



MULTITUDE

9M 2023 Report



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Board of Directors' Report 9M 2023 Unaudited



Multitude SE in Brief

Multitude aims to become the most valued financial ecosystem by acting as a growth platform that creates success stories in FinTech. With profound know-how in technology, regulation, funding and cross-selling, Multitude offers a range of sustainable banking and financial services for FinTechs to grow and scale rapidly. Multitude and its three independent business units, SweepBank, Ferratum and CapitalBox, employ approx. 700 people in 16 countries, and they together generated EUR 212 million revenue in 2022. Multitude was founded in 2005 in Finland and is listed in the Prime Standard segment of the Frankfurt Stock Exchange under the symbol “FRU”.



OUR CURRENT BUSINESS UNITS

**sweep
bank**

fe ferratum

CapitalBox

COMPANY FACTS



Founded in
Finland in 2005
Headquartered
in Helsinki



Full European
Banking Licence

**BÖRSE
FRANKFURT**

Listed in
the Frankfurt
Stock Exchange

€212m

Group Revenue 2022

400,000+

Customers

700+

Employees

16

Countries

Key highlights

9M in Brief

KEY HIGHLIGHTS:

- Strong performance continues: EBIT 50% up to EUR 32.5m and profit 103% up to EUR 12.4m
- Strong cash position remains
- Robust payment behaviour
- Eur 45m EBIT guidance for 2023 remains in place

Company structure and business model

Multitude Group is an international provider of digital financial services. Nordic-born and globally focused with operations in 16 countries, backed by 18+ years of solid track record in building and scaling financial technology, its ambition is to become the most valued financial ecosystem. How is Multitude reaching its ambitious vision?

The leading feature of the Multitude ecosystem is the growth platform, which offers four specific benefits to FinTech businesses.

The benefits of our platform can be divided into four main categories:

- Access to funding, supported by Multitude Bank
- Regulatory and compliance expertise (KYC, AML, anti-fraud, scoring, reporting)
- Technological support (API integration, security)
- Cross-resourcing and selling opportunities



At Multitude, we refer to a platform business as one that offers a suite of business processes and services to help other businesses scale and grow faster than they could on their own. The key to our growth platform thinking is that we can seamlessly deliver robust and reliable services to the customers of it, our business units, and extend these services to other partners.

Currently, the growth platform supports three business units: SweepBank as a shopping and financing app, Ferratum as a consumer lender, and CapitalBox as a business lender. The first external customers were successfully added to the growth platform in Q3 2022 and are currently utilising its funding benefits.

Our platform serves 400,000 customers in 16 countries through its internal customers SweepBank, Ferratum and CapitalBox. These customers have or have had an active loan balance with at least one of the independent business units within Multitude within the past 12 months or are active users of the SweepBank app, or a combination of these.

Business Unit: SweepBank

With full access to the Multitude growth platform and having onboarded its first customers in 2020, SweepBank serves the needs of tech-savvy underserved customers such as young adults, students, economic immigrants, and freelancers by offering a compelling and flexible, fully digitalised combination of shopping and financing services in one intuitive app. SweepBank's main customer segment in consumers represents approx. 35 million potential customers in the EU and the segment is expected to grow further. This segment expects nothing less than a strongly personalised experience in everything they do, including financial services and SweepBank offers exactly that and more.

At the end of 9M 2023, SweepBank offered three products: Prime Loan, Credit Card and Bank Account and operated across three markets, Finland, Germany and Latvia.

Credit card

The SweepBank Credit Card, a Mastercard® without annual or monthly fees, allows financing smaller purchases of up to EUR 8,000. The card offers free liability coverage for purchases with it and an interest-free period of up to 60 days. Virtual card integrations with Apple Pay and NFC payments allow easy usage online and at physical points of sale. Customers onboard the app within minutes and are automatically scored. Upon successful onboarding, the free card is immediately ready to use. Customers can also use the card as a flexible credit facility by withdrawing money from it directly into their bank account, a feature that is growing in popularity among customers.

Prime Loan

Prime Loans, longer-term instalment loans for consumers, enable higher purchases, like home renovations, cars and other more significant purchases. The loans can amount to up to EUR 15,000 with loan maturities ranging between 1-7 years. SweepBank is currently only issuing Prime Loans in Latvia.

Basic Banking & Shopping

SweepBank offers current accounts with up to 1% interest p.a. and fixed-term deposit accounts with up to 4% interest p.a. (max. deposit EUR 100,000) for up to three years. The current account includes a virtual Mastercard® debit card that is instantly ready to use online and in physical stores after successful onboarding to the app. In addition, SweepBank has a loyalty program that allows customers to earn up to 5% loyalty points and get discounted offers when they purchase from selected partners. Customers can convert loyalty points directly into cash in the SweepBank app.

9M 2023 highlights

The focus during 2023 is to shift towards profitability and continue bringing customers the best of financing and shopping in one app. SweepBank is executing its strategy to accelerate profitable growth by focusing on high-margin products and countries, by growing the Prime Loan business in Latvia and the credit card business in Finland. This is combined with operational and direct cost reductions.

The credit card growth derives from the digital marketing strategy, growing the customer base efficiently by during 9M 2023. A flexible instalment solution (as a part of the credit card) and an initial merchant network have been established during 9M 2023 to further grow within the shopping segment.

The Prime Loan in Latvia had strong revenue growth during 9M 2023, price adjustments were made to meet higher funding costs and retain the high margin. At the end of H1, interest on current & saving accounts and term deposits were increased in Finland and Latvia to start growing a favourable source of funding for H2.

From the financial perspective, SweepBank improved its EBIT results by EUR 3.8 million from EUR -16.3 million in Q1-Q3 2022 to EUR -12.5 million in Q1-Q3 2023. Revenue growth shows an increase of 44.1% in Q1-Q3 2023 as compared to Q1-Q3 2022.

Going forward

Multitude has strategic plans in place to seamlessly integrate SweepBank's shopping and banking app with its other business units, while also focusing on expanding the consumer and SME business segments. Leveraging SweepBank's robust mobile banking platform, Multitude aims to harness cutting-edge technology to not only enhance its services but also cross-sell effectively and attract new clients. This strategic initiative will pave the way for a more streamlined and customer-centric approach across our entire business ecosystem.

Business Unit: Ferratum

Three services under the Ferratum brand – Micro Loan, Plus Loan and Credit Limit, allow Ferratum to cater to various, immediate financial needs of individuals, such as unplanned, short-term financing needs resulting from unexpected life events. To apply for any of Ferratum’s loans, the customer only fills in a handful of data while the in-house developed and automated, AI-powered scoring algorithms handle the rest. This end-to-end digital process enables a finished and scored application within minutes. On average, it takes less than 15 minutes from an approved application for the customer to have the loan amount in their bank account.

Ferratum has three products and operates across 13 markets: Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Latvia, The Netherlands, Norway, Romania, Slovenia, and Sweden.

Micro Loan

Micro Loans, so-called bullet loans, serve the need for instant, short-term financing with quick repayment. Micro Loans range from EUR 25 to EUR 1,000, which customers pay back in one instalment within 7-60 days.

Plus Loan

A Plus Loan caters to a customer’s higher need for instant finance, with loan amounts ranging from EUR 300 to EUR 4,000 and maturity periods between 2-18 months with equal repayments over the loan term.

Credit Limit

Credit Limit, the most popular service under Ferratum, is a pre-approved credit line, also called revolving credit, which enables financial flexibility on a more continuous basis. Eligible customers are pre-approved for up to EUR 5,000 and can withdraw money and repay without fixed amounts or timelines.

9M 2023 highlights

The further roll-out of Credit Limit, the most popular financing service within Ferratum, together with scaling the most profitable markets, are key growth drivers for 2023. On top of this, Ferratum continues to adjust its risk policy rules to ensure that customers make payments consistently. These changes were also meant to prepare the tribe for potential challenges in the future due to inflation, which might affect certain customer groups.

From the financial perspective, Ferratum increased its EBIT level by 7.8% from EUR 39.7 million in Q1-Q3 2022 to EUR 42.7 million in Q1-Q3 2023. Revenue shows positive 2.8% growth in Q1-Q3 2023 as compared to Q1-Q3 2022.

AI service tools: Staying on top of the fast-changing trends

In today's digital age, customers tend to favor visual content over text-based information. Ferratum recognizes this trend and is at the forefront of innovation by pioneering cutting-edge AI service tools. One notable innovation is an advanced AI video system featuring hyper-realistic human-like avatars that serve as virtual assistants. These tools incorporate predictive services that allow proactive anticipation and addressing of customer needs.

By leveraging these AI service tools, Ferratum enhances customer service while ensuring cost-efficient processes, reducing the need for manual intervention. Ferratum's strategic approach reflects its steadfast commitment to delivering exceptional service and positioning itself as a trailblazer in the dynamic realm of customer support.

Looking ahead, Ferratum aims to expand its popular financing service, Credit Limit, and strategically scale in the most lucrative markets, thereby ensuring sustained excellence in customer engagement through dedication to innovation.

Going forward

Ferratum's strategic focus lies in sustaining growth within its target markets. This will be achieved through the enhancement of digital marketing strategies and customer onboarding processes, alongside improvements in collection and credit risk technology. These efforts are essential to ensure a consistent and stable credit loss performance over time. Additionally, Ferratum plans to innovate further to improve the analysis of user data and search engine interactions.



Business Unit: CapitalBox

Small and medium-sized enterprises (SMEs) make up an impressive 99.8% of businesses in Europe. Nonetheless, they frequently encounter inadequate support or even outright neglect from traditional banking systems. The outdated methods and services offered by traditional banks no longer sync with the dynamic and evolving needs of today's SMEs within the contemporary business landscape.

CapitalBox provides essential financial solutions to SMEs through its credit lines and instalment loans. Through a streamlined, fully digitalised process, funds can be made available to SMEs in a matter of minutes after application approval. This efficiency positions CapitalBox as the perfect ally for meeting short-term business financing requirements. Powered by advanced technology, experience, and the resources of Multitude's growth platform, CapitalBox delivers a swift and dependable offering. As of the end of Q3 2023, CapitalBox had established its presence in five markets: Finland, Sweden, Denmark, Lithuania, and the Netherlands, offering four distinct products.

Instalment Loans

These loans, with amounts reaching up to EUR 350 thousand, serve as investment injections. Spanning a period of 6 to 48 months, these solutions empower SMEs to finance various aspects of their operations. From expansion initiatives to inventory management, and the procurement or leasing of equipment, these loans cater to a wide array of business needs.

Credit Line

CapitalBox extends a flexible credit line to SMEs, accommodating financial needs ranging up to EUR 150 thousand. This adaptable financing option provides SMEs with the financial flexibility required to navigate the dynamic business environment to cover working capital fluctuation.

Secured Loan

With the aim of promoting growth, CapitalBox offers secured loans designed for substantial investments. These loans can reach up to EUR 2.0 million, addressing a gap in the industry where smaller FinTech firms might lack capacity, and traditional banks might opt not to provide secured loans to SMEs.

Purchase Finance

In collaboration with retail partners, CapitalBox makes its financing accessible to business customers at the point of sale. This strategic partnership empowers businesses to acquire essential assets without undue financial strain.

CapitalBox's commitment to SMEs' financial needs, combined with its efficient digital approach and diverse product range, positions it as a pivotal ally in the journey of business growth and success.

9M 2023 highlights

CapitalBox has made significant progress in automating the sales flow for the Swedish and Lithuanian markets, leading to faster client response time for clients and quicker contract signings after applications are approved. CapitalBox has also increased the credit line amount from EUR 100 thousand to EUR 150 thousand in all markets.

In H1, CapitalBox introduced an online Buy Now Pay Later (BNPL) product in the Finnish market, with plans for its scaling in other markets, to adapt to the evolving consumer preferences and its drive for increased revenue streams. In Q3, CapitalBox successfully onboarded a few BNPL partners as well as clients, with interest increasing every month.

From the financial perspective, CapitalBox shows a significant development of its EBIT figure changing from the negative EUR 1.7 million in Q1-Q3 2022 to the positive EUR 2.2 million in Q1-Q3 2023. Consequently, revenue line showed an increase of 11.1% from EUR 15.1 million in Q1-Q3 2022 to EUR 16.8 million in Q1-Q3 2023.

Going forward

CapitalBox continues to expand its distribution channels further and roll out new products to existing markets. Additionally, the company aims to bring further product innovations to the market and make improvements in scalability. The full automation of underwriting and sales of all loan processes continues to be a focus.

Payment Behavior Improvement

Payment behavior has been stable and proactive actions have been taken to tighten risk appetite for the construction industry across all portfolios arising from increased macro risks.

Automation Enhancement

Automation will play a pivotal role in CapitalBox's customer and partner outreach efforts, increasing reach and accelerating acquisition.

Customer and Employee Satisfaction

CapitalBox's commitment to customer satisfaction is reflected in its strong customer rating of 4.5 out of 5 across all markets on Trustpilot. In conclusion, CapitalBox's customers appreciate the smooth loan application and stages, the personal approach and the speed in response from customer support.

Key figures and ratios

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Revenue	57,866	167,393	54,004	157,573
Profit before interests and taxes ("EBIT")	11,562	32,470	9,085	21,679
Profit before tax	5,805	15,151	4,875	7,894
Profit before tax margin, in %	10.0	9.1	9.0	5.0
Net cash flows from (used in) operating activities before movements in loan portfolio and deposits received	44,161	115,162	(4,116)	41,286
Net cash flows used in operating activities	(5,937)	(259)	(15,219)	(42,127)
Net cash flows used in investing activities	(178)	(18,879)	(5,107)	(23,857)
Net cash flows from (used in) financing activities	(23,357)	34,232	24,547	(79,730)
Net increase (decrease) in cash and cash equivalents	(29,473)	15,094	4,221	(145,714)

EUR '000	30 Sep 2023	31 Dec 2022
Loans to customers	548,239	509,463
Impaired loan coverage ratio, in %	17.8	17.8
Deposits from customers	547,668	501,734
Cash and cash equivalents	167,040	153,325
Total assets	819,534	755,228
Non-current liabilities	244,170	132,462
Current liabilities	390,996	440,807
Interest-bearing liabilities, excluding deposits from customers	52,461	51,358
Total equity	184,368	181,959
Equity ratio, in %	22.5	24.1
Net equity ratio, in %	28.7	30.6
Net debt to equity ratio	2.54	2.31

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



Key developments in 9M 2023



Financial overview

Improved presentation of financial statement line items

The Group has improved its presentation of certain financial items on the consolidated financial statements at the end of 2022. As a result, the Group's consolidated statement of financial position, consolidated statements of profit or loss, total comprehensive income, and cash flows, including relevant note disclosures for the comparative period of Q1-Q3 2022, have been restated to reflect the impact of the presentation adjustments. The adjustment pertains to brokerage fees on loans and deposits and the classification of loans to customers in the consolidated statement of financial position and deposits to customers in the consolidated statement of cash flows.

Stable portfolio size and solid portfolio quality

The Group's total loans to customers stood at EUR 548.2 million at the end of Q3 2023 – an increase from EUR 509.5 million (+7.6%) at the end of Q4 2022. Despite the EUR 3.6 million (+6.2%) increase in impairment on loans to customers when comparing Q1-Q3 2023 and Q1-Q3 2022, the Group's impaired loan coverage ratio ("ILCR") remains stable (17.8% at the end of 2022 and 17.8% at the end of Q3 2023).

Warehouse lending and non-current financial assets

In the second half of 2022, Multitude expanded its business activity to include investments in securitized bonds and mezzanine investments. These investments are now recorded as other non-current financial assets under the SweepBank business unit. Equity part of the mezzanine investment is shown as investments accounted for using the equity method in the consolidated statement of financial position. At the end of Q3 2023, the value of these assets grew significantly to EUR 43.4 million, up by EUR 14.5 million (+50.1%) from EUR 28.9 million at the end of 2022. This growth is attributed to the attraction of new partners and the draw-down of the bond facility by the existing ones.

Continuous optimisation of operating expenses

To fulfill its guidance, the Group introduced an effective cost management system and approval process. It continues to show a significant decline in general and administrative expense by EUR 2.7 million (-13.8%) when comparing Q1-Q3 2023 to Q1-Q3 2022 (Q1-Q3 2023: EUR 16.7 million, Q1-Q3 2022: EUR 19.4 million). Bank and lending costs were also reduced significantly by EUR 1.6 million (-15.4%) over the reported period (Q1-Q3 2023: EUR 8.9 million, Q1-Q3 2022: EUR 10.5 million). Personnel expense is stable with a small decrease by EUR 0.7 million (-2.6%) (Q1-Q3 2023: EUR 25.2 million, Q1-Q3 2022: EUR 25.9 million). Depreciation and amortisation decreased by EUR



1.1 million (-9.0%) (Q1-Q3 2023: EUR 11.5 million, Q1-Q3 2022: EUR 12.6 million) due to a reduction in the depreciation base of internally generated software. The recent offline media campaign has resulted in an increase in selling and marketing expense by EUR 1.0 million (10.9%) as compared to the same period last year (Q1-Q3 2023: EUR 10.8 million, Q1-Q3 2022: EUR 9.8 million).

General increase in interest rates

The surge in interest rates across European economies during Q1-Q3 2023 has had significant impact on net finance costs. In Q1-Q3 2023, net finance costs increased by EUR 3.6 million (+25.9%) compared to the same period last year, reaching EUR 17.4 million. Out of the EUR 3.6 million cost increase, EUR 0.7 million is attributed to foreign exchange losses including the cost of hedging.

This rise in foreign exchange hedging costs is directly attributed to the heightened interest rates prevalent in European economies throughout Q1-Q3 2023. It is worth noting that the financial landscape of Q1-Q3 2022 was unique, with exceptionally low finance costs. During that period, foreign exchange gains from the remaining open monetary positions surpassed the hedging costs, resulting in a positive net impact in Q1-Q3 2022.

Furthermore, Multitude showed a notable increase of EUR 3.8 million (+36.3%) in interest expenses during the reporting period. This increase stems from the issuing of a new bond in Multitude SE in December 2022, heightened by the prevailing trend of rising interest rates. On the other hand, the Group was able to leverage the increased liquidity level and higher interest rates to earn an additional EUR 1.1 million of interest income on short-term deposits (Q1-Q3 2023: EUR 1.4 million, Q1-Q3 2022: EUR 0.3 million).

Steady performance

In Q1-Q3 2023, the Group's operations demonstrated strong profitability across key indicators. The profit before interest and taxes ("EBIT") reached EUR 32.5 million, complemented by a profit before taxes of EUR 15.2 million and an after-tax profit of EUR 12.4 million. Comparatively, in Q1-Q3 2022, the figures were lower: EUR 21.7 million for EBIT, EUR 7.9 million for profit before taxes, and EUR 6.1 million for after-tax profit.

This favorable outcome can be attributed to the strategic cost restructuring undertaken by management and continuous growth of the main products in Q1-Q3 2022. Consequently, the Group witnessed a noteworthy year-over-year EBIT increase that translated into an enhanced EBIT margin, rising from 13.8% in Q1-Q3 2022 to 19.4% in Q1-Q3 2023.



The Group's shareholders' equity remained relatively steady, experiencing a minor increase of EUR 2.4 million (+1.3%). It increased from EUR 182.0 million at the close of Q4 2022 to EUR 184.4 million by the end of Q3 2023.

Highly liquid asset position

The Group's liquidity position has strengthened significantly. As of the end of Q3 2023, the total assets reached EUR 819.5 million, marking a substantial increase of EUR 64.3 million (8.5%) compared to EUR 755.2 million recorded at the close of Q4 2022.

At the end of Q3 2023, the Group's current assets tallied up to EUR 619.7 million. The ratio of current assets to total assets remains notably high at 75.6%, representing a rise of EUR 43.3 million (+7.5%) compared to EUR 576.3 million and a corresponding ratio of 76.3% seen at the end of Q4 2022. This surge is primarily attributed to the net growth in cash and cash equivalents and current loans to customers.

Cash and cash equivalents grew by EUR 13.7 million (+8.9%) from EUR 153.3 million at the end of Q4 2022 to EUR 167.0 million at the end of Q3 2023. Additionally, the Group's non-current assets also experienced growth, expanding by EUR 20.9 million from EUR 178.9 million as of the end of Q4 2022 to EUR 199.8 million by the end of Q3 2023.

Shift to non-current deposit base

The Group's strategy revolved around strengthening its cash liquidity, mainly from an emphasis on non-current deposits. Consequently, the overall customer deposits surged from EUR 501.7 million at the end of Q4 2022 to EUR 547.7 million at the end of Q3 2023, translating to a substantial growth of EUR 45.9 million or 9.2%. The proportion of non-current deposits saw significant growth, escalating from 16.3% at the end of 2022 to 35.1% by the end of Q3 2023. The growth in deposits influenced the equity ratio, which decreased by 1.6 percentage points from 24.1% at the end of Q4 2022 to 22.5% at the end of Q3 2023. Concurrently, total liabilities witnessed an expansion of EUR 61.9 million (+10.8%), transitioning from EUR 573.3 million at the end of Q4 2022 to EUR 635.2 million at the end of Q3 2023.



This surge in liabilities can be attributed to a significant influx of new non-current deposits, marking an 135.5% increase from EUR 81.6 million in late 2022 to EUR 192.2 million by the end of Q3 2023. Consequently, the Group's net debt-to-equity ratio experienced a slight uptick, moving from 2.31 at the close of Q4 2022 to 2.54 by the end of Q3 2023. Among the Group's total liabilities, EUR 391.0 million were classified as current by the end of Q3 2023 (a decrease of EUR 49.8 million or 11.3% from Q4 2022). This contributed to a decline in the current liabilities over total liabilities ratio, which decreased from 76.9% at the conclusion of Q4 2022 to 61.6% by the end of Q3 2023.



Treasury update

By the end of Q3 2023, Multitude's cash position stood at EUR 167.0 million. Out of this amount a significant portion is invested in short-term deposits with reputable banks, hereby generating additional interest income.

Notably, the Multitude Bank has a highly diversified depositor base, with 99% of its deposits originating from customers covered by the Depositor Compensation Scheme. Despite a significant rise in general interest rates over the past 9 months, Multitude's diverse funding base supported the limited impact on the Group's funding costs.

On 24 August 2023, Fitch Ratings has assigned Multitude Bank Plc Long-Term Issuer Default Rating (IDR) of 'B+' and Short-Term IDR of 'B'. The outlook on the Long-Term Issuer Default Rating is stable.

During Q3 2023, the Group bought back a portion of the Group's perpetual bond for an additional amount of EUR 1.5 million, with the cumulative repayment of EUR 3.5 million during the year, this position equals now to EUR 46.5 million.

Personnel update

The average number of employees in 9M 2023 is equal to 683 HC (9M 2022 - 690 HC) with related personnel expense amounting to EUR 25.2 million (9M 2022 - EUR 25.9 million).

There are no changes in the Group's Leadership Team or the Board during Q3 2023.



Risk factors and risk management

Multitude carefully takes calculated risks in its business operations to minimise unexpected losses and protect the reputation of the Group. This prudent risk management approach can ultimately increase profitability and shareholder value. The leadership team and tribe management regularly oversee operations. They are ultimately responsible for managing risks and ensuring the Group can access the necessary software and instructions for controlling and monitoring risks. Each leadership team member ultimately bears responsibility for identifying and managing the risks related to their functions in line with instructions from the Board. Multitude is proactive in complying with all legal regulations and closely monitors any changes that might occur in the countries where it operates. The Group categorises its risk exposures into three main areas:

- Credit risks (such as receivables from customers)
- Market risks (including foreign exchange risks, liquidity risk, interest rate risks, and other price risks)
- Operational risks (such as IT risks, legal and regulatory risks, and other operational risks)

By systematically addressing these risk factors, Multitude proactively safeguards its operations, sustains compliance with regulations, and ensures the sustained pursuit of long-term profitability and shareholder value.

Unaudited Interim Consolidated Financial Statements 9M 2023

Consolidated statement of profit or loss

EUR '000	Notes	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Interest revenue	5	57,189	165,222	53,128	155,076
Servicing fee revenue	5	676	2,171	877	2,497
Total revenue		57,866	167,393	54,004	157,573
Operating expenses:					
Impairment loss on loans to customers	6	(21,255)	(61,452)	(20,118)	(57,872)
Bank and lending costs		(2,953)	(8,913)	(3,681)	(10,535)
Personnel expense	7	(8,405)	(25,197)	(7,918)	(25,860)
Selling and marketing expense		(3,777)	(10,821)	(2,996)	(9,755)
General and administrative expense		(5,517)	(16,708)	(5,835)	(19,384)
Depreciation and amortisation		(3,908)	(11,497)	(4,569)	(12,640)
Operating profit		12,052	32,805	8,887	21,528
Other income	8	1	2	198	151
Other expense	8	(491)	(337)	-	-
Profit before interests and taxes ("EBIT")		11,562	32,470	9,085	21,679
Finance income	9	657	1,428	60	286
Finance costs	9	(6,435)	(18,781)	(4,270)	(14,070)
Share of result in associated companies		22	34	-	-
Profit before income taxes		5,805	15,151	4,875	7,894
Income tax expense	10	(930)	(2,796)	(910)	(1,798)
Profit for the period		4,875	12,355	3,967	6,097
Earnings per share:	11				
Weighted average number of ordinary shares in issue		21,578	21,578	21,578	21,578
Total adjusted earnings per share, EUR		0.14	0.37	0.14	0.17



Consolidated statement of comprehensive income

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Profit for the period	4,874	12,355	3,967	6,097
Other comprehensive income (expense):				
Items that may be reclassified to profit or loss:				
Currency translation difference	1,157	56	122	(595)
Total other comprehensive income (loss)	1,157	56	122	(595)
Total comprehensive income for the period	6,032	12,412	4,089	5,502

Consolidated statement of financial position

EUR '000	Notes	30 September 2023	31 December 2022
ASSETS			
Non-current assets:			
Property, plant and equipment		2,866	3,081
Right-of-use assets		5,321	4,613
Intangible assets		29,702	31,400
Deferred tax assets		6,348	7,179
Loans to customers	6, 12	111,193	103,727
Other non-current financial assets	12	43,368	28,883
Investments accounted for using the equity method		1,050	-
Total non-current assets		199,848	178,883
Current assets:			
Loans to customers	6, 12	437,046	405,736
Other current financial assets	12	11,604	10,326
Derivative financial assets	12	603	3,180
Current tax assets		1,916	2,230
Prepaid expenses and other current assets		1,477	1,549
Cash and cash equivalents	12	167,040	153,325
Total current assets		619,686	576,345
Total assets		819,534	755,228
EQUITY AND LIABILITIES			
Equity:			
Share capital		40,134	40,134
Treasury shares		(97)	(142)
Retained earnings		82,798	77,679
Perpetual bonds		46,500	50,000
Unrestricted equity reserve		14,708	14,708
Translation differences		(2,297)	(3,049)
Other reserves		2,622	2,631
Total equity		184,368	181,960
LIABILITIES			
Non-current liabilities:			
Long-term borrowings	12	47,165	46,791
Deposits from customers	12	192,164	81,610
Lease liabilities	12	3,353	3,095
Deferred tax liabilities		1,488	966
Total non-current liabilities		244,170	132,462
Current liabilities:			
Deposits from customers	12	355,504	420,124
Derivative financial liabilities	12	2,203	446
Lease liabilities	12	1,942	1,472
Current tax liabilities		1,135	921
Trade payables	12	10,615	6,314
Accruals and other current liabilities	12	19,597	11,531
Total current liabilities		390,996	440,807
Total liabilities		635,167	573,269
Total equity and liabilities		819,534	755,228

Consolidated statement of cash flows

EUR '000	Notes	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		4,874	12,356	3,966	6,096
Adjustments for:					
Depreciation, amortisation and impairment of non-financial assets		4,411	11,582	4,557	12,617
Finance costs, net	9	5,821	16,435	4,106	13,074
Tax on income	10	627	2,492	902	1,776
Other adjustments		(357)	347	(57)	223
Impairment on loans to customers	6	21,255	61,452	19,765	57,872
Working capital changes:					
Increase (-) / decrease (+) in current receivables		11,514	20,805	(27,703)	(30,568)
Decrease (-) in trade payables and other liabilities		(746)	(3,034)	(6,034)	(6,658)
Interest paid		(3,542)	(7,545)	(2,586)	(9,337)
Interest received		363	819	474	662
Income taxes paid		(60)	(547)	(1,505)	(4,471)
Net cash flows from (used in) operating activities before movements in loan portfolio and deposits		44,161	115,162	(4,116)	41,286
Movements in gross loans to customers	6	(50,098)	(115,421)	(11,103)	(83,413)
Net cash flows used in operating activities		(5,937)	(259)	(15,219)	(42,127)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of tangible and intangible assets		(3,173)	(8,036)	(3,304)	(9,170)
Purchase of investments and other assets		-	-	(1,803)	(4,686)
Proceeds from sale of investments and other assets		4,795	4,774	-	-
Purchase of non-current financial investments		(1,800)	(14,600)	-	(10,000)
Purchase of investments accounted for using the equity method		-	(1,016)	-	-
Net cash flows used in investing activities		(178)	(18,879)	(5,107)	(23,856)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid / distribution of equity reserve		(2)	(2,591)	-	-
Perpetual bond repayment		(1,390)	(3,265)	-	-
Perpetual bond interests and expenses		(1,581)	(4,426)	(549)	(2,403)
Repayment of finance lease liabilities		(698)	(1,802)	(761)	(1,881)
Proceeds from long-term borrowings		-	-	-	39,400
Proceeds from short-term borrowings		-	-	5	2,770
Repayment of short-term borrowings		-	-	(1,700)	(85,221)
Movements in deposits from customers		(19,686)	46,316	27,552	(32,395)
Net cash flows from (used in) financing activities		(23,357)	34,232	24,547	(79,730)
Cash and cash equivalents, at the beginning of the period	12	196,707	153,326	149,065	301,592
Exchange losses on cash and cash equivalents	9	(194)	(1,380)	(1,066)	(3,658)
Net increase (decrease) in cash and cash equivalents		(29,473)	15,094	4,221	(145,714)
Cash and cash equivalents, at the end of the period	12	167,040	167,040	152,220	152,220

Consolidated statement of changes in equity

EUR '000	Share capital	Treasury shares	Retained earnings	Perpetual bonds	Unrestricted equity reserve	Translation differences	Other reserves	Total equity
At 1 January 2022	40,134	(142)	70,466	50,000	14,708	(2,995)	2,631	174,802
Comprehensive income								
Profit or loss for the period	-	-	6,097	-	-	-	-	6,097
Currency translation difference	-	-	(476)	-	-	(118)	(1)	(595)
Total comprehensive income	-	-	5,621	-	-	(118)	(1)	5,502
Transactions with owners								
Perpetual bonds interests and issuance costs	-	-	(2,403)	-	-	-	-	(2,403)
Share-based payments	-	-	347	-	-	-	-	347
Other changes	-	-	(706)	-	-	1	-	(705)
Total transactions with owners	-	-	(2,762)	-	-	1	-	(2,761)
Restated at 30 September 2022	40,134	(142)	73,326	50,000	14,708	(3,113)	2,630	77,543
At 1 January 2022	40,134	(142)	70,466	50,000	14,708	(2,995)	2,631	174,802
Comprehensive income								
Profit or loss for the period	-	-	11,995	-	-	-	-	11,995
Currency translation difference	-	-	(891)	-	-	(9)	-	(900)
Total comprehensive income	-	-	11,104	-	-	(9)	-	11,095
Transactions with owners								
Perpetual bonds interests and issuance costs	-	-	(3,670)	-	-	-	-	(3,670)
Share-based payments	-	-	483	-	-	-	-	483
Other changes	-	-	(704)	-	-	(44)	-	(748)
Total transactions with owners	-	-	(3,891)	-	-	(44)	-	(3,935)
At 31 December 2022	40,134	(142)	77,679	50,000	14,708	(3,049)	2,631	181,960
At 1 January 2023	40,134	(142)	77,679	50,000	14,708	(3,049)	2,631	181,960
Comprehensive income								
Profit or loss for the period	-	-	12,356	-	-	-	-	12,356
Currency translation difference	-	-	(695)	-	-	751	-	56
Total comprehensive income	-	-	11,660	-	-	751	-	12,412
Transactions with owners								
Dividend distribution	-	-	(2,591)	-	-	-	-	(2,591)
Perpetual bonds interests and issuance costs	-	-	(4,281)	-	-	-	-	(4,281)
Perpetual bonds repayment	-	-	-	(3,500)	-	-	-	(3,500)
Share-based payments	-	46	331	-	-	-	-	377
Other changes	-	-	-	-	-	-	(9)	(10)
Total transactions with owners	-	46	(6,541)	(3,500)	-	-	(9)	(10,005)
At 30 September 2023	40,134	(97)	82,798	46,500	14,708	(2,297)	2,622	184,366

1. GENERAL INFORMATION

Multitude SE and its subsidiaries (“Multitude” or the “Group”), is a leading FinTech company that aims to transcend the hassle of physical banking and manual financial transactions through a financial ecosystem. This ecosystem comprises mobile and digital platforms to promote a paperless, borderless, and real-time banking experience, to end customers and small and medium enterprises (“SMEs”). The parent company Multitude SE (business identity code 1950969-1) was established in 2005 and is headquartered at Ratamestarinkatu 11 A, FI-00520 Helsinki. Multitude SE is listed in the Prime Standard of Frankfurt Stock Exchange under the symbol “FRU”. The Group also owns Multitude Bank p.l.c., licensed by the Malta Financial Services Authority (“MFSA”), which is a significant part of the Group that allows it to provide financial services and products to European Economic Area (“EEA”) member states.

1.1 Significant changes in the current reporting period

There are no significant events during Q3 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Group’s unaudited interim consolidated financial statements and accompanying notes have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim consolidated financial statements should be read in conjunction with the Group’s audited consolidated financial statements at and for the year ended 31 December 2022, prepared in accordance with IFRS as published by the IASB and adopted by the EU. The interim consolidated financial statements follow the same accounting policies, computation methods, and judgment applications as the 2022 and 2023 Group consolidated financial statements. The only exception is the Sortter acquisition, which was treated as an investment in associates. Furthermore, the Group’s revenue and earnings before interests and taxes (“EBIT”) are not subject to seasonal or cyclical fluctuations within the financial year.

The Group’s interim consolidated financial statements have been authorised for issue by Multitude’s Board of Directors on 15 November 2023.

2.2 New and amended standards and interpretations

This paragraph provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on or after 1 January 2023 (i.e. years ending 31 December 2023), (b) a list of IFRS IC agenda decisions for consideration and (c) forthcoming requirements, being standards and amendments that will become effective on or after 1 January 2024.

(a) New standards and amendments – applicable 1 January 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

Title	Key requirements	Effective date *
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: - discounted probability-weighted cash flows - an explicit risk adjustment, and - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short-duration contracts, which are often written by non-life insurers. There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity’s share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.</p>	1 January 2023 (deferred from 1 January 2021)
	<p>Further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The classification overlay applies to all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. It allows those assets to be classified in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The classification can be applied on an instrument-by-instrument basis</p>	
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is “material accounting policy information” and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	1 January 2023

<p>Definition of Accounting Estimates – Amendments to IAS 8</p>	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p>	<p>1 January 2023</p>
<p>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</p>	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: - right-of-use assets and lease liabilities, and - decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.</p>	<p>1 January 2023</p>

* Applicable to reporting periods commencing on or after the given date

(b) IFRS IC agenda decisions issued in the last 12 months

At 28 February 2023, the following agenda decisions were issued that may be relevant for the preparation of annual and interim reports in 2023. The date issued refers to the date of approval by the IASB as per the IASB's website.

Date issued	Topic
April 2022	Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7)
May 2022	Principal versus Agent: Software Reseller (IFRS 15)
July 2022	Negative Low Emission Vehicle Credits (IAS 37)
July 2022	Special Purpose Acquisition Companies: Classification of Public Shares as Financial Liabilities or Equity (IAS 32)
July 2022	Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17)
October 2022	Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition
October 2022	Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)
October 2022	Multi-currency groups of insurance contracts (IFRS 17 and IAS 21)

(c) Forthcoming requirements

At 28 February 2023, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2023.

Title	Key requirements	Effective date [*]
Non-current liabilities with covenants - Amendments to IAS 1	Amendments made to IAS 1 Presentation of Financial Statements in 2020 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarified what IAS 1 means when it refers to the 'settlement' of a liability. The amendments were due to be applied from 1 January 2022. However, the effective date was subsequently deferred to 1 January 2023 and then further to 1 January 2024. In October 2022, the IASB made further amendments to IAS 1 in response to concerns raised about these changes to the classification of liabilities as current or non-current. The new amendments clarify that covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: - the carrying amount of the liability - information about the covenants, and - facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or noncurrent.	1 January 2024
Lease liability in sale and leaseback - amendments to IFRS 16	In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.	1 January 2024
Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28	The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. *** In December 2015, the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.	n/a ***

* Applicable to reporting periods commencing on or after the given date

3. Changes in Group companies

There were the following changes to the Group's companies during Q3:

During Q3, the Group's companies underwent some changes. Specifically, on 24 August 2023, Capital Box GmbH was merged with Pactum Collections GmbH in accordance with the merger agreement between the two companies.

4. Segment information

Multitude has three independent business units, SweepBank, Ferratum and CapitalBox. Each business unit has a CEO that in coordination with the rest of the Leadership Team assumes the role of "Chief Operating Decision Maker" within the definition described in IFRS 8. The function of the "Segment Manager" within the meaning of IFRS 8 is performed by the CEO of the business unit in coordination with Multitude's finance department.

SweepBank

SweepBank simplifies and personalises shopping and financing for young, tech-savvy adults and other underserved segments into one user-friendly app. At the end of Q3 2023, SweepBank offered three products: Prime Loan, Credit Card and Bank Account and operated actively across three markets, Finland, Germany and Latvia. SweepBank's offering is serviced solely through Multitude Bank p.l.c. Multitude also aggregates the transactions arising from its debt investments in the SweepBank segment.

The SweepBank Credit Card, a Mastercard® without annual or monthly fees, allows financing smaller purchases of up to EUR 8,000. The card offers free liability coverage for purchases with it and up to 60 days interest-free period. Customers can also use the card as a flexible credit facility by withdrawing money from it directly into their bank account, a feature that is growing in popularity among customers.

Prime Loans, longer-term instalment loans for consumers, enable higher purchases, like home renovations, cars and other more significant purchases. The loans can amount to up to EUR 15,000 with loan maturities ranging between 1-7 years. SweepBank offers current accounts with up to 1% interest p.a. and fixed-term deposit accounts with up to 4% interest p.a. (max. deposit EUR 100,000) for up to three years.

Ferratum

Ferratum offers digital loans for the daily needs of individuals, such as unplanned, short-term financing needs resulting from unexpected life events. By the end of Q3 2023, Ferratum offered three distinct products: Credit Limit, Plus Loan, and Micro Loans. The company's operations spanned across 13 markets: Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Latvia, The Netherlands, Norway, Romania, Slovenia, and Sweden. Ferratum's services are provided via Multitude Bank p.l.c. and other group entities, with 75% of revenue attributed to Multitude Bank p.l.c.

Ferratum's standout offering, the Credit Limit, is a pre-approved credit line that's often referred to as revolving credit. This unique service delivers enhanced financial flexibility on an ongoing basis. Eligible customers are granted pre-approval for amounts up to EUR 5,000. They have the freedom to withdraw funds and repay them without being tied to fixed sums or strict timelines.

For those seeking immediate financial solutions, the Plus Loan steps in. Designed to address higher financial needs, this service provides loan amounts ranging from EUR 300 to EUR 4,000. Customers can choose repayment periods spanning 2 to 18 months, with repayments spread evenly over the loan duration.

For quick and short-term financing, Micro Loans, also known as bullet loans, meets the need for instant financial relief. These loans range from EUR 25 to EUR 1,000 with customers settling the entire loan amount in a single installment within 7 to 60 days.

CapitalBox

CapitalBox provides financing solutions to small and medium-sized businesses (SMEs) through Credit Lines and Instalment Loans. By the end of the first half of 2023, CapitalBox had established four distinct products that operated in five markets: Finland, Sweden, Denmark, Lithuania, and the Netherlands. The company operates under the name CapitalBox AB.

One of the key offerings from CapitalBox is its working capital instalment loans, which extend up to EUR 350,000. These loans come with flexible repayment periods spanning 6 to 48 months. They are specifically tailored to assist SMEs in funding various aspects of their operations such as expansion, inventory management, marketing efforts, hiring new personnel, and acquiring or leasing equipment. On average, businesses borrow around EUR 21,300 with a typical loan duration of 22 months.

Another financing option provided by CapitalBox is the Credit Line. This dynamic form of financing grants SMEs access to a credit limit ranging from EUR 2,000 to EUR 350,000. Additionally, CapitalBox collaborates with retail partners to offer financing solutions to business customers, enabling them to make purchases right at the point of sale.

In the year 2023, CapitalBox introduced a new product known as the Secured Loan. This product was launched initially in Finland and is planned to roll out in other markets as well. The Secured Loan is designed to support larger investments aimed at driving growth for SMEs. The loan amount for this product can go as high as EUR 3.0 million.

In summary, CapitalBox serves as a financial partner to SMEs, offering a range of financing solutions that cater to their diverse needs, from everyday operational expenses to substantial investments in growth.

The results of operations from the Group's operating and reportable segments for current period Q3, Q1-Q3 2023 and comparable period Q3, Q1-Q3 2022 are shown in the tables on the following page.

Operating and reportable segments for Q3 2023

EUR '000	Ferratum	SweepBank	CapitalBox	Central	Total
Gross interest revenue	48,238	5,971	6,114	-	60,322
Transaction costs	(2,067)	(723)	(343)	-	(3,132)
Interest revenue	46,171	5,248	5,771	-	57,189
Servicing fee revenue	655	22	-	-	676
Total revenue	46,800	5,289	5,779	-	57,866
Share in revenue, in %	80.9	9.1	10.0	-	100.0
Operating expenses:					
Impairment loss on loans to customers	(15,000)	(4,259)	(1,995)	-	(21,255)
% of revenue	(32.1)	(80.5)	(34.5)	-	(36.7)
Bank and lending costs	(2,407)	(302)	(244)	-	(2,953)
Personnel expense	(5,175)	(1,791)	(1,439)	-	(8,405)
Selling and marketing expense	(2,902)	(73)	(803)	-	(3,777)
General and administrative expense	(3,557)	(1,221)	(738)	-	(5,517)
Depreciation and amortisation	(2,469)	(1,187)	(252)	-	(3,908)
Operating profit (loss)	15,290	(3,544)	308	-	12,052
Other income, net	(499)	4	5	-	(490)
Profit (loss) before interests and taxes ('EBIT')	14,791	(3,540)	313	-	11,562
EBIT margin, in %	31.6	(66.9)	5.4	-	20.0
Allocated finance costs, net	(3,150)	(1,073)	(802)	-	(5,027)
Unallocated foreign exchange losses, net	-	-	-	(752)	(752)
Share of result in associated companies	-	-	-	21	21
Profit before income taxes	11,642	(4,613)	(489)	(731)	5,805
Profit (loss) before tax margin, in %	24.9	(87.2)	(8.5)	-	10.0
Loans to customers	330,195	124,884	93,160	-	548,239
Unallocated assets	-	-	-	-	271,295
Unallocated liabilities	-	-	-	-	635,167

Operating and reportable segments for Q1-Q3 2023

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	139,601	16,483	17,909	-	173,993
Transaction costs	(5,720)	(1,914)	(1,138)	-	(8,771)
Interest revenue	133,881	14,569	16,771	-	165,222
Servicing fee revenue	2,105	67	-	-	2,171
Total revenue	135,959	14,656	16,779	-	167,393
Share in revenue, in %	81.2	8.8	10.0	-	100.0
Operating expenses:					
Impairment loss on loans to customers	(44,076)	(12,968)	(4,408)	-	(61,452)
% of revenue	(32.4)	(88.5)	(26.3)	-	(36.7)
Bank and lending costs	(7,323)	(797)	(793)	-	(8,913)
Personnel expense	(15,560)	(5,395)	(4,242)	-	(25,197)
Selling and marketing expense	(8,213)	(404)	(2,205)	-	(10,821)
General and administrative expense	(10,837)	(3,675)	(2,196)	-	(16,708)
Depreciation and amortisation	(6,901)	(3,906)	(690)	-	(11,497)
Operating profit (loss)	43,049	(12,489)	2,245	-	32,805
Other income, net	(335)	-	-	-	(335)
Profit (loss) before interests and taxes ('EBIT')	42,714	(12,489)	2,245	-	32,470
EBIT margin, in %	31.4	(85.2)	13.4	-	19.4
Allocated finance costs, net	(8,650)	(3,271)	(2,440)	-	(14,362)
Unallocated foreign exchange losses, net	-	-	-	(2,991)	(2,991)
Share of result in associated companies	-	-	-	33	33
Profit before income taxes	34,065	(15,760)	(195)	(2,958)	15,151
Profit (loss) before tax margin, in %	25.1	(107.5)	(1.2)	-	9.0
Loans to customers	330,195	124,884	93,160	-	548,239
Unallocated assets	-	-	-	-	271,295
Unallocated liabilities	-	-	-	-	635,167

Operating and reportable segments for restated Q3 2022

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	46,195	4,497	5,007	-	55,697
Transaction costs	(1,798)	(460)	(313)	-	(2,570)
Interest revenue	44,397	4,037	4,694	-	53,128
Servicing fee revenue	853	23	-	-	877
Total revenue	45,250	4,060	4,694	-	54,004
Share in revenue, in %	83.8	7.5	8.7	-	100.0
Operating expenses:					
Impairment loss on loans to customers	(14,998)	(3,764)	(1,356)	-	(20,118)
% of revenue	(33.1)	(92.7)	(28.9)	-	(37.3)
Bank and lending costs	(2,526)	(374)	(781)	-	(3,681)
Personnel expense	(4,507)	(1,965)	(1,447)	-	(7,918)
Selling and marketing expense	(1,963)	(559)	(474)	-	(2,996)
General and administrative expense	(3,313)	(1,424)	(1,097)	-	(5,835)
Depreciation and amortisation	(2,727)	(1,655)	(186)	-	(4,569)
Operating profit (loss)	15,217	(5,681)	(647)	-	8,887
Other income, net	168	12	19	-	198
Profit (loss) before interests and taxes ('EBIT')	15,385	(5,669)	(628)	-	9,085
EBIT margin, in %	34.0	(139.6)	(13.4)	-	16.8%
Allocated finance costs, net	(1,934)	(834)	(503)	-	(3,271)
Unallocated foreign exchange losses, net	-	-	-	(939)	(939)
Profit before income taxes	13,450	(6,503)	(1,131)	(939)	4,875
Profit (loss) before tax margin, in %	29.7	(160.2)	(24.1)	-	9.0
Loans to customers	290,395	120,034	82,434	-	492,863
Unallocated assets	-	-	-	-	256,609
Unallocated liabilities	-	-	-	-	568,766

Operating and reportable segments for restated Q1-Q3 2022

EUR '000	Ferratum	Sweep-Bank	Capital-Box	Central	Total
Gross interest revenue	135,087	11,253	15,883	-	162,222
Transaction costs	(5,256)	(1,116)	(775)	-	(7,147)
Interest revenue	129,831	10,137	15,108	-	155,075
Servicing fee revenue	2,443	54	-	-	2,498
Total revenue	132,274	10,191	15,108	-	157,573
Share in revenue, in %	83.9	6.5	9.6	-	100.0
Operating expenses:					
Impairment loss on loans to customers	(44,030)	(7,980)	(5,862)	-	(57,872)
% of revenue	(33.3)	(78.3)	(38.8)	-	(36.7)
Bank and lending costs	(8,236)	(1,062)	(1,237)	-	(10,535)
Personnel expense	(14,476)	(7,183)	(4,201)	-	(25,860)
Selling and marketing expense	(5,963)	(1,674)	(2,118)	-	(9,755)
General and administrative expense	(10,942)	(5,541)	(2,900)	-	(19,384)
Depreciation and amortisation	(9,060)	(3,105)	(475)	-	(12,640)
Operating profit (loss)	39,568	(16,354)	(1,685)	-	21,528
Other income, net	128	9	14	-	151
Profit (loss) before interests and taxes ('EBIT')	39,696	(16,345)	(1,671)	-	21,679
EBIT margin, in %	30.0	(160.4)	(11.1)	-	13.8
Allocated finance costs, net	(7,100)	(2,601)	(1,846)	-	(11,547)
Unallocated foreign exchange losses, net	-	-	-	(2,237)	(2,237)
Profit before income taxes	32,595	(18,946)	(3,517)	(2,237)	7,894
Profit (loss) before tax margin, in %	24.6	(185.9)	(23.3)	-	5.0
Loans to customers	290,395	120,034	82,434	-	492,863
Unallocated assets	-	-	-	-	256,609
Unallocated liabilities	-	-	-	-	568,766

5. Revenue

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

Interest revenue by geographic market

EUR '000		Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Country of domicile	Finland	6,192	18,418	6,211	19,419
Northern Europe	Sweden, Denmark, Norway	18,498	53,565	16,857	48,836
Western Europe	Germany, Netherlands, Spain	10,765	30,673	9,906	26,650
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	21,227	61,297	18,771	54,855
Other	Australia, Brazil, Mexico	507	1,269	1,382	5,316
Total		57,189	165,222	53,127	155,076

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

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

Servicing fee revenue by geographic market

EUR '000		Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Country of domicile	Finland	42	119	47	146
Northern Europe	Sweden, Denmark, Norway	208	735	287	813
Western Europe	Germany, Netherlands, Spain	140	490	173	467
Eastern Europe*	Bulgaria, Croatia, Czechia, Estonia, Latvia, Lithuania, Poland, Romania	273	785	356	1,024
Other	Australia, Brazil, Mexico	13	40	14	47
Total		676	2,171	877	2,497

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

Servicing fee revenue includes charges to customers that are not directly attributable to loan origination and are recognised at the point in time when the Group satisfies the underlying performance obligations, usually when such fees are due from the customer upon invoicing.

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

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Gross interest revenue	60,322	173,993	55,699	162,223
Transaction costs	(3,132)	(8,771)	(2,571)	(7,147)
Interest revenue	57,189	165,222	53,128	155,076

6. Loans and advances to customers

The Group calculates expected credit losses (“ECL”) as a function of the estimated exposure of default (“EAD”), probability of default (“PD”), loss given default (“LGD”), and where applicable, discounting using the effective interest rate (“EIR”).

The ECL is measured on either a 12-month or on a lifetime basis depending on whether the underlying loans to customers are not credit-impaired (Stage 1), whether a significant increase in credit risk has occurred since initial recognition (Stage 2), or whether an asset is considered to be credit-impaired (Stage 3). In this assessment, the Group considers relevant, reasonable, and supportable information based on historical data, credit scoring, delinquency status, and days past due (“DPD”), and other forward-looking factors.

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

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

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

The tables below show the Group’s gross outstanding loans to customers balances, risk grading, and basis for ECL recognition and measurement, including the movements and balances of loss allowances for loans to customers for the periods presented:

Gross outstanding loans to customers risk grading and basis for ECL recognition

Risk grade	Category	Basis for ECL	Days past due*		UTP	30 Sep 2023	Restated 30 Sep 2022	31 Dec 2022
			Lower range	Upper range				
Regular	Performing	Stage 1 (12-month ECL)	0 to 30		-	507,775	451,354	464,238
Watch	Underperforming	Stage 2 (lifetime ECL)	31 - 45	31 - 60	-	22,738	21,602	20,755
Substandard	Underperforming	Stage 2 (lifetime ECL)	46 - 60	61 - 90	-	15,333	10,827	14,862
Doubtful	Non-performing	Stage 3 (lifetime ECL)	61 - 180	91 - 180	Yes	21,654	28,913	24,868
Loss	Non-performing	Stage 3 (lifetime ECL)	More than 180 days		-	99,238	89,528	95,072
Total						666,738	602,224	619,794

*Lower and upper ranges of days past due are based on DPD thresholds of 60 and 90 days, respectively, to be considered as non-performing.

At and for the period ended 30 September 2023:

EUR '000	30 September 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
At 1 January 2023	464,239	35,616	119,940	619,795
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	47,646	2,763	54,682	105,091
Loans and advances written off and sold during the period	-	-	(52,752)	(52,752)
FX and other movements	(4,109)	(308)	(978)	(5,395)
Total net change during the period	43,537	2,455	952	46,944
Gross loans to customers at 30 September 2023	507,776	38,071	120,892	666,739
LOSS ALLOWANCES				
At 1 January 2023	24,949	11,024	74,359	110,332
Increase in allowances - charged to profit or loss	2,726	1,171	57,554	61,451
Other movements				
Unwind of discount	-	-	108	108
Loans and advances written off and sold during the period	-	-	(52,752)	(52,752)
Exchange differences	(149)	(66)	(426)	(641)
Total net change during the period	2,577	1,105	4,484	8,166
Loss allowance at 30 September 2023	27,525	12,129	78,844	118,498
Impaired loan coverage ratio ("ILCR")	5.4%	31.9%	65.2%	17.8%

At and for the period ended 30 September 2022:

EUR '000	Restated 30 September 2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
At 1 January 2022	394,448	29,623	149,637	573,708
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	62,432	3,211	40,777	106,420
Loans and advances written off and sold during the period	-	-	(70,496)	(70,496)
FX and other movements	(5,527)	(404)	(1,477)	(7,408)
Total net change during the period	56,905	2,807	(31,196)	28,516
Gross loans to customers at 30 September 2022	451,353	32,430	118,441	602,224
LOSS ALLOWANCES				
At 1 January 2022	20,608	8,806	92,595	122,009
Increase in allowances - charged to profit or loss	3,668	1,099	53,105	57,872
Other movements				
Unwind of discount	-	-	338	338
Loans and advances written off and sold during the period	-	-	(70,496)	(70,496)
Exchange differences	(80)	(33)	(248)	(361)
Total net change during the period	3,588	1,066	(17,301)	(12,647)
Loss allowance at 30 September 2022	24,196	9,872	75,294	109,362
Impaired loan coverage ratio ("ILCR")	5.4%	30.4%	63.6%	18.2%

At and for the year ended 31 December 2022:

EUR '000	31 December 2022			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
GROSS LOANS TO CUSTOMERS				
At 1 January 2022	394,447	29,623	149,637	573,707
Total changes in gross carrying amounts arising from transfers in stages, originations and derecognitions	78,446	6,673	61,428	146,547
Loans and advances written off and sold during the period	-	-	(89,444)	(89,444)
FX and other movements	(8,655)	(680)	(1,681)	(11,016)
Total net change during the year	69,791	5,993	(29,697)	46,087
Gross loans to customers at 31 December 2022	464,239	35,616	119,940	619,795
LOSS ALLOWANCES				
At 1 January 2022	20,608	8,806	92,595	122,009
Increase in allowances - charged to profit or loss	4,806	2,387	71,468	78,661
Other movements				
Unwind of discount	-	-	480	480
Loans and advances written off and sold during the period	-	-	(89,444)	(89,444)
Exchange differences	(465)	(169)	(740)	(1,374)
Total net change during the year	4,341	2,218	(18,236)	(11,677)
Loss allowance at 31 December 2022	24,949	11,024	74,359	110,332
Impaired loan coverage ratio ("ILCR")	5.4%	31.0%	62.0%	17.8%

Transfers out of Stage 1 are driven by the underlying gross loans to customers to have significant increase in credit risks since initial recognition (Stage 2) or become credit-impaired (Stage 3). In contrast, transfers out of Stages 2 or 3 result from the underlying gross loans to customers no longer meeting said definitions.

Transfers in between Stages or changes within DPD bucket that do not necessarily impact the ECL model stages could also increase (decrease) loss allowances during the year.

Remeasurements from changes in ECL model, inputs and assumptions are mainly driven by updating the calculations, statistics and modelling parameters relating to EAD, PD, LGD, and EIR based on the most recent available information at the reporting date. The unwind of discount is driven by the amortisation of the ECL present value for long-outstanding loans to customers.

Macro-economic variables

The Group utilises an “Error Correction Model” (“ECM”) to determine the relationship between the performance of each market’s loan portfolios and the underlying macro-economic factors. ECM establishes a strong statistically significant relationship between the portfolio performance, the underlying macro-economic variables, and market and portfolio-specific spectrum. ECM considers both short and long-term effects of identified macro-economic variables through multiple regression analysis against the time series of defaults observed at a specific market and portfolio. Further, ECM allows for error corrections by providing observed deviations from long-run equilibrium that can influence short-run dynamics. It considers the speed at which defaults return to equilibrium after changing the macroeconomic variables considering the long-term equilibrium. The model also establishes stricter requirements for new loans and overall improvement in the average quality of the customer base.

Accordingly, the Group has determined that the key drivers for Micro Loans, Plus Loans, Credit Limit facilities and Prime Loans are Gross Domestic Product (“GDP”), Personal Disposable Income (“PDI”) and Unemployment Rate (“UR”), whereas the Consumption Rate Private (“CRP”) is the key driver for SME loans.

For these key drivers, the Group relies on the market-level data published by Oxford Economics. To capture a range of possible future outcomes, three possible scenarios are considered in the determination of the ECL - “base line”, “downside” and “upside”. The current model assumes the “downside” scenario to be “Tighter credit conditions” and the “upside” to be “Excess savings run-down”. This quarter’s scenarios quantify key risks to the global economy. These relate primarily to banking stress and credit conditions, cost and price pressures, and the degree of consumer caution, as well as the associated impact on monetary policy, financial and property markets, and potential supply.

“Tighter credit conditions” - Banking stress spills over to the real economy as more small banks fail and tighter credit conditions weigh on activity for a sustained period. “Excess savings run-down” - Household savings built up during the pandemic unwind, resulting in a more robust consumer-led recovery.

The following tables show the outlooks associated with the macro-economic variables (“MEV”) utilised in the calculation of expected credit losses (“ECL”) for the periods presented herein:

Unemployment rate

In %	2023			2024			2025			2026		
	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	4.8	4.8	4.8	5.0	5.2	4.8	4.8	5.1	4.4	4.8	5.0	4.6
Czechia	3.7	3.7	3.7	4.0	4.3	3.6	3.8	4.2	3.2	3.7	3.9	3.3
Lithuania	7.3	7.3	7.3	6.5	6.7	6.4	6.1	6.3	6.0	5.6	5.6	5.6
Finland	7.4	7.4	7.4	7.3	7.5	7.2	6.7	6.9	6.5	6.3	6.4	6.2
Netherlands	3.8	3.8	3.8	4.3	4.6	3.8	4.5	4.9	3.8	4.5	4.8	4.1
Poland	5.5	5.5	5.5	5.0	5.3	4.9	4.7	5.1	4.4	4.8	5.1	4.6
Latvia	6.2	6.2	6.2	5.5	5.6	5.4	4.5	4.7	4.4	4.6	4.6	4.6
Slovenia	5.6	5.6	5.6	6.3	6.5	6.2	6.6	6.7	6.4	6.8	6.8	6.8
Germany	5.7	5.7	5.7	5.6	5.9	5.1	5.2	5.7	4.5	5.0	5.4	4.7

Personal disposable income

Billion units		2023			2024			2025			2026			
		Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Bulgaria	LEV	7	7	7	7	7	7	7	7	7	7	7	7	7
Romania	LEI	16	16	16	17	17	17	18	18	18	19	19	19	19
Estonia	EUR	1	1	1	1	1	1	1	1	1	1	1	1	1
Finland	EUR	10	10	10	10	10	11	11	11	11	11	11	11	11
Norway	NOK	139	139	139	143	143	143	147	147	148	151	151	151	151
Sweden	SEK	238	238	238	240	240	241	244	242	245	247	246	248	248
Netherlands	EUR	34	34	34	34	34	34	34	34	35	35	35	35	35

Consumption rate private

Billion units		2023			2024			2025			2026			
		Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Denmark	DKK	85	85	85	87	87	88	90	89	91	93	92	93	93
Finland	EUR	10	10	10	10	10	10	11	10	11	11	11	11	11

Gross domestic product

Billion units		2023			2024			2024			2025			
		Cur.	Base	Down	Up	Base	Down	Up	Base	Down	Up	Base	Down	Up
Brazil	BRL	166	166	166	166	165	167	170	168	171	174	172	175	175
Denmark	DKK	191	191	191	196	195	198	203	201	205	209	207	210	210
Germany	EUR	270	270	270	273	269	277	278	275	284	284	282	287	287
Romania	LEI	16	16	16	16	16	16	17	17	17	17	17	17	17
Croatia	EUR	5	5	5	5	5	5	5	5	5	5	5	5	5
Sweden	SEK	493	493	493	497	493	500	508	503	513	519	515	522	522

7. Personnel expenses

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Wages and salaries	(6,899)	(20,516)	(6,093)	(20,878)
Social security costs	(727)	(2,232)	(951)	(2,690)
Post-employment benefit expense	(388)	(1,182)	(429)	(1,370)
Share-based payment expense	(120)	(377)	(128)	(347)
Other personnel expense	(272)	(889)	(317)	(575)
Total personnel expenses	(8,405)	(25,197)	(7,918)	(25,860)

8. Other income

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
OTHER INCOME				
Other income	2	2	198	151
Total other income	2	2	198	151
OTHER EXPENSE				
Loss from disposal of non-current assets	(26)	(55)	-	-
Other expense	(465)	(282)	-	-
Total other expense	(491)	(337)	-	-
Net other income (expense)	(490)	(335)	198	151

Other expense includes financial result from disposal of companies and movement in provisions related to such disposals.

9. Finance income and costs

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
FINANCE INCOME				
Interest income	657	1,428	60	286
Total finance income	657	1,428	60	286
FINANCE COSTS				
Interest expense on borrowings	(5,220)	(13,746)	(2,460)	(10,169)
Net realised foreign exchange loss	(39)	(550)	(157)	(1,688)
Net unrealised foreign exchange loss	(473)	(1,281)	(1,273)	(830)
Net unrealised foreign exchange loss on derivatives	(594)	(1,839)	(206)	(416)
Interest expense on lease liabilities	(120)	(333)	(44)	(160)
Other finance costs	10	(1,033)	(130)	(807)
Total finance costs	(6,435)	(18,781)	(4,270)	(14,070)
Net finance costs	(5,779)	(17,353)	(4,210)	(13,784)

10. Income taxes

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Current income tax expense	(448)	(1,394)	(147)	(404)
Deferred tax expense	(483)	(1,402)	(325)	(484)
Total income tax expense	(931)	(2,796)	(472)	(888)

Income tax expense is recognised based on Group's estimate of the weighted average effective annual income tax rate expected for the full financial year applicable to each Group company.

11. Earnings per share

EUR '000	Q3 2023	Q1-Q3 2023	Restated Q3 2022	Restated Q1-Q3 2022
Profit for the period	4,875	12,355	3,966	6,096
Perpetual bonds interests recognised directly in retained earnings, net of tax*	(1,775)	(4,281)	(920)	(2,403)
Profit for the period, after perpetual bond interest	3,100	8,074	3,046	3,693
Weighted average number of ordinary shares in issue **	21,578	21,578	21,578	21,578
Total adjusted earnings per share attributable to the ordinary equity, EUR	0.14	0.37	0.14	0.17

*Earnings per share are calculated using profit (loss) adjusted for interest expense from perpetual bonds that are recorded directly in retained earnings

**There are no items that have dilutive impact on the weighted average number of ordinary shares, and as such, basic and diluted for all periods presented.

12. Financial assets and liabilities classification and fair value

The table below summarises the Group's financial assets and liabilities presented based on their classification based on their subsequent measurement, at amortised cost or FVPL; and based on their fair value measurement hierarchy, Level 1 being market values for exchange-traded products, Level 2 being primarily based on quotes from third-party pricing services and Level 3 requiring most management judgment:

Financial assets

EUR '000	Fair value measurement	30 September 2023		31 December 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS AT FVPL					
Derivative financial assets	Level 2	603	603	3,180	3,180
FINANCIAL ASSETS AT AMORTISED COST					
Loans to customers	Level 3	548,239	548,239	509,463	509,463
Cash and cash equivalents	Level 3	167,040	167,040	153,325	153,325
Other non-current financial assets	Level 3	43,368	43,368	28,883	28,883
Receivables from sold portfolios	Level 3	4,362	4,362	2,263	2,263
Receivables from banks	Level 3	3,438	3,438	4,362	4,362
Other current financial assets	Level 3	3,804	3,804	3,701	3,701
Total		770,854	770,854	705,177	705,177

The fair value of derivative financial assets is determined using level 2 fair value measurement. The derivative assets include currency forwards and tracker forwards. It is calculated as the present value of the estimated future cash flows based on observable yield curves (income method). With currency forwards, the Group agrees to sell a predetermined amount of its foreign currency exposure at a predetermined price. Regarding tracker forwards, the Group agrees to sell a predetermined amount of its foreign currency exposure at a predetermined price and buy its functional currency at the higher of the spot rate and a predetermined rate, thereby limiting the Group's downward exposure.

Receivables from banks include deposits held with other banks for the purpose of hedging.

Other non-current financial assets at 30 September 2023 include investment in warehouse lending and related corporate loans amounting to EUR 43.4 million. The value of this item is determined using level 3 fair value measurement.

The fair values of the remaining financial assets measured at amortised cost are determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial assets reasonably approximate their fair values at 30 September 2023 and 31 December 2022.

Financial liabilities

EUR '000	Fair value measurement	30 September 2023		31 December 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL LIABILITIES AT FVPL					
Derivative financial liabilities	Level 2	2,203	2,203	446	446
FINANCIAL LIABILITIES AT AMORTISED COST					
Deposits from customers	Level 3	547,668	547,668	501,734	501,734
Long-term borrowings	Level 1	47,165	48,401	46,791	48,439
Lease liabilities	Level 3	5,295	5,295	4,566	4,566
Trade payables	Level 3	10,615	10,615	6,314	6,314
Accruals and other current liabilities	Level 3	19,597	19,597	11,531	11,531
Total		632,543	633,779	571,382	573,030

2022 Multitude Bank tranche bonds

The Multitude Bank p.l.c. tranche bonds (series no. 1/2022 - ISIN: MT0000911215) ("2022 FBM tranche bonds") were issued on 13 April 2022 with a coupon rate of 6% maturing on 13 April 2032. Out of the EUR 5.1 million bonds issued, EUR 2 million was issued to Multitude SE, which was eliminated at the Group level as part of the consolidation process. At 30 September 2023, the 2022 FBM tranche bonds are presented as long-term borrowings in the Group's consolidated statement of financial position and have outstanding nominal and carrying amounts of EUR 3.1 million and EUR 2.8 million, respectively.

2022 Multitude SE senior unsecured bonds

Multitude SE senior unsecured bonds (ISIN: NO0012702549) were issued on 7 December 2022 with a coupon rate of 7.5% plus 3-month Euribor, maturing in December 2025 (the "2022 MSE Bonds"). At 30 September 2023, the 2022 MSE Bonds are presented as long-term borrowings in the Group's consolidated statement of financial position, have outstanding nominal and carrying amounts of EUR 46.0 million and EUR 44.6 million, respectively.

Financial liabilities fair value measurements

The fair value of derivative financial liabilities is determined using level 2 fair value measurement. It is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of long-term and short-term borrowings that includes only listed bonds (2022 Multitude Bank tranche bonds and 2022 Multitude SE senior unsecured bonds) is determined using level 1 fair value measurement based on the published quotes in the Frankfurt Stock Exchange Open Market, Frankfurt Stock Exchange Prime Standard, and Malta Stocks Exchange, respectively.

The fair value of the remaining financial liabilities measured at amortised cost is determined using level 3 fair value measurement based significantly on unobservable inputs. The Group estimates that the carrying amounts of these financial liabilities reasonably approximate their fair values at the periods presented.

13. Correction of a prior period errors and a change of presentation

Brokerage fees on loans and deposits

During the financial year ended 31 December 2022, the Group corrected how sales and commission fees payable to third parties of specific lending products are recognised, and the pattern and method of recognition of the fees within the consolidated statement of profit or loss. Previously these costs were expensed as incurred and presented within selling and marketing expense. Subsequent to the correction, such fees which are transaction costs directly attributable to the acquisition of loans to customers and deposits from customers, are adjusted against the initial fair value of the instrument and are amortised to the statement of profit or loss over the estimated life of the related loans and deposits received applying the effective interest rate method.

The impact of the correction is that the timing of the expense recognition changes, and both the interest income and fee expenses decrease within the statement of profit or loss. Interest revenue decreased by EUR 5.3 million and selling and marketing expense decreased by EUR 6.1 million in Q1-Q3 2022. At the same time, loans to customers increased by EUR 8.1 million as of 30 September 2022. The correction with impacts to profit or loss led to an increase in deferred tax liability by EUR 0.2 million as of 30 September 2022. Retained earnings increased by EUR 4.7 million as of 30 September 2022. Comparative financial information presented within the consolidated statement of financial position and consolidated statement of profit or loss has been restated, as presented in the tables below. The impact on the earnings per share is included in the following tables.

Classification of loans to customers as non-current or current

The Group has corrected the classification of loans to customers as current and non-current in the statement of financial position and restated the comparative financial information accordingly. Previously, the Group incorrectly classified loans to customers which did not meet the current asset criteria in IAS 1 as current assets. The Group reclassified loans to customers with maturity exceeding 12 months from current assets to non-current assets totalling to EUR 96.9 million as of 30 September 2022. The correction relates solely to the presentation in the statement of financial position, and it has no impact on the results.

Classification of cash flows on deposits from customers to cash flows from financing activities

The Group corrected the presentation of cash flows from deposits from customers in the consolidated statement of cash flows to cash flows from financing and restated the comparative period. Previously the Group classified the deposit related cash flows as part of the cash flows from its net cash flows from operating activities. As a result, net cash flows from operating activities increased by EUR 32.4 million in Q1-Q3 2022 with a corresponding decrease in cash flows from financing activities.

Consolidated statement of financial position

EUR '000	Reported 30 September 2022	Brokerage fee	Classification of loans	Total correction	Restated 30 September 2022
ASSETS					
Non-current assets:					
Loans to customers	-	-	96,947	96,947	96,947
Current assets:					
Loans to customers	484,736	-	(88,821)	(88,821)	395,915
Prepaid expenses and other current assets	5,863	(3,163)	-	(3,163)	2,700
EQUITY					
Retained earnings	70,611	4,734	-	4,734	75,345
LIABILITIES					
Non-current liabilities:					
Deferred tax liabilities	594	230	-	230	824

Consolidated statement of profit or loss and Consolidated statement of comprehensive income

EUR '000	Reported Q1-Q3 2022	Brokerage fee	Restated Q1-Q3 2022
Interest revenue	160,332	(5,256)	155,076
Total revenue	162,829	(5,256)	157,573
Selling and marketing expense	(15,867)	6,112	(9,755)
Operating profit	20,671	857	21,528
Profit before interests and taxes ("EBIT")	20,822	857	21,679
Finance income (cost)	(13,079)	(705)	(13,784)
Profit before income taxes	7,742	152	7,894
Income tax expense	(1,776)	(22)	(1,798)
Profit for the year	5,967	130	6,097

EUR '000	Reported Q3 2022	Brokerage fee	Restated Q3 2022
Interest revenue	54,926	(1,798)	53,128
Total revenue	55,802	(1,798)	54,004
Selling and marketing expense	(5,086)	2,090	(2,996)
Operating profit	8,595	293	8,888
Profit before interests and taxes ("EBIT")	8,793	293	9,086
Finance income (cost)	(3,969)	(241)	(4,210)
Profit before income taxes	4,823	52	4,875
Income tax expense	(902)	(8)	(910)
Profit for the year	3,922	45	3,967

Consolidated statement of cash flows

EUR '000	Reported Q1-Q3 2022	Brokerage fee	Classification of deposits	Total correction	Restated Q1-Q3 2022
Profit for the year	5,966	130	-	130	6,096
Finance costs, net	12,369	705	-	705	13,074
Decrease (-) in trade payables and other liabilities	(5,823)	(835)	-	(835)	(6,658)
Movement in deposits from customers	(32,395)	-	32,395	32,395	-
Net cash flows from (used in) operating activities	(74,522)	-	32,395	32,395	(42,127)
Movement in deposits from customers	-	-	(32,395)	(32,395)	(32,395)
Net cash flows used in financing activities	(47,335)	-	(32,395)	(32,395)	(79,730)

EUR '000	Reported Q3 2022	Brokerage fee	Classification of deposits	Total correction	Restated Q3 2022
Profit for the year	3,921	45	-	45	3,966
Finance costs, net	3,865	241	-	241	4,106
Decrease (-) in trade payables and other liabilities	(5,749)	(285)	-	(285)	(6,034)
Movement in deposits from customers	27,552	-	(27,552)	(27,552)	-
Net cash flows from (used in) operating activities	12,333	-	(27,552)	(27,552)	(15,219)
Movement in deposits from customers	-	-	27,552	27,552	27,552
Net cash flows from (used in) financing activities	(3,005)	-	27,552	27,552	24,547



Investor relations contacts



Lasse Mäkelä

Chief Strategy and IR Officer

E: lasse.makela@multitude.com

M: +41 79 371 3417



Bernd Egger

Chief Financial Officer

E: bernd.egger@multitude.com

M: +49 173 7931235

For further information on the Multitude share and all publications, please visit

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