2022	8,613	At 31 December 2021	8,613
Accumulated depreciation		Accumulated depreciation	
At 1 January 2022	7,978	At 1 January 2021	7,642
Charge for the financial year	168	Charge for the financial year	336
Disposals	-	Disposals	-
At 30 June 2022	8,146	At 31 December 2021	7,978
Net carrying amount 30 June 2022	466	Net carrying amount 31 Dec 2021	635

This item concerns solely the office equipment.

(2) Loans to shareholder

Loans to shareholder (Multitude SE - Loan 4) consist of the following loan on contractual basis as of 30 June 2022:

	30.06.2022	31.12.2021
Date of loan agreement	24.05.2018	24.05.2018
Loan amount in EUR millions	97	141
Interest rate	7.85%	7.0%
	(until 28 February 2022)	(until 30 April 2021)
	6.9%	7.85%
	(starting 1 March 2022)	(starting 1 May 2021)
Term of repayment	by 22.04.2023	by 25.05.2022

The original loan agreement dated 24 May 2018 was modified by an addendum dated on 1 March 2022 to decrease the interest rate from the original 7.85% to 6.9% and to extend the term of the shareholder loan to 22 April 2023.

By the agreements of parties, the company is entitled to demand the loan amount andaccrued interest earlier than maturity date, by giving such verbal notice to the shareholderat least 3 days in advance. The shareholder has the right to pay back the loan at any time before the maturity date.

Loans to shareholder are valued at amortised costs because the objective of the company's business model for realizing these assets is collecting contractual cash flows. Interest revenue as well as impairment gains and losses are recognized in profit and loss.

In addition the company assesses at the end of each reporting period whether there is a risk that a loan will default. In such case the loan is impaired and impairment losses are incurred (a 'loss allowance'). The company needs to determine the loss allowance at an amount equal to possible defaults only for the next 12 months ("12 month ECLs") or for the entire remaining life of the asset ("Lifetime ECLs"). In this case loss allowance is calculated untill 22 April 2023, as the remaining lifetime is shorter than 12 months. The company needs to measure that loss allowance at an amount equal to the lifetime expected credit losses if the credit risk on that loan has increased significantly since initial recognition, or if the loan is a purchased or originated credit-impaired loan. In all cases, the allowance and any changes to it are recognized by recognizing impairment gains and losses in profit and loss. If, in addition to a significant increase in the credit risk at the reporting date, there is also objective evidence of impairment, the allowance for losses on loans and advances is still measured on the basis of "Lifetime ECLs". Financial assets are written off in case the probability of default is close to 100% from a certain maturity date, and the loss rate in the default event is close to 100%. If a receivable is more than 90 days overdue, it is referred to as default.

The loan does not give rise to increased credit risk, hence the 12-months expected credit loss is calculated for the loan (as in prior year). If Multitude SE rating had increased by 2 notches since the date of initial recognition, this would have result in a significant increase in credit risk (SICR trigger). As this was not the case, no increase in credit risk has to be considered. Due to the fact, that the loan has to be paid back on 22 April 2023 the PD (Probability of default) was amended accordingly.

The impairments (expected credit losses) are calculated with input parameters exposure at default (EAD), probability of default (PD) and loss given default (LGD)

(ECL = EAD * PD * LGD).

For the calculation of the PD we refer to the below mentioned table.

In the past Multitude Groups` credit ratings were downgraded by Fitch Ratings from BB- to B+ (source: Fitch Ratings, March 2021) and by Creditreform Ratings from BBB- to BB (source: Creditreform Rating AG, April 2020). Multitude SE decrease in ratings was mainly caused by the rating companies generally dropping the ratings of companies due to increased future uncertainty caused by COVID- 19 pandemic. On 28 February 2022 Fitch revised the Outlook on Multitude SE`s Rating from Negative to Stable and affirmed B+. The issued bonds by Ferratum Capital Germany have been affirmed at B+ and the subordinated hybrid perpetual capital notes issued by Multitude at B-.

The calculation of the 12 month ECL aims to determine the expected losses of the obligor within the total maturity based on events that could occur in the next 12 months. Due to the maturity of less than one year (duration on 22 April 2023), the 12-months PD was calculated pro rata for 296 days. The PD is determined by external ratings and internal assessments in accordance with the assessments on group level. As at group level no change of the PD was necessary, no change of PD for Ferratum Capital Germany applies. Moreover, Multitude Group has implemented an "Error Correction Model" ("ECM") to determine the relationship between the performance of each Market`s loan portfolios and underlying forward looking macro-economic factorts. The ECM takes into account both short and long-term effects of identified macroeconomic variables through multiple regression analysis against the time series of defaults observed at a specific market and portfolio. As the economic performance of the Group`s loan portfolios is the most critical driver of the loan to shareholder`s credit risk of Ferratum Capital Germany, the results of 2021 ECM modelling on the Group level are taken into consideration also on the level of Ferratum Capital Germany GmbH. Forward looking macro-economic modelling based on the ECM has not resulted in additional ECL impairment requirements.

	30.06.2022	31.12.2021
Expected Credit Loss 1.1.	235,849	391,702
PD (12-month)	1.41%	1.41%
PD	1.14%	0.55%
	(296-days)	(142-days)
LGD	29.52%	29.52%
ECL	0.34%	0.16%
	(296-days)	(142-days)
Increase in ECL	109,912	-155,853
Expected Credit Loss	345,761	235,849

The summary of the loan as of 30 June 2022 is as follows:

	Maturity	Nominal	Present value - beginning of the year	Additions/ Disposal	Accrued Interest receivable in FY	Transfer from/ to	Impairment based on expected credit loss model	Present value - end of the year
Loan 4	April 23	96,247,301	141,143,607	(49,036,295)	4,609,570	-	(109,912)	96,606,970

Prior Year (31 December 2021):

	Maturity	Nominal	Present value - beginning of the year	Additions/ Disposal	Accrued Interest receivable in FY	Transfer from/ to	Impairment based on expected credit loss model	Present value - end of the year
Loan 4	May 22	131,761,480	177,654,719	(48,031,955)	11,364,990	-	155,853	141,143,607

The maturity of loans is presented in the following table:

	30.6.2022		31.12.2021	
	short - term	long - term	short - term	long - term
Loan 4	96,606,970	-	-	141,143,607

The interest income for interim financial year 2022 on the loan amounts to EUR 4,609,570 (1.1.-30.6.2021: EUR 5,825,256). The interest income was recognized in profit or loss using the effective interest method within the scope of IFRS 9. Financial Assets are uncollateralized. The expected credit loss booked for interim financial year 2022 in an impairment loss in the amount of EUR 109,912 (01.01.2021-30.06.2021: EUR 966).

(3) Deferred tax assets/liabilities

Deferred tax assets stand at EUR 17,073 (31.12.2021: EUR 28,081) as of interim financial year 2022. Calculation of deferred tax assets resulting from expected credit loss is based on an income tax rate of 30.175%. The deferred tax assets resulting from the corporate tax loss carried forward are calculated with a corporate tax rate of 15.825%. Deferred tax assets result from expected credit loss in an amount of EUR 104,333 (31.12.2021: EUR 71,168) and corporate tax loss carried forward in the amount of EUR -87,261 (31.12.2021: EUR -99,249). The assumption of recoverability of tax loss carried forward is based on the underlying tax planning. In total deferred tax assets increased by EUR 45,154 (31.12.2021: EUR: -224,046).

(4) Other receivables

The other receivables amounting to EUR 23,608 (31.12.2021: EUR 1,238,947) mainly include deferred expenses and accrued income.

(5) Cash and cash equivalents

The bank current accounts amount to EUR 1,563,442 (31.12.2021: EUR 387,843). Regarding the development of cash, we refer to the cash flow statement.

(6) Subscribed capital

The subscribed capital is held 100% by the Multitude SE. Multitude SE owns 50,000 shares at EUR 1 each.

(7) Capital reserve

The capital reserve stands at EUR 1,325,000 as of 30 June 2022 (31.12.2021: EUR 1,325,000).

(8) Bonds

On 25 May 2018, the company issued EUR 100,000,000 with 3 months Euribor (if this rate is below zero, Euribor is deemed to be zero under the terms of the Bonds) plus 5.50% Bonds due 2022 under an unconditional and irrevocable guarantee of Multitude SE ("Bond 4"). The bonds were redeemed at par on 25 May 2022 ("Maturity Date").

On 24 April 2019 the company issued EUR 80,000,000 (nominal amount) at an issue price of 97% (EUR 77,600,000) with 3 months Euribor plus 5.50% bonds due in 2023 under an unconditional and irrevocable guarantee of Ferratum Oyj ("Bond 5"). Unless previously redeemed, the bonds will be redeemed at par on 24 May 2023 ("Maturity Date").

The bonds beared interest from (and including) 24 April 2019 to (but excluding) the Maturity Date at a coupon rate 5.50% per annum, payable quarterly in arrears on 24 July, 24 October, 24 January and 24 April of each year, commenced on 24 July 2019.

The income from issuing the above 2 bonds were granted as loan to the shareholder Multitude SE in the corresponding years.

On 8 April 2022, the company made an increase of the Bond 5 in the amount of EUR 40 million (nominal volume). Investors of Bond 4 with a nominal amount of EUR 19,889,000 accepted an exchange of their bonds into the new bonds 5, which reduced the outstanding volume of the Bond 4 by this amount to EUR 64.482 million (own Bonds held by the Company itself have already been deducted from the redemption amount). This is the redemption amount (plus accrued interest) at the maturity date of 25 May 2022 of Bond 4.

In addition, investors who were not willing to switch from the Bond 4 to the Bond 5, but rather wanted to increase their credit exposure, invested in the new bonds for a nominal amount of EUR 20.111 million. This brings the "new" nominal amount of the Bond 5 to EUR 100.054 million (excluding own bonds in the amount of EUR 21,443,000).

Tn the first quarter of the 2020 financial year, Ferratum Capital Germany GmbH sold own bonds in the amount of EUR 5,304,000. In June 2020, the company purchased own bonds in the amount of EUR 1,200,000 (nominal amount). On 5 July 2021, Ferratum Capital Germany purchased own bonds amounting to EUR 15,629,000 from 2022 ("Bond 4") at a price of 101.5% of the nominal amount and EUR 19,946,000 from 2023 ("Bond 5") at a price of 102.00% of the nominal amount.

The proceeds from the issuance of the two bonds mentioned above were granted as a loan to the shareholder Multitude SE in the respective years.

The own bonds of Bond 4 with a nominal value of EUR 16,255,500 were derecognised in connection with the redemption of the bond on 25 May 2022.

The valuation of the bonds is determined at its amortised cost with the application of an effective interest rate p.a.. The development of the bonds is depicted as follows:

	30.06.2022	31.12.2021
	EUR	EUR
Bonds – beginning of the year	141,699,154	178,198,972
Additions during the year	40,000,000	-
Discount/Premium of bonds	284,720	1,325,199
Redemptions during the year	(100,000,000)	-
Offsetting of holding own bonds	16,255,500	(37,698,500)
Paid interest	(4,855,278)	(10,025,278)
Accrued fixed interest	4,444,566	9,898,763
Bonds – end of the reporting period	97,828,662	141,699,154

	30.06.2022	31.12.2021
	EUR	EUR
Current bonds	97,828,662	85,877,554
Non-current bonds	-	55,821,600
Total bonds	97,828,662	141,699,154

The interest expense for the interim financial year 2022 on the bonds amounts to EUR 4,444,566 (1.1.-30.6.2021: EUR 5,434,951).

(9) Other payables and accrued expenses

The other payables and accrued expenses mainly include audit and consulting fees EUR 0,00 (31.12.2020: EUR 67,000) and accruals for corporate income tax EUR 61,629 (31.12.2020: EUR 61,599).

(10) Trade tax

Accrued expenses for trade taxes amount to EUR 132,937 (31.12.2021: EUR 531,821).

E. NOTES TO INCOME STATEMENT

(11) Other income

Other income mainly includes income from forgein currency translation in the amount of EUR 73,500 (1.1.-30.6.2021: EUR 0).

(12) Personnel expenses

Personnel expenses include wages and salaries amounting to EUR 0,00 (1.1.-30.6.2020: EUR 52,113) and social benefit amounting to EUR 0,00 (1.1.-30.6.2021: EUR 11,468).

The average number of personnel is as follows:

	30.06.2022	30.06.2021
Management	0	0
Administration and finance	0	1
Total	0	1

(13) Other operating expenses

Other operating expenses mainly include expenses relating with issuing of bonds EUR 223,931 (01.01.2020 - 30.06.2020: EUR 262,640) accounting and audit fees amounting to EUR 58,913 (01.01.2020 - 30.06.2020: EUR 43,712) consulting fees in the amount of EUR 203 (01.01.2020 - 30.06.2020: EUR 547) rent in the amount of EUR 10,422 (01,01.2020 - 30.06.2020: EUR 7,800) as well as maintenance costs for hardware and software amounting to EUR 13,903 (01.01.2020 - 30.06.2020: EUR 0).

(14) Financial income

Financial income includes the interest income from loans to shareholder for an amount of EUR 4,609,570 (1.1.-30.6.2020: EUR 5,825,256).

(15) Financial expenses

Financial expenses resulted solely from issuing bonds amounting to EUR 4,444,566 (1.1.- 30.6.2021: EUR 5,434,951).

(16) Income taxes

Income taxes booked in the profit and loss statement consist of trade tax in the amount of EUR 168,957 (1.1.-30.6.2021: EUR 188,042) and deferred tax expenses in the amount of EUR 45,154 (1.1.-30.6.2021: deferred tax expenses EUR 46,741).

Reconciliation between the statutory and effective tax expenses is as follows:

	1.1 -30.6.2022 EUR	1.1. -30.6.2021 EUR
Profit before tax	-75,754	128,786
Income tax on rate of 30,175%	-	38,861
Tax expense on respect of:		
- Tax losses carried forward	58,207	(19,318)
- Tax expense priory years	(308,630)	-
- Expenses non deductible for tax purposes	182,353	187,853
- Under provisions in prior years	-	-
- Other adjustments	(10,579)	(19,354)
- Adjustment deferred tax	(45,154)	46,741
Income tax expenses recognized in profit or loss	(123,803)	(234,783)

F. ADDITIONAL STATEMENTS

(17) Summary of financial assets and liabilities by categories

The carrying amounts of the company's financial assets and liabilities as recognised at the reporting date are also analysed into the following categories:

Financial assets	30.06.2022 EUR	31.12.2021 EUR
Financial assets measured at amortised cost		
Loans to shareholder	96,606,970	141,143,607
Cash and cash equivalents	1,563,442	387,843
	98,170,413	141,531,449
Financial liabilities		
Financial liabilities measured at amortised cost		
Bonds	97,828,662	141,699,157
	97,828,662	141,699,157

(18) Financial instruments at fair value

ACCOUNTING FOR FINANCIAL ASSETS AND LIABILITIES – FAIR VALUE

The company applies IFRS 9. Under IFRS 9 all financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. The requirement is consistent with IAS 39. The fair value of a financial instrument 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.

VALUATION

IFRS 13 Fair Value Measurement requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

As of 30 June 2022 cash and cash equivalents, other receivables, other financial assets as well as other payables and accrued expenses have short maturities. The carrying amounts of these financial instruments approximately correspond to the fair value. The loans to shareholder are measured at amortised cost and the carrying amounts approximately correspond to their fair value. This assumption is based on the fact that the expected credit losses have already been recognized.

The fair values of bonds were calculated with the market value at Frankfurt Stock Exchange as of the balance sheet date. The fair value can be assigned to level 1 of the fair value hierarchy.

30 June 2022	Carrying value	Fair value
Bonds	97,828,662	97,473,890

31 December 2021	Carrying value	Fair value
Bonds	141,699,157	143,159,013

(19) Financial risk management

Company's activities expose it to following financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

A. MARKET RISK

Company takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to interest rate risk that may be accepted, which are monitored on a periodic basis.

FOREIGN EXCHANGE RISK

The Company operates mainly in Germany and is not exposed to foreign exchange risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of the company's financial instruments will fluctuate because of change in market interest rates. In phases of high liquidity and low bond prices the company invested in own bonds and saved interest and in phases of improving bond prices and increasing liquidity demand the bonds were sold on the bonds market again. All transactions are treated as repayments and borrowings of liabilities.

The carrying amount of the company's significant interest-bearing financial instruments, as at the reporting date is as follows:

	Duration	fixed interest rate	30.06.2022	31.12.2021
Loan 4	May 18 - Apr 23	7.85%, currently 6.90%	96,606,970	141,143,607
			96,606,970	141,143,607

	Duration	fixed / Variable interest rate	30.06.2022	31.12.2021
Bond 4	May 18 - May 22	3 M Euribor + 5.500%	-	83,183,222
Bond 5	Apr 19 - Apr 23	3 M Euribor + 5.500%	97,828,662	58,515,835
			97,828,662	141,699,157

The company's main interest rate risk arises from long-term bonds which are issued at fixed rates and floating rates (Bond 5). These expose the company to interest rate risk which is partially offset by having loans as a main asset in the company. The objectives for the mix between fixed and floating rate bonds are set to reduce the impact of upward changes in interest rates while enabling benefits to be enjoyed if interest rates fall. Besides, the company's income statement is not exposed to significant fluctuations in interest rates, since both financial instruments are measured at amortised cost.

A change of the interest rate (5.500% + 3 month Euribor for Bond 5) at the end of the reporting period would have an effect on result for the financial years.

The following shows the effect on net income for the financial years with all other variables held constant by 1/100 basis points ("bp"):

	2022 EUR	2021 EUR
+1 bp	-	-
-1 bp	-	-

3

Months-Euribor at 30 June 2022 stands at -0,195% (31.12.2021: -0,5719%), the effects are shown below:

	2022 EUR	2021 EUR
+100 bps	(792,756)	(770,580)
-100 bps	192,034	770,580

B. CREDIT RISK

Multitude SE was rated by Fitch Ratings in April 2019 as part of an initial rating with BB-/outlook Stable. In March 2020 Fitch Rating confirmed the rating and the outlook. In April Fitch Ratings downrated Multitude SE from BB- to B+/outlook negative. The downgrade mainly reflects the impacts of the Corona-crisis. The rating includes the fact that Multitude SE acts as the guarantor of the issued bonds by the company. In March and June 2021, Fitch confirmed its Rating of April, B+/Negative. In February 2022, Fitch Ratings uprated Multitude SE to B+/Stable.

In April 2020 Creditreform Rating AG evaluated Multitude SE with a follow-up rating of BBB-. Due to the Corona-crisis the Creditreform Rating AG adjusted the rating to BB/outlook negative (source: Creditreform Rating, April 2020).

On 28 February 2022 Fitch revised the Outlook on Multitude SE`s Rating from Negative to Stable and affirmed B+. The issued bonds by Ferratum Capital Germany have been affirmed at B+ and the subordinated hybrid perpetual capital notes issued by Multitude at B-.

Credit risk is the risk of a financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount corresponds to the maximum default risk.

Expected credit loss on the loan were EUR 109,912 as of 30 June 2022 (31.12.2021: impairment gain EUR 155,853). The calculation of expected credit loss refers to the note (2) Loans to shareholder.

C. LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds. In managing its exposures to liquidity risk arises principally from its various payables, the company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The company aims to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities.

The bonds were issued under an unconditional and irrevocable guarantee of its shareholder and secured directly over the loans to shareholder. The company expects that its cash in hand and cash flow provided by operations will satisfy its liquidity need with respect to its obligations. As a precaution Multitude SE issued an irrevocable letter of comfort limited to an amount of EUR 750,000 until 30 April 2023. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

MATURITY ANALYSIS

The following table details the expected maturity for all financial assets and liabilities in order to provide a complete view of the company's contractual commitments and liquidity.

Financials assets at 30 June 2022	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Loans at amortized cost	-	96,606,970	-	-	-	96,606,970
Other receivables	23,608	-	-	-	-	23,608
Cash and cash equivalents	1,563,442	-	-	-	-	1,563,442
Total financial assets	1,587,050	96,606,970	-	-	-	98,194,021

Financials liabilities as 30 June 2022	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	2,768,354	100,194,176	-	-	-	102,962,530
Other payables	204,011	-	-	-	-	204,011
Total financial liabilities	2,972,365	100,194,176	-	-	-	103,166,541

Financials assets at 31 December 2021	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Loans at amortized cost	141,143,607	-	-	-	-	141,143,607
Other receivables	1,238,947	-	-	-	-	1,238,947
Cash and cash equivalents	387,843	-	-	-	-	387,843
Total financial assets	142,770,397	-	-	-	-	142,770,397

Financials liabilities as 31 December 2021	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	87,128,869	1,643,910	59,497,509	-	-	148,270,288
Other payables	133,529	-	-	-	-	133,529
Total financial liabilities	87,262,398	1,643,910	59,497,509	-	-	148,403,817

D. CAPITAL MANAGEMENT

The company's main objective when managing capital is to safeguard the company's ability to continue as a going concern. The company considers total capital under management to be equity and bonds as shown in the statement of financial position. The amount of capital that the company managed as of 30 June 2022 was EUR 99,143,607 (31.12.2021: EUR 142,077,601).

With end of interim financial statements as of 30 June 2022 the equity of the company is positive in the amount of EUR 178,886 (31.12.2021: EUR 378,443). Based on the financial planning, going concern is secured. For further explanations we refer to our statements made under C. Liquidity risk.

(20) Related party relationships on an entity

Multitude SE owns 100% of the company's shares. Related parties of the company include also the Managing Director Mr. Stephan Schuller (until 18 March 2021), who was removed by resolution of the company on 19 March 2021 (deleted from the commercial register on 29 April 2022). Furthermore, the Managing Director Mr. Bernd Egger (since 4 March 2020) and their close family members are considered related party to the company. By resolution of 20 April 2022, Mr Maik Laske was appointed as a further managing director of the company. The entry in the commercial register was made on 29 April 2022.

AUDIT COMMITTEE

On 6 January 2021 an extraordinary shareholders` meeting took place. During this meeting it was agreed to amend the shareholders` agreement which resulted in the setup of an audit committee. Members of the audit committee are:

- Lea Liigus
- Clemens Krause

RELATED PARTY TRANSACTIONS

The company granted its shareholder loans amounting to kEUR 96,607, which were combined into one loan. The company changes the parent company interest in the amount of the interest payable to the holders of the issued bonds plus a scheduled margin of 2.35% p.a. and 1.4% p.a., respectively, from 1 March 2022 onwards. The parent company is obliged to repay the combined loan no later than 22 April 2023. In addition, the parent company has assumed the unconditional and irrevocable guarantee for timely payments by the company due under the respective terms and conditions of the bearer bonds issued. Furthermore, in order to ensure liquidity in principle, the parent company has issued an irrevocable letter of confort limited untill 30 April 2023, according to which the parent company will provide the company with further financial resources up to a total amount of kEUR 750 in the event of substantial liquidity problems, so thet the company is in a position to meet its liabilities within this framework.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

Managing directors were paid no fees within interim financial year 2022 (2021: EUR 0).

(21) Contingent liabilities

Neither in this interim financial year nor in previous (interim) financial year any contingent liabilities occurred.

(22) Events after the reporting date

The managements expects that both the persistent Corona pandemic and the Russia-Ukraine crisis will not have a material impact on the Company`s financial position and income. Also, no other significant events after the balance sheet date require adjustment to or disclosure in the financial statements.

The financial statements were authorized for issue by managing directors on 18 August 2022.

Berlin, 18 August 2022

Bernd Egger	Maik Laske
Managing Director	Managing Director

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2022

	1 January 2022 - 30 June 2022 EUR	1 January 2021 - 30 June 2021 EUR
Net result before taxes	(75,755)	128,786
+ Depreciation of property, plant and equipment	168	168
+/- Impairment gain/loss	109,912	-
+/- Increase/(decrease) in other liabilities	(413,600)	(46,110)
-/+ Increase/(decrease) in other assets	372,309	42,062
+ Interest expense	4,444,566	5,434,951
- Interest income	(4,609,570)	(5,825,256)
- Income tax paid	(199,622)	(87,932)
= Cash flow from regular operating activities	(371,592)	(353,330)
- Cash paid for the acquisition of property, plant and equipment	-	-
+ Interest received	5,522,116	5,386,298
+ Proceeds from borrowings	43,514,178	-
= Cash flow from investing activities	49,036,294	5,386,298
+ Proceeds from addition to the capital reserve	-	-
+ Proceeds from issuing bonds	(42,633,824)	-
- Interest paid	(4,855,278)	(4,989,756)
= Cash flow from financing activities	(47,489,102)	(4,989,756)
Total of the cash flows	1,175,600	43,212
+ Cash and equivalents - beginning of the period	387,843	376,308
= Cash and equivalents - end of the period	1,563,442	419,520

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2022

	Subscribed capital EUR	Capital reserve EUR	Accumulated losses EUR	Accumulated other comprehensive income EUR	Sum EUR
Balance as at 1 January 2022	50,000	1,325,000	(996,557)	-	378,443
Share Capital issue	-	-	-	-	-
Capital reserve	-	-	-	-	-
Results brought forward	-	-	-	-	-
Net Income for the period/year	-	-	(199,558)	-	(199,558)
Other comprehensive income	-	-	-	-	-
Balance as at 30 June 2022	50,000	1,325,000	(1,196,114)	-	178,886

	Subscribed capital EUR	Capital reserve EUR	Accumulated losses EUR	Accumulated other comprehensive income EUR	Sum EUR
Balance as at 1 January 2021	50,000	1,175,000	(1,344,763)	-	(119,763)
Share Capital issue	-	-	-	-	-
Capital reserve	-	-	-	-	-
Results brought forward	-	-	-	-	-
Net Income for the period/year	-	-	(105,996)	-	(105,996)
Other comprehensive income	-	-	-	-	-
Balance as at 30 June 2021	50,000	1,175,000	(1,450,760)	0	(225,760)

INTERIM MANAGEMENT REPORT FOR THE PERIOD 1 JANUARY TO 30 JUNE 2022

Preliminary note

This "Interim Management Report" has been prepared taking into account the minimum information for interim management reports in the sense of § 115 (2) no. 2 in connection with (4) sentence 1 WpHG and in compliance with the "IFRS Practice Statement on Management Commentary" (Exposure Draft ED/2021/6) of May 2021.

Business activity of the company

Ferratum Capital Germany GmbH is a finance company that finances the operative business of the parent company, Multitude SE based in Helsinki, Finland.

Due to the fact that the company does not have its own operating activities, the close integration into the group of the parent company and the dependence on the economic performance of the parent company, information is provided in this interim management report that originally relates to Multitude SE. From the management's point of view, however, this information is of such great relevance for the addressee's understanding of the interim management report that it cannot be omitted.

As a financing company, the company is not operationally active and therefore exclusively pursues financial goals. The company is not active in research and development. Ferratum Capital Germany GmbH raises outside capital through the issue of bearer bonds and grants the proceeds of the issue as a loan to its parent company. The loan will finance investments to expand the Multitude Group. The company charges the parent company interest at the rate of interest payable to the holders of the bearer bonds, plus a planned interest margin of 2.35 percent p.a. and 1.4 percent p.a. respectively from 1 March 2022 onwards. The interest is settled monthly with the parent company.

The ability of the company to service the creditors' claims arising out of the issued bearer bonds primarily depends on the economic success of Multitude SE and its affiliates.

The Multitude Group has strategically bundled its lending business purpose and now divided it into three business units. Short-term consumer loans are granted in the "Ferratum" division. Customers with an acceptable credit history are also offered so-called plus loans and revolving credit limits similar to overdrafts. The "CapitalBox" division is geared towards small and medium-sized enterprises (SMEs) as borrowers, while the "SweepBank" division offers longer-term consumer loans and mobile wallet payment functions. In contrast to traditional banks, the Group does not use any branches or outbound call centres, but processes the business exclusively via mobile devices or alternatively websites. The distribution channel is exclusively the internet, including applications on mobile phones.

Financial position

In April 2022, Ferratum Capital Germany GmbH has completed a subsequent bond issue of EUR 40 million under its existing senior unsecured bond framework of total EUR 150 million with maturity 24 April 2023 (ISIN: SE0012453835). The issue was realized under the conditions of the bond already issued in 2019 with a nominal value of EUR 80 million. The subsequent bond issue was priced at 99.0 percent of the nominal amount. The total outstanding amount of the bonds with maturity in April 2023 amounts to EUR 120 million. The bonds are listed on Nasdaq Stockholm and Frankfurt Stock Exchange Prime Standard. The bearer bonds bear interest in the amount of the 3-month Euribor plus 5.5 percent p.a., whereby the 3-month Euribor shall be deemed to be zero if this rate is negative. The net proceeds from the subsequent bond issue were, together with existing cash in the Multitude Group, used towards refinancing the Group's outstanding bond maturing in May 2022 (ISIN: SE0011167972). In conjunction with the subsequent bond issuance, holders of the existing 2018 bonds (ISIN: SE0011167972) were given the option to roll-over their bond holdings and effectively convert them into the 2019 bonds (ISIN: SE0012453835) at a 1:1 conversion ratio. The transaction resulted into the extinguishment of the underlying 2018 bonds with a nominal value of approx. EUR 19.9 million. Additional proceeds from the subsequent bond issue were provided by Ferratum Capital Germany GmbH to the parent company Multitude SE to execute the Group's growth path and business strategy. The loan to the shareholder bears interest at 7.85 percent p.a. and 6.90 percent p.a. respectively from 1 March 2022 and is to repay by 22 April 2023 at the latest.

For its part, Multitude SE placed on 5 July 2021 EUR 50 million in subordinated perpetual Capital Notes, qualifying in IFRS as equity (ISIN NO0011037327). The Capital Notes carry a floating rate coupon of 3-month Euribor plus 8.90 percent p.a., whereby the 3-month Euribor shall be deemed to be zero if this rate is negative, and were issued at a price of 99.50 percent of the nominal amount. Proceeds from the issue were used to repay loan receivables from Ferratum Capital Germany GmbH, which used these funds to submit an offer to its creditors to buy back their bearer bonds. Ferratum Capital Germany GmbH acquired the bearer bonds due in 2022 at a price of 101.50 percent of the nominal value. The total purchase price amounts to approx. EUR 15.9 million. The bearer bonds due in 2023 were acquired at a price of 102.00 percent. The total purchase price amounts to approx. EUR 21.4 million.

As of 30 June 2022, the loans granted to the parent company, including accrued interest, totalled 97,829 KEUR (31 December 2021: 141,144 KEUR) and cash and cash equivalents 1,563 KEUR (31 December 2021: 388 KEUR). On the other hand, liabilities from bearer bonds issued, including accrued interest, totalled 97,829 KEUR (31 December 2021: 141,699 KEUR).

Total equity of the company is positive and amounts to 179 KEUR as at 30 June 2022 (31 December 2021: 378 KEUR). As a precaution Multitude SE issued an irrevocable Letter of Comfort limited to an amount of 750 KEUR until 30 April 2023. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

Cash flow position

Significant cash flow results from investing activities in the form proceeds from repayment of loans to shareholder of 43,514 KEUR (1.01.-30.06.2021: 0 KEUR) and in the form of interest received amounting to 5,522 KEUR (1.01.-30.06.2021: 5,386 KEUR). Capital outflow mainly relates to repayment of bonds of 42,634 (1.01.-30.06.2021: 0 KEUR) and interest payments of 4,855 KEUR (1.01.-30.06.2021: 4,990 KEUR). Considering the cash flow from regular operating activities of -372 KEUR (1.01.-30.06.2021: -353 KEUR) the company's cash and cash equivalents increased to 1,563 KEUR (31 December 2021: 388 KEUR).

Earnings position

In the first half of 2022, the financial result, the balance of interest income from the shareholder loans granted and interest expense on the bearer bonds issued, was positive at 165 KEUR (1.01.-30.06.2021: 390 KEUR). Other income of 74 KEUR (1.01.-30.06.2021: 5 KEUR) is not sufficient to cover the entire costs of the company. Considering other operating expenses including impairment loss of 314 KEUR (1.01.-30.06.2021: 201 KEUR) and income tax of 124 KEUR (1.01.-30.06.2021: 235 KEUR), the company realised a shortfall of 200 KEUR (1.01.-30.06.2021: 106 KEUR).

Outlook

As a result of the war in Ukraine, the ifo Institute for Economic Research at the University of Munich expects significantly lower economic growth and sharply rising prices in the countries of the Euro area in its economic forecast from June 2022. While consumer confidence in the Euro area has fallen sharply since the start of the war in Ukraine, sentiment in the service sector has remained optimistic. The manufacture of goods, on the other hand, is increasingly suffering from the significant price increases and ongoing supply chain difficulties. Overall, gross domestic product in the Euro area is likely to grow by 3.3 percent in 2022 and by 2.8 percent in 2023. For Germany, the ifo Institute expects GDP growth of 2.5 percent in 2022 and 3.7 percent in 2023. The inflation rate is likely to reach 6.8 percent this year, its highest level since 1974. In the coming year, consumer prices are likely to rise at an above-average rate of 3.3 percent.

The expected development of the company in the second half of 2022 will be characterised in detail by the current interest payments, which will be issued quarterly on 24 July 2022 and 24 October 2022, to the holders of the bonds issued in April 2019 and in April 2022 as part of the subsequent bond now with a total nominal value of EUR 120 million. These interest payments are financed as planned by interest payments from the parent company, which has to pay them for the loan granted to it.

The company is currently not planning any further issues of bearer bonds for the 2022 financial year. The bearer bond, which is due in April 2023, is expected to be repaid with funds from another bond issue by Multitude SE and with existing funds from the Multitude Group.

Opportunity and risk report

Opportunities for Ferratum Capital Germany GmbH acting as a financing company will ensue especially from the ongoing rating process of the Group and the resulting financing conditions. Mainly due to the negative impact of the Coronavirus pandemic on the macroeconomic situation, Fitch Ratings rated the Long-Term Issuer Default Rating (IDR) of Multitude SE on 4 March 2021 with "B+" with a Negative Outlook. On 28 February 2022 Fitch Ratings has revised the Outlook from Negative to Stable due to the more stable economic backdrop of Multitude's operating environment as well as its improved financial performance in 2021 while the IDR was affirmed at "B+". The long-term debt rating assigned to the senior unsecured notes issued by Ferratum Capital Germany GmbH was confirmed with "B+"/RR4 on 4 March 2021, which was confirmed again by Fitch Ratings on 28 February 2022. The issuance of subordinated hybrid perpetual Capital Notes of Multitude SE received a rating of "B-"/RR6 by Fitch Ratings on 6 July 2021, which was also affirmed on 28 February 2022.

In response to the Covid-19 pandemic, the Multitude Group has introduced and implemented a four-stage action plan that includes liquidity management, risk control, reducing the cost base and seizing business opportunities. As appropriate measures were taken at a very early stage of the pandemic, the Multitude Group has not had any significant loan defaults to date. Customer payment behaviour has remained stable. The management assumes that the company will be able to meet all liabilities.

The invasion of Ukraine by Russian troops, which started on 24 February 2022 has no immediate impact on the Multitude Group, as it does not do business in Russia, Ukraine or Belarus.

Risks to the company's business activities result especially from its dependency on its parent company. The company's ability to satisfy creditor claims from the bearer bonds issued in the form of interest and redemption claims depends solely on the economic success of Multitude SE.

In addition, the group's parent company issued an independent guarantee with a negative obligation in favour of the bondholders, with the guarantor unconditionally and irrevocably guaranteeing the proper and punctual payment of all amounts payable by the issuer or the successor debtor for the bonds as specified in the terms and conditions of the bonds. In detail, credit default in relation to the claims against the parent company and liquidity risks will result from the aforementioned dependency on the parent company if planned interest payments and redemptions are not, or not in due time, effected by Multitude SE. Additionally, the economic success and the credit rating of Multitude SE are crucial for the company's ability to successfully place follow-up financing in the form of bonds on the capital market, in order to repay the bond liabilities on time.

An interest rate risk exists with regard to the variable interest on the outstanding bearer bonds. The interest expenses and interest payments to be made on the Company's outstanding bearer bonds would increase if and to the extent that the 3-month Euribor interest rate rises above zero percent.

Report on the related-party transactions

Related parties are the parent company, which holds 100 percent of the shares in the company, as well as the managing directors of the company, Mr. Bernd Egger and Mr. Maik Laske (since shareholder resolution of 11 April 2022).

The company has granted its shareholder loans of 96,607 KEUR. The company charges the parent company interest that it has to pay itself on the issued bearer bonds plus a planned interest margin of 2.35 percent p.a. and 1.4 percent p.a. respectively from 1 March 2022. The interest income for interim financial year 2022 on the loan amounts to 4,610 KEUR. The parent company is required to redeem the loan by 22 April 2023 at the latest. In addition, the parent company has provided the unconditional and irrevocable guarantee for the due and punctual payment to be made by the company in accordance with the relevant terms and conditions of the issued bearer bonds. Further on Multitude SE issued an irrevocable Letter of Comfort limited to an amount of 750 KEUR until 30 April 2023. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

The respective managing directors received an appropriate compensation from the shareholder of the company, which in particular meets the complex tasks and responsibilities of the managing directors. Managing directors were paid no fees by the company within interim financial year 2022

Berlin, 18 August 2022

Bernd Egger	Maik Laske
Managing Director	Managing Director

Statement by the legal representatives

To the best of our knowledge and in accordance with the applicable accounting principles, the interim financial statements for the half-year ended 30 June 2022 of Ferratum Capital Germany GmbH give a true and fair view of the company's net assets, financial position and result of operations and the company's interim management report includes a fair review of the business development including the business results and the position of the company and describes the main risks and opportunities of the company's expected development.

Berlin, 18 August 2022

Bernd Egger	Maik Laske
Managing Director	Managing Director