MULTITUDE

Statement of financial position as at 30 June 2021

Ferratum Capital Germany GMBH

Statement of financial position as at 30 June 2021

	Note	30 June 2021 €	31 Dec 2020 €
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	803	971
Loans to shareholder	(2)	178,092,711	177,654,719
Deferred tax assets	(3)	149,224	195,965
Total non-current assets		178,242,738	177,851,655
Current assets			
Other receivables	(4)	163,109	204,205
Cash and cash equivalents	(5)	419,520	376,308
Total current assets		582,629	580,514
Total assets		**178,825,367**	**178,432,169**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	(6)	50,000	50,000
Capital reserve	(7)	1,175,000	1,175,000
Retained earnings		(1,450,760)	(1,344,763)
Total equity		**(225,760)**	**(119,763)**
Non-current liabilities			
Bonds	(8)	76,212,218	175,585,718
Total non-current liabilities		76,212,218	175,585,718
Current liabilities			
Bonds	(8)	102,432,059	2,613,254
Other payables and accrued expenses	(9)	83,688	129,798
Trade tax	(10)	323,162	223,162
Total current liabilities		**102,838,909**	**2,966,215**
Total equity and liabilities		**178,825,367**	**178,432,169**

Statements of profit or loss and other comprehensive income for the period from 1 January to 30 June 2021

	Note	1.1.2021 - 30.6.2021 €	1.1.2010 - 30.6.2020 €
Other income	(11)	4,881	209,266
Cost of purchased services		(1,274)	(1,482)
Personnel expenses	(12)	(63,581)	(29,570)
Depreciations and amortization	(1)	(168)	(123)
Other operating expenses	(13)	(200,411)	(212,410)
Impairment loss	(2)	(966)	(267,444)
Financial income	(14)	5,825,256	5,556,727
Financial expense	(15)	(5,434,951)	(5,638,888)
Financial result		390,305	(82,160)
Profit/(loss) before tax		128,786	(383,923)
Income taxes	(16)	(234,783)	(233,426)
Net income/(loss) for the year		(105,996)	(617,350)
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)		(105,996)	(617,350)

MULTITUDE

Notes to the financial statements for the period from 1 January to 30 June 2021

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.

In June 2021 the shareholder of the company Ferratum Oyj, Helsinki, Finland, changed its legal form and was renamed to "Multitude SE".

Ferratum Capital Germany belongs to the Multitude Group ("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 (former: Ferratum Oyj), subsidiaries and affiliated companies within the Group.

The company 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. For further explanation we refer to notes made under D. 2. "loans to shareholders".

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 (former: Ferratum 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, B+/Negative.

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 2021. 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 2021 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 2021

Amendments to IFRS

Amendments to Interest rate benchmark reform Phase 2 amendments

On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021. The endorsement dated 13 January 2021.

All new and revised standards do not have material impact on the interim financial statements as of 30 June 2021.

Standards which are not yet endorsed

IASB/IFRIC documents not yet endorsed	IASB effective date
IFRS standards and interpretations	
IFRS 17 - Insurance Contracts (issued on 18 May 2017);	
including amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023
Amendments	
Amendments to IAS 1 - Presentation of Financial Statements:	
Classification of Liabilities as Current or Non-current and	
Classification of Liabilities as Current of Non-current - Deferral of	1 January 2023
Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	
Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2:	1 January 2023
Disclosure of Accounting policies (issued on 12 February 2021)	
Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors:	1 January 2023
Definition of Accounting Estimates (issued on 12 February 2021)	
Amendments to IFRS 16 - Leases:	
Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)	1 April 2021
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

All not yet endorsed standards do not have material impact on the interim financial statements as of 30 June 2021.

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 2021 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 (former: Ferratum Oyj), subsidiaries and affiliated companies within the 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 FVTPL;

– 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 using the effective interest method.

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 €
Cost	
At 1 January 2021	8,613
Additions	0
Disposals	0
At 30 June 2021	8,613
Accumulated depreciation	
At 1 January 2021	7,642
Charge for the financial year	168
Disposals	0
At 30 June 2021	7,810
Net carrying amount 30 June 2021	803

	Office Equipment €
Cost	
At 1 January 2020	7,604
Additions	1,009
Disposals	0
At 31 December 2020	8,613
Accumulated depreciation	
At 1 January 2020	7,481
Charge for the financial year	162
Disposals	1
At 31 December 2020	7,642
Net carrying amount 31 Dec 2020	971

This item concerns solely the office equipment.

(2) Loans to shareholder

Loans to shareholder (Multitude SE, former: Ferratum Oyj - Loan 4) consist of the following loan on contractual basis as of 30 June 2021:

	30.06.2021	31.12.2020
Date of loan agreement	24.05.2018	24.05.2018
Loan amount in EUR millions	178	178
Interest rate (until 30 April 2021)	7.0%	7.0%
Interest rate (starting 1 May 2021)	7.85%	7.0%
Term of repayment	by 25.05.2022	by 25.05.2022

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 thecompany'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"). 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". However, interest recognition must be adjusted in subsequent periods so that in future interest income is calculated on the basis of the net carrying amount, i.e. on the basis of the carrying amount after deduction of the allowance for losses on loans and advances. 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%.

None of the loans give rise to increased credit risk, hence the 12-months expected credit loss is calculated for all loans (as in prior year).

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).

The company has minimised credit risk by lending to its shareholder. In the previous year Multitude Groups' (former: Ferratum 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 (former: Ferratum Oyj) 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. The calculation of the 12 month ECL intends to determine the debtor's expected losses within the total term based on events that could occur in the next 12 months. PD is determined by external ratings issued and internal assessments. Based on the external rating category PD is indicated based within a range of 1.5 - 3%, whereas the internal information show that the actual credit rating decreased not that strongly as indicated by external ratings. Therefore, the following parameters were used:

	30.06.2021	31.12.2020
Expected Credit Loss 1.1.	391,702	171,492
PD	1.1%	1.1%
LGD	20%	20%
ECL	0.22%	0.22%
Increase in ECL	966	220,210
Expected Credit Loss 31.12	392,668	391,702

The summary of the loan as of 30 June 2021 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	May 22	161,217,617	177,654,719	(5,386,298)	5,825,256	-	(966)	178,092,711

Prior Year (31 December 2020):

	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	161,217,617	171,320,447	(4,844,063)	11,398,545	-	(220,210)	177,654,719

The maturity of loans is presented in the following table:

	30.6.2021		31.12.2020	
	short - term	long - term	short - term	long - term
Loan 4	178,092,711	-	-	177,654,719

The interest income for interim financial year 2021 on the loan amounts to EUR 5.825.256 (1.1.-30.6.2020: EUR 5,556,727). The interest income was recognized in profit or loss using the effective interest method within the scope of IFRS 9. Financial Assets are uncollateralized.

(3) Deferred tax assets

Deferred tax assets stand at EUR 149,224 (31.12.2020: EUR 195,965) as of interim financial year 2021. 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 118,489 (31.12.2020: EUR 118,196) and corporate tax loss carried forward in the amount of EUR 30,735 (31.12.2020: EUR 77,769). The assumption of recoverability of tax loss carried forward is based on the underlying tax planning. In total deferred tax assets decreased by EUR 46,741 (31.12.2020: EUR: 6,297).

(4) Other receivables

The other receivables amounting to EUR 163,109 (31.12.2020: EUR 204,205) mainly include deferred expenses and accrued income in the amount of EUR 119,211 (31.12.2020: EUR 161,416).

(5) Cash and cash equivalents

The bank current accounts amount to EUR 419,520 (31.12.2020: EUR 376,308). 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 (former: Ferratum Oyj). Multitude SE (former: Ferratum Oyj) owns 50,000 shares at EUR 1 each.

(7) Capital reserve

The capital reserve stands at EUR 1,175,000 as of 30 June 2021 (31.12.2020: EUR 1,175,000).

(8) Bonds

On 25 May 2018 the company issued EUR 100,000,000 with 3 months Euribor plus 5.50% bonds due in 2022 under an unconditional and irrevocable guarantee of Multitude SE (former: Ferratum Oyj) ("bond 4"). Unless previously redeemed, the bonds will be redeemed at par on 25 May 2022 ("Maturity Date"). The bonds beared interest from (and including) 25 May 2018 to (but excluding) the Maturity Date at a coupon rate of 5.50% per annum, payable quarterly in arrears on 25 February, 25 May, 25 August and 25 November of each year, commenced on 25 August 2018.

Also there are covenants which restrict the ability of the issuer and other group companies as follows:

- Restrictions on making any substantial change to the nature of their business if this has a material adverse effect,
- A negative pledge, restricting the granting of security by the issuer or Ferratum Bank p.l.c., to secure financial indebtness
- Limitations on the making of distributions and disposals of assets.

The terms and conditions contain a maintenance convenance pursuant to which the guarantor shall ensure that, at certain reference dates, the ratio of net debt to equity shall not exceed 3.50 : 1.

At interim financial year end Multitude SE (former: Ferratum Oyj) discloses a ratio of net debt to equity of 2.87.

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 of 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 (former: Ferratum Oyj) in the corresponding years.

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:

	30.6.2021	31.12.2020
	€	€
Bonds – beginning of the year	178,198,972	171,909,889
Additions during the year	0	0
Discount/Premium of bonds	110	1,459,559
Redemptions during the year	0	0
Offsetting of holding own bonds	0	4,104,000
Paid interest	(4,989,756)	(9,835,920)
Accrued fixed interest	5,434,951	10,561,444
Bonds – end of the year	178,644,277	178,198,972

	30.6.2021	31.12.2020
	€	€
Current bonds	102,432,059	2,613,254
Non-current bonds	76,212,218	175,585,718
Total bonds	178,644,277	178,198,972

The interest expense for the interim financial year 2021 on the bonds amounts to EUR 5,434,951 (1.1.-30.6.2020: EUR 5,638,888).

(9) Other payables and accrued expenses

The other payables and accrued expenses mainly include audit and consulting fees EUR 65,761 (31.12.2020: EUR 66,575).

(10) Trade tax

Accrued expenses for trade taxes amount to EUR 323,162 (31.12.2020: EUR 223,162).

E. NOTES TO INCOME STATEMENT

(11) Other income

Other income mainly includes income from forgein currency translation in the amount of EUR 4,881 as of 30 June 2021 (1.1.-30.6.2020: EUR 0).

(12) Personnel expenses

Personnel expenses include wages and salaries amounting to EUR 52,113 (1.1.-30.6.2020: EUR 24,700) and social benefit amounting to EUR 11,468 (1.1.-30.6.2020: EUR 4,870).

The average number of personnel is as follows:

	30.6.2021	31.12.2020
Management	0	0
Administration and finance	1	1
Total	1	1

(13) Other operating expenses

Other operating expenses mainly include the fee for admission to trading on a regulated market of securities amounting to EUR 262,640 (1.1.-30.6.2020: EUR 84,133), as well as the reversal of the prepaid expenses in the amount of EUR 145,161 as income (1.1.-30.6.2020: EUR 0).

(14) Financial income

Financial income includes the interest income from loans to shareholder in the amount of EUR 5,825,256 (1.1.-30.6.2020: EUR 5,556,727).

(15) Financial expenses

Financial expenses result solely from issuing bonds amounting to EUR 5,434,951(1.1.- 30.6.2020: EUR 5,638,888).

(16) Income taxes

Income taxes booked in the profit and loss statement consist of trade tax in the amount of EUR 188,042 (1.1.-30.6.2020: EUR 212,505) and deferred tax expenses in the amount of EUR 46,741 (1.1.-30.6.2020: EUR 20,921).

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

	1.1 -30.6.2021	1.1. -30.6.2020
	€	€
Profit before tax	128,786	(383,923)
Income tax on rate of 30,175%	38,861	-
Tax expense on respect of:		
- Tax losses carried forward	(19,318)	(20,387)
- Tax expense priory years	-	13,812
- Expenses non deductible for tax purposes	187,853	193,001
- Under provisions in prior years	-	-
- Other adjustments	(19,354)	26,079
- Adjustment deferred tax	46,741	20,921
Income tax expenses recognized in profit or loss	(234,783)	233,426

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	**30.6.2021** **€**	**31.12.2020** **€**
Financial assets measured at amortised cost		
Loans to shareholder	178,092,711	177,654,719
Cash and cash equivalents	419,520	376,309
	178,512,231	178,031,028
Financial liabilities		
Financial liabilities measured at amortised cost		
Bonds	178,644,277	178,198,972
	178,644,277	178,198,972

(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 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 2021 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 2021	Carrying value	Fair value
Bonds	178,644,277	180,979,167

31 December 2020	Carrying value	Fair value
Bonds	178,198,972	166,947,271

(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	30.6.2021	31.12.2020
Loan 4	May 18 - May 22	7.000%, respectively 7.85%	178,092,277	177,654,719
			178,092,711	177,654,719

	Duration	fixed / Variable interest rate	30.6.2021	31.12.2020
Bond 4	May 18 - May 22	3 M Euribor + 5.500%	99,938,778	99,855,153
Bond 5	Apr 19 - Apr 23	3 M Euribor + 5.500%	78,705,499	78,343,819
			178,644,277	178,198,972

The company's main interest rate risk arises from long-term bonds which are issued at fixed rates and floating rates (Bond 4 and 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 4 and 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"):

	1.1 -30.6.2021	**1.1 -30.6.2020**
	€	**€**
+1 bp	(18,000)	(18,000)
-1 bp	18,000	18,000

	1.1 -30.6.2021	**1.1 -30.6.2020**
	€	**€**
+100 bps	(1,800,000)	(1,800,000)
-100 bps	1,800,000	1,800,000

B. CREDIT RISK

Multitude SE (former: Ferratum Oyj) 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 (former: Ferratum Oyj) from BB- to B+/outlook negative. The downgrade mainly reflects the impacts of the Corona-crises. The rating includes the fact that Multitude SE (former: Ferratum Oyj) acts as the guarantor of the issued bonds by the company. In March 2021, Fitch confirmed its Rating of April, B+/Negative.

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

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 company has minimised credit risk by lending to its shareholder. The carrying amount corresponds to the maximum default risk.

The loan was impaired in interim financial year 2021 based on the expected credit loss model amounting to EUR 966 (31.12.2020: EUR 220,210). The calculation of expected credit loss refers to the note (2).

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 (former: Ferratum Oyj) issued an irrevocable letter of comfort limited to an amount of EUR 500,000 until 30 April 2022. 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 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	-	-	178,092,711	-	-	178,092,711
Other receivables	163,109	-	-	-	-	163,109
Cash and cash equivalents	419,520	-	-	-	-	419,520
Total financial assets	582,629	-	178,092,711	-	-	178,675,340

Financials liabilities as 30 June 2021	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	4,957,414	103,622,955	83,069,876	-	-	191,650,245
Other payables	406,850	-	-	-	-	406,850
Total financial liabilities	5,364,264	103,622,955	83,069,876	-	-	192,057,095

Financials assets at 31 December 2020	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	-	-	177,654,719	-	-	177,654,719
Other receivables	204,205	-	-	-	-	204,205
Cash and cash equivalents	376,309	-	-	-	-	376,309
Total financial assets	580,514	-	**177,654,719**	-	-	178,235,233

Financials liabilities as 31 December 2020	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	4,876,586	4,957,414	105,827,174	80,865,658	-	196,526,832
Other payables	352,960	-	-	-	-	352,960
Total financial liabilities	5,229,546	4,957,414	105,827,174	80,865,658	-	196,879,792

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 2021 was EUR 178,418,517 (31.12.2020: EUR 178,079,209).

With end of interim financial statements as of 30 June 2021 the equity of the company is negative in the amount of EUR -225,760 (31.12.2020: EUR -119,763). 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 (former: Ferratum Oyj) owns 100% of the company's shares. Related parties of the company include also the Managing Director Mr. Stephan Schuller (until 18 March 2021) and Managing Director Mr. Bernd Egger and their close family members.

AUDIT COMMITTEE

Members of the audit committee are:

- Lea Liigus
- Clemens Krause
- Daniel Kliem

RELATED PARTY TRANSACTIONS

Multitude SE (former: Ferratum Oyj) has issued a guarantee agreeing to jointly guarantee the group's obligations. For further explanation we refer to explanations made under D. (8) "bonds" as well as under F. 19 C. "liquidity risk".

For loans to shareholders we refer to explanations made under D. (2) "loans to shareholders".

COMPENSATION OF KEY MANAGEMENT PERSONNEL

Managing directors were paid no fees within interim financial year 2021 (2020: 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

On 11 March 2020 the World Health Organization has made the assessment that COVID-19 (Corona) can be characterized as a pandemic. The impacts relating out of the Corona-crisis will have huge effects on financial position within financial years 2021 and 2022. On that source, we refer to more detailed explanations within the management report under section "risk report" and "forecast report".

As announced on 24 June 2021, Multitude SE (former: Ferratum Oyj) successfully placed EUR 50,000,000 in subordinated perpetual capital notes, qualifying as IFRS equity, under a framework of EUR 100,000,000 to qualified investors following a European bookbuilding (the "Hybrid Bonds"). The Hybrid Bonds will carry a floating rate coupon of 3 month Euribor + 8.90% and were issued at a price of 99.50% of the nominal amount. The transaction attracted substantial interest among both new investors and existing bondholders. Proceeds from the transaction will be used to finance the Tender Offer, described as follows, and for general corporate purposes.

As announced on 10 June 2021, the Issuer's subsidiary Ferratum Capital Germany offered the holders of their own outstanding senior unsecured floating rate bonds maturing on 25 May 2022 (ISIN: SE0011167972) and on 24 April 2023 (ISIN: SE0012453835), who were subscribing for Hybrid Bonds to tender any of their 2022 Bonds or 2023 Bonds ("Tender Offer"). In connection with the issuance of the Hybrid Bonds, Ferratum Capital Germany purchased EUR 15,629,000 of the 2022 Bonds at a price of 101.50% of the nominal amount and EUR 19,946,000 of the 2023 Bonds at a price of 102.00% of the nominal amount for the 2023 Bonds on 5 July 2021.

Furthermore, Multitude SE (former: Ferratum Oyj) announced on 9 July 2021 to relocate its registered office from Helsinki, Finland, to Germany. The relocation will be carried out in accordance with the Finish Act on European Company (742/2004) and SE Regulation. Multitude's new registered office would be seated in Hamburg, Germany. The relocation would take effect on or about 31 December 2021. The final decision on the relocation is subject to approval by the shareholders' next general meeting.

Other material events after the reporting date that require adjustment to, or disclosure in the financial statements also did not occur.

The interim financial statements were authorized for issue by managing directors on XX August 2021.

Berlin, 31 August 2021

Bernd Egger

Managing Director

STATEMENT OF CASH FLOW FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2021

	1 January 2021 - 30 June 2021	**1 January 2020 - 30 June 2020**
	€	**€**
Net result before taxes	128,786	(383,923)
+ Depreciation of property, plant and equipment	168	123
+/- Increase/(decrease) in other liabilities	(46,110)	145,279
-/+ Increase/(decrease) in other assets	42,062	186,007
+ Interest paid	5,434,951	5,638,888
- Interest received	(5,825,256)	(5,556,727)
- Income tax paid	(87,932)	(212,505)
= Cash flow from regular operating activities	(353,330)	(182,858)
- Cash paid for the acquisition of property, plant and equipment	0	0
+ Interest received	5,386,298	5,556,727
+ Proceeds from borrowings	0	(4,064,810)
= Cash flow from investing activities	**5,386,298**	**1,491,918**
+ Proceeds from addition to the capital reserve	0	250,000
+ Proceeds from issuing bonds	0	4,146,558
- Interest paid	(4,989,756)	(5,026,264)
= Cash flow from financing activities	(4,989,756)	(629,705)
Total of the cash flows	43,212	679,354
+ Cash and equivalents - beginning of the period	376,308	154,056
= Cash and equivalents - end of the period	419,520	833,410

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021

	Subscribed capital €	Capital reserve €	Accumulated losses €	Accumulated other comprehensive income €	Sum €
Balance as at 1 January 2020	50,000	925.000	(1,331,920)	0	(356,920)
Share Capital issue	0	0	0	0	0
Capital reserve	0	250,000	0	0	250,000
Results brought forward	0	0	0	0	0
Net Income for the period/year	0	0	(617,350)	0	(617,350)
Other comprehensive income	0	0	0	0	0
Balance as at 30 June 2020	50,000	1,175,000	(1,949,270)	0	(724,270)

	Subscribed capital €	Capital reserve €	Accumulated losses €	Accumulated other comprehensive income €	Sum €
Balance as at 1 January 2021	50,000	1,175,000	(1,344,763)	0	(119,763)
Share Capital issue	0	0	0	0	0
Capital reserve	0	0	0	0	20
Results brought forward	0	0	0	0	0
Net Income for the period/year	0	0	(105,996)	0	(105,996)
Other comprehensive income	0	0	0	0	0
Balance as at 30 June 2021	50,000	1,175,000	(1,450,760)	0	(225,760)

INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR 1 JANUARY TO 30 JUNE 2021

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" of 8 December 2010.

Business activity of the company

Ferratum Capital Germany GmbH is a finance company that finances the operative business of its shareholder Ferratum Oyj based in Helsinki, Finland. In June 2021 an Extraordinary General Meeting approved a new trade name for the shareholder and a conversion of the shareholder into a Societas Europaea, SE. The new trade name is Multitude SE. Multitude SE may relocate its registered office from Finland to Germany at the end of the year which is subject to approval by next shareholders' general meeting. 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 loans will finance investments to expand the Multitude Group (former: Ferratum Group). The company charges the parent company interest at the rate of interest payable to the holders of the bearer bonds, plus a margin of 1.5 percent respectively 2,35 percent from 1 May 2021. The interest is settled monthly with the parent company. The parent company must redeem the loans at the latest at the end of the term of the issued bearer bonds.

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 (former: Ferratum Oyj) and its affiliates. The Multitude Group has divided its business purpose of lending business into three business units. Short-term consumer loans are granted in the 'Ferratum' division. Customers with an acceptable credit history are also offered instalment loan-like 'Plus Loans' and revolving, overdraft-credit-like credit limits. The 'CapitalBox' division aims at 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 mobile applications on mobile phones.

Financial position

During the first six month of 2021 there was no need to place further bonds. In the past Ferratum Capital Germany GmbH successfully placed two bearer bonds listed on the stock exchanges in Stockholm and Frankfurt in the nominal amount of 100,000 TEUR (ISIN: SE0011167972) to be repaid in May 2022 and of 80,000 TEUR (ISIN: SE0012453835) to be repaid in May 2023. The bearer bonds bear interest in the amount of the 3-month Euribor plus 5.5 percent p.a. Proceeds from the issue of the bearer bonds were used as scheduled to repay preceding bearer bonds plus accrued interest. Additional proceeds of the two bearer bonds were provided by Ferratum Capital Germany GmbH to the parent company Multitude SE (former: Ferratum Oyj) in the form of loans to finance further business growth. The loan bears interest at 7.0 percent p.a. respectively 7.85 percent p.a. from 1 May 2021 and is due

As of 30 June 2021, the loans granted to the parent company, including accrued interest, totalled 178,093 TEUR (31 December 2020: 177,655 TEUR) and cash and cash equivalents 420 TEUR (31 December 2020: 376 TEUR). On the other hand, liabilities from bearer bonds issued, including accrued interest, totalled 178,644 TEUR (31 December 2020: 178,199 TEUR).

Total equity of the company is negative and amounts to -226 TEUR as at 30 June 2021 (31 December 2020:

-120 TEUR). As a precaution Multitude SE (former: Ferratum Oyj) issued an irrevocable Letter of Comfort limited to an amount of 500 TEUR until 30 April 2022. 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 of interest received amounting to 5,386 TEUR (1.01.-30.06.2020: 5,557 TEUR). Capital outflow mainly relates to interest payments of 4,990 TEUR (1.01.-30.06.2020: 5,026 TEUR). Considering the cash flow from regular operating activities of -353 TEUR (1.01.-30.06.2020: -183 TEUR) the company's cash and cash equivalents increased to 420 TEUR (31 December 2020: 376 TEUR).

Earnings position

In the first half of 2021, the financial result, the balance of interest income from the shareholder loans granted and interest expense on the bearer bonds issued, was positive at 390 TEUR (1.01.-30.06.2020: negative at -82 TEUR). Other income of 5 TEUR (1.01.- 30.06.2020: 209 TEUR) is not sufficient to cover the entire costs of the company. Considering other operating expenses including impairment loss of 201 TEUR (1.01.- 30.06.2020: 480 TEUR), personnel expenses of 64 TEUR (1.01.-30.06.2020: 30 TEUR) and income tax of 235 TEUR (1.01.-30.06.2019: 233 TEUR), the company realised a shortfall of 106 TEUR (1.01.-30.06.2020: 617 TEUR).

Outlook

The expected development of the company will be mainly determined by Multitude SE's new strategy, financial targets and the change of the Group name from Ferratum Oyj to Multitude SE as presented at the Capital Markets Day in June 2021. 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. Multitude will concentrate on business-critical operations centrally, with cost advantages derived from delivering greater economies of scale. The strategy and the new role for the Group are also reflected in the new name, Multitude. All in all, the outlook for 2021 and especially 2022 looks positive. The latest economic forecasts from the International Monetary Fund (World Economic Outlook, April 2021) for example, predicts 6.0% growth in global GDP, and 4.4% growth in the Euro area for 2021. The management of the company believes that this is a good basis to build Multitude's business.

The expected development of the company in the second half of 2021 will be characterised in detail by the current interest payments, which will be issued quarterly on 25 August 2021 and 25 November 2021 to the holders of the bonds issued in May 2018 with a nominal value of 100,000 TEUR and on 24 July 2021 and 24 October 2021, to the holders of the bonds issued in April 2019 with a nominal value of 80,000 TEUR. 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 currently does not plan any further issuances of bearer bonds in the 2021 financial year, which may change in the course of the year - depending on the market situation and the development of the business activities of the Multitude Group.

As announced on 24 June 2021, Multitude SE (former: Ferratum Oyj) successfully placed 50,000 TEUR in subordinated perpetual capital notes, qualifying as IFRS equity, under a framework of 100,000 TEUR to qualified investors following an European bookbuilding (the "Hybrid Bonds"). Proceeds from the transaction will be used to finance a tender offer and for general corporate purposes. As announced on 10 June 2021, Ferratum Capital Germany GmbH offered the holders of their own outstanding senior unsecured floating rate bonds maturing on 25 May 2022 (ISIN: SE0011167972) and on 24 April 2023 (ISIN: SE0012453835), who were subscribing for Hybrid Bonds to tender any of their 2022 Bonds or 2023 Bonds. In connection with the issuance of the Hybrid Bonds, Ferratum Capital Germany GmbH purchased 15,629 TEUR of the 2022 Bonds at a price of 101.50% of the nominal amount and 19,946 TEUR of the 2023 Bonds at a price of 102.00% of the nominal amount on 5 July 2021.

Opportunity and risk report

For the financing company Ferratum Capital Germany GmbH, opportunities mainly result from the ongoing process of group rating and the resulting financing conditions. Fitch Ratings has affirmed Multitude SE's Long-Term Issuer Default Rating (IDR) at 'B+' with a Negative Outlook and the long-term rating of the senior unsecured notes issued by Ferratum Capital Germany GmbH at 'B+'/RR4 on 4 March 2021. The Hybrid Bonds received a credit rating of 'B- (EXP)'/RR6 by Fitch Ratings on 6 July 2021.

As a reaction on the Covid-19 pandemic, Multitude Group (former: Ferratum Group) introduced and executed a four-stage action plan which includes managing liquidity, controlling risk, reducing cost base and going for business opportunities. As suitable actions were implemented at a very early stage of the pandemic, the Group has not seen a significant impact on materialized credit losses, to date. The clients' payment behaviour has remained robust. The management of the company believes that the company will be in the position to meet all their liabilities.

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 (former: Ferratum Oyj). 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 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 (former: Ferratum Oyj). Also, 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.

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. Stephan Schuller (until 18 March 2021) and Mr. Bernd Egger.

The company has granted its shareholder loans of 178,093 TEUR. The company charges the parent interest that it has to pay itself on the issued bearer bonds plus a planned interest margin of 1.5 percent respectively 2.35 percent from 1 May 2021. The interest income for interim financial year 2021 on the loan amounts to 5,825 TEUR. The parent company is required to redeem the loan by 25 May 2022 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 (former: Ferratum Oyj) issued an irrevocable Letter of Comfort limited to an amount of 500 TEUR until 30 April 2022. 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 2021.

Berlin, 31 August 2021

Bernd Egger

Managing Director