



# Ferratum™

More than money **to everyone**

IFRS unaudited financial results – Q1 2017

May 2017



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# Important Notice

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This presentation contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance of Ferratum. Such statements are based on the current expectations and certain assumptions of Ferratum's management, of which many are beyond the Ferratum's control. The words "aim", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "potential", "predict", "projected", "risk", "should", "will" and similar expressions or the negatives of these expressions are intended to identify forward-

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# 01

Business overview  
Jorma Jokela, CEO



## Pioneering digital lender



Consumer  
loans



Business  
loans



Mobile  
bank



Founded  
Helsinki  
2005



EU Banking  
Licence



Frankfurt  
Prime  
Standard

11+

years of  
profitable  
growth

1.6M

active  
& former  
customers

23

countries

€50M

Q1 2017 revenue

+51%

y-o-y growth



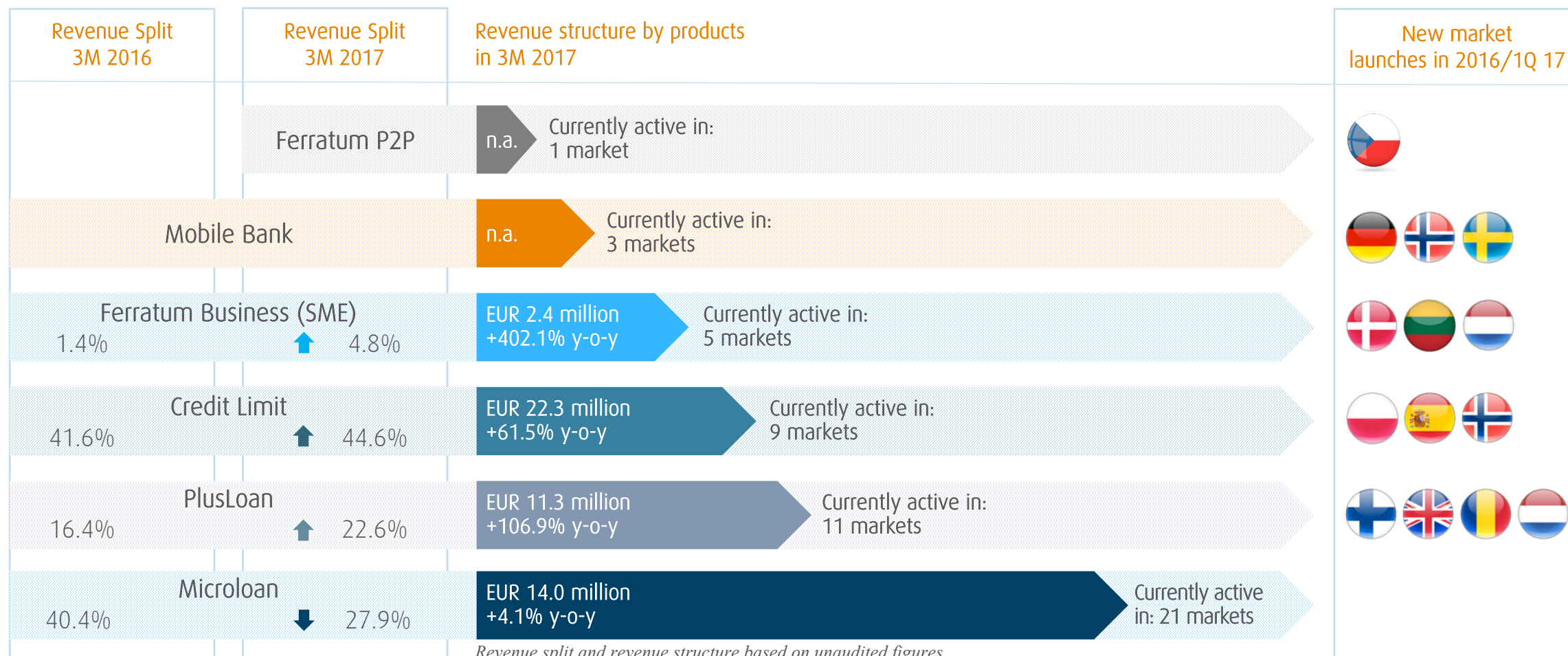
# Q1 2017 Highlights

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- Revenue of EUR 50.0 million – up 51% year-on-year
- Operating profit (EBIT) of EUR 6.8 million – up 32% year-on-year
- EBIT margin of 13.7%
- Positive operating cash flow of EUR 1.9 million
- Profit before tax (EBT) of EUR 5.9 million – up 57% year-on-year
- EPS (basic and diluted) increased 53% to EUR 0.23 per share
- Maturing EUR 20 million Ferratum Bank p.l.c. bond repaid with proceeds from EUR 25 million senior unsecured bond issued Q4 2016
- Net financing costs decreased by 36% to EUR 0.9 million (Q1 2016: EUR 1.4 million), benefitting from FX gains in Q1 2017 vs FX losses in Q1 2016
- Net book value of loan portfolio grew by 12% to EUR 206 million (Q4 2016: EUR 184 million)
- Deposits from customers further increased by 17% to EUR 118.8 million
- Active/former customers increased by 335,967 (26%) to 1.65 million



# Credit Limit and PlusLoan growth driven by the success of Microloans





# Growth through partnerships



## Third party services and tech integration

- Ferratum Mobile Bank as the hub for an ecosystem of services
- A compelling route to market for partners offering innovative services via Mobile
- API-based widget to deliver tailor-made partner services
- Focus on integrations to deliver increased engagement and revenues



## White labelling

- Delivering plug-and-play solutions for banks around the world to expedite transition to modern mobile banking
- Bespoke financial service customer engagement solutions for consumer facing businesses, eg travel, utility, entertainment
- Large addressable markets for future growth

Scalable mobile banking platform offers exciting benefits for Ferratum, partners and customers

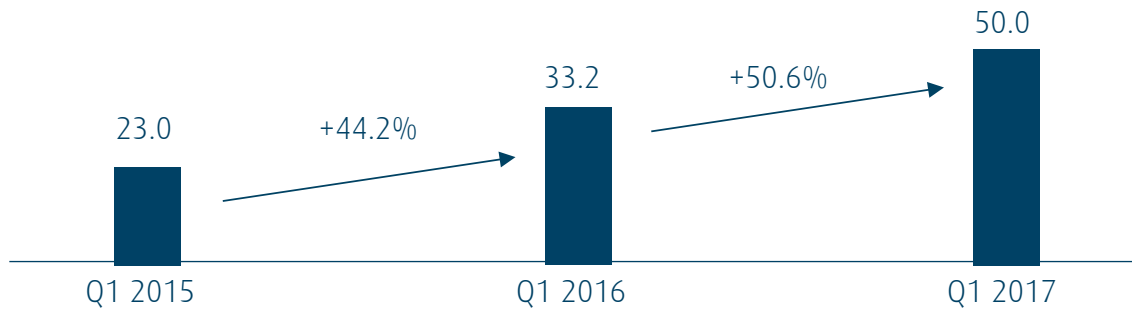


# 02

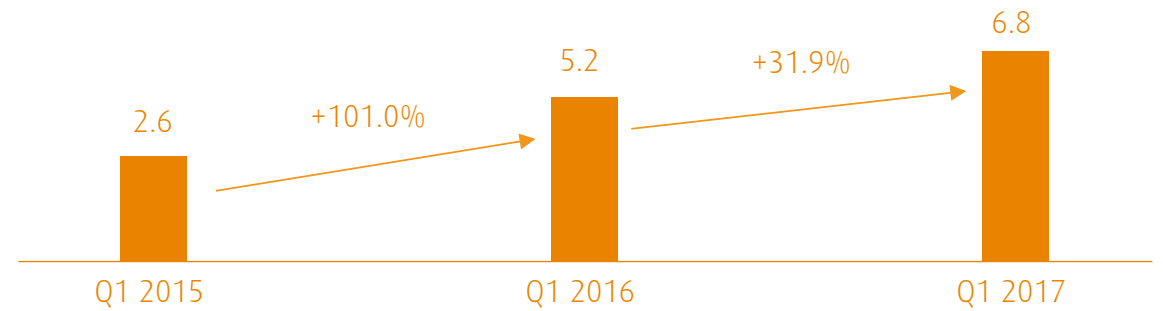
Financial Highlights  
Dr. Clemens Krause,  
CFO

# Growth momentum continuing into 2017

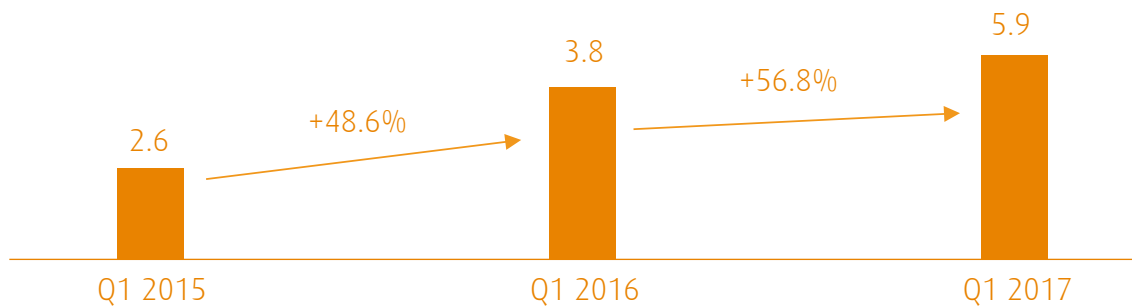
Revenue (EUR million)



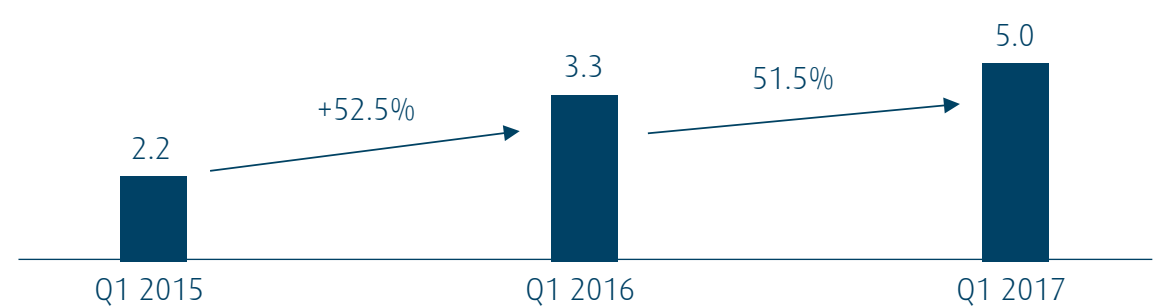
Operating profit – EBIT (EUR million)



Profit before tax – EBT (EUR million)

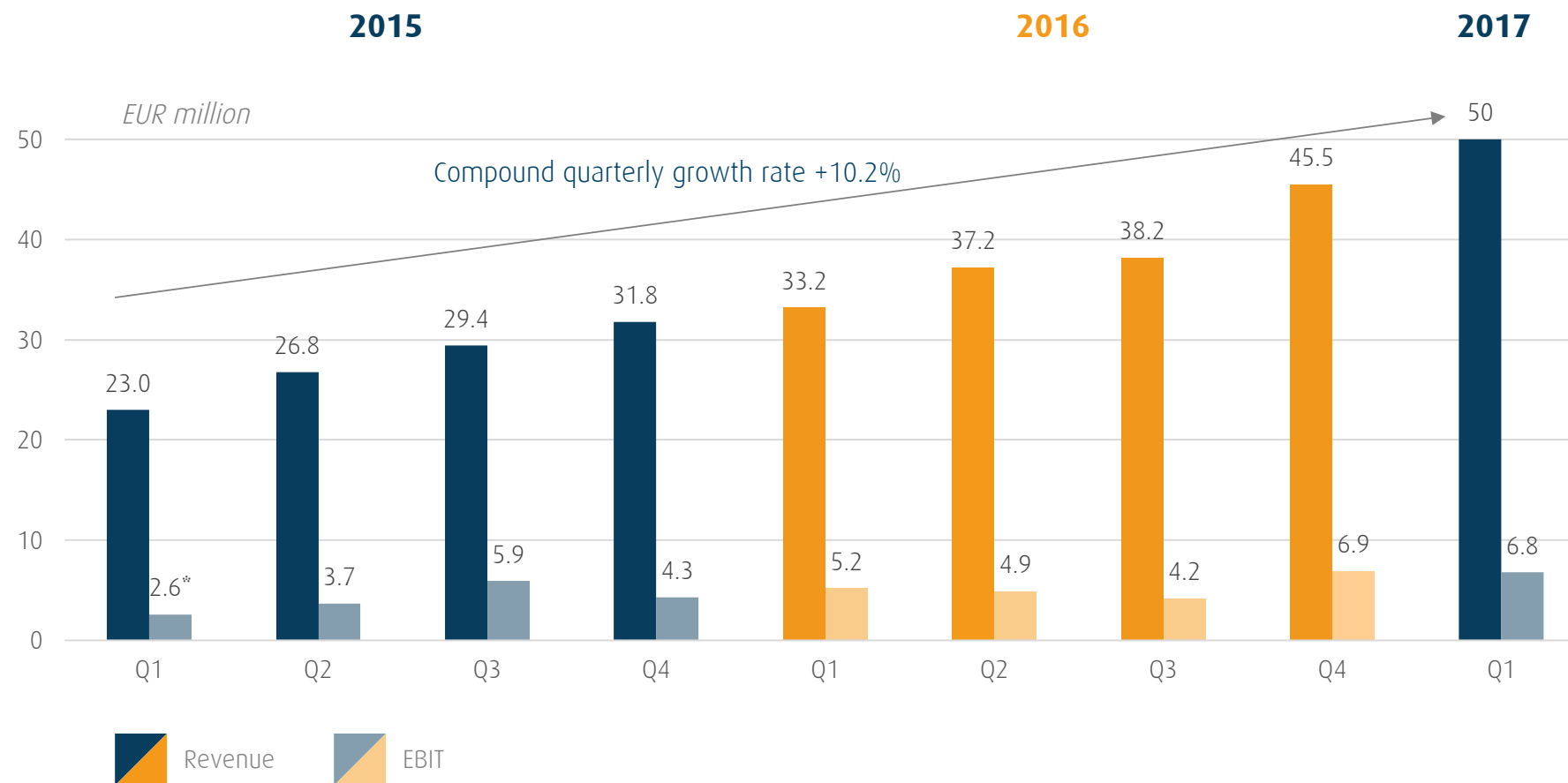


Profit for the period – EAT (EUR million)





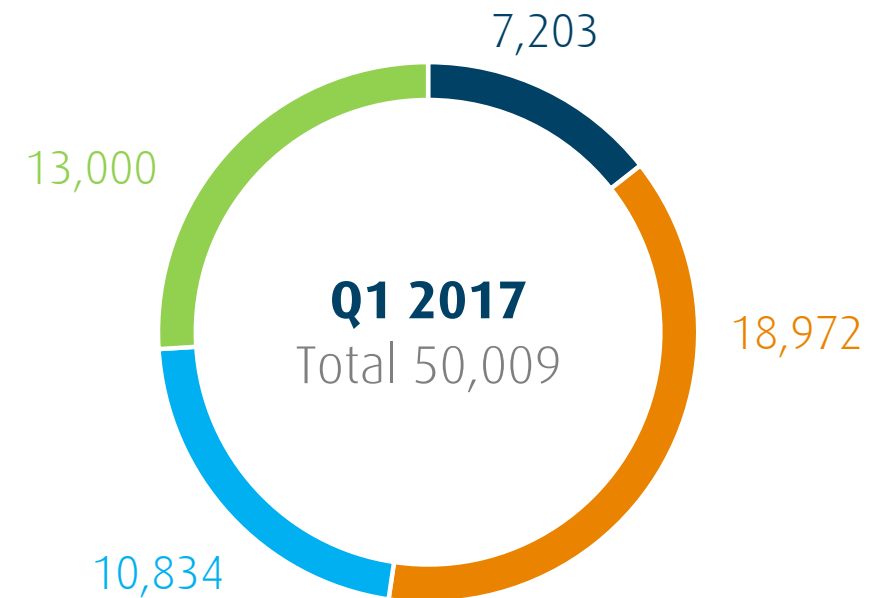
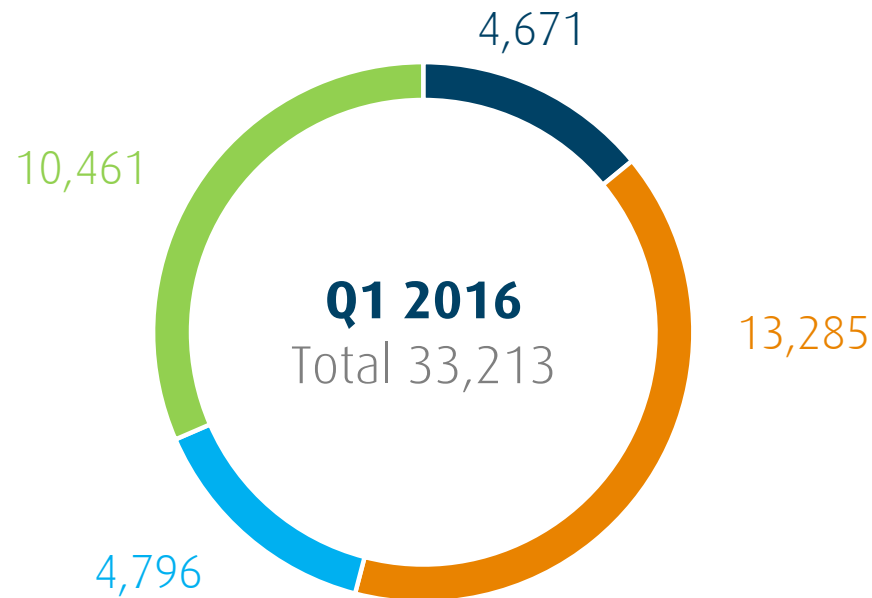
# Steady quarterly revenue growth and profitability momentum



\* Including IPO related costs in the amount of EUR 488,941 recognised as operating expenses in Q1 2015

# Revenue growth supported by balanced regional growth

EUR '000



- Region 1 (Finland, Sweden, Denmark, Norway)
- Region 3 (Estonia, Latvia, Lithuania, Poland, Czech, Slovakia, Russia)

- Region 2 (Netherlands, UK, New Zealand, Australia, Canada)
- Region 4 (Bulgaria, Romania, Croatia, Spain, Germany, France, Mexico)



# Revenue and Profit before tax (EBT) grow by more than 50%

EUR '000

	Q1 2017	Q1 2016	% Change
Revenue	50,009	33,213	+50.6%
Other income	13	8	+62.5%
Impairment of loans	(17,180)	(9,548)	+79.9%
Operating expenses	(25,991)	(18,479)	+40.7%
Selling & marketing expenses	(7,877)	(6,724)	+17.1%
EBIT	6,849	5,193	+31.9%
Net financial costs	(903)	(1,400)	-35.5%
EBT	5,946	3,792	+56.8%
Income tax	(892)	(455)	+96.0%
Net profit	5,054	3,337	+51.5%
Earning per share, basic (EUR)	0.23	0.15	+53.3%
Earning per share, diluted (EUR)	0.23	0.15	+53.3%

- Impairments in line with management expectations
- Marketing efficiency improving
- EBT growing more than EBIT due to FX gains in Q1 2017
- Tax ratio increasing from 12% 2016 to 15% in 2017

# Success of Credit Limit and PlusLoan validating portfolio strategy

EUR '000

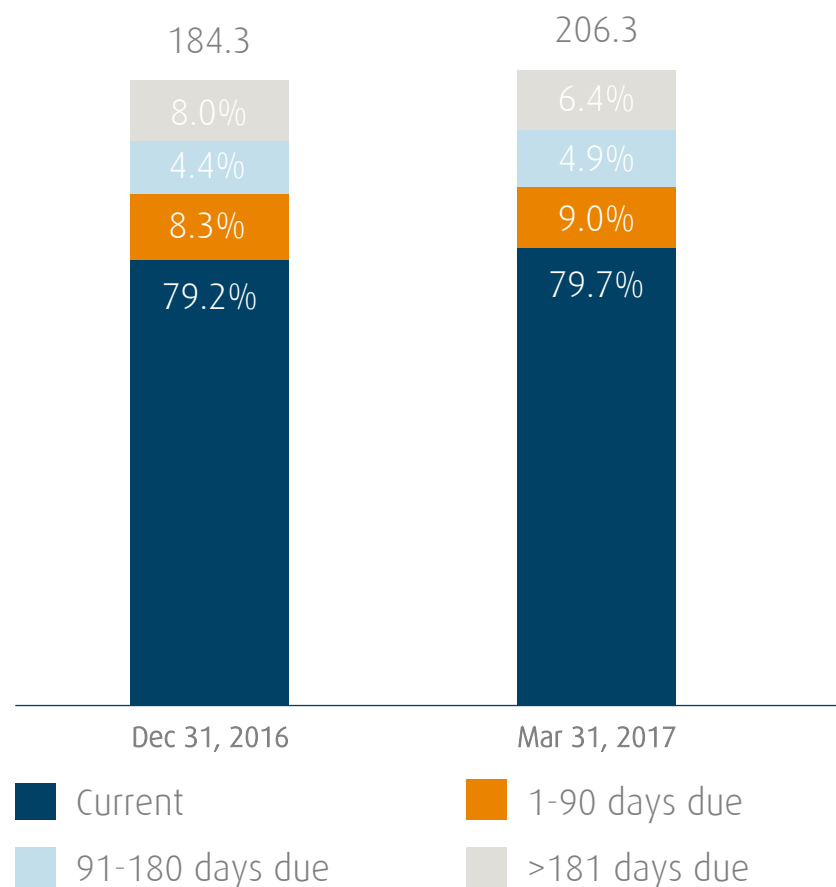
	Microloan		PlusLoan		Credit Limit		SME		Other*		Total	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Revenue	13,975	13,426	11,294	5,458	22,329	13,823	2,390	476	21	30	50,009	33,213
Impairments	(6,498)	(4,189)	(4,201)	(1,935)	(5,898)	(3,240)	(515)	(132)	(68)	(52)	(17,180)	(9,548)
As % of Revenue	46.5%	31.2%	37.2%	35.5%	26.4%	23.4%					34.4%	28.7%
Marketing	(535)	(2,132)	(2,276)	(1,241)	(4,370)	(2,832)	(680)	(213)	(16)	(213)	(7,877)	(6,724)
As % of Revenue	3.8%	15.9%	20.2%	22.7%	19.6%	20.5%					15.8%	20.2%
Attributable Product Margin	6,942	7,106	4,817	2,281	12,061	7,750	1,195	39	(63)	(235)	24,951	16,941
As % of Revenue	49.7%	52.9%	42.7%	41.8%	54.0%	56.1%					49.9%	51.0%
Total Non-directly Attributable costs	(4,728)	(4,404)	(3,821)	(1,790)	(7,554)	(4,534)	(809)	(156)	(1,160)	(864)	(18,102)	(11,748)
Operating Profit	2,214	2,702	996	491	4,506	3,216	386	(117)	(1,253)	(1,099)	6,849	5,193
Gross Product Margin, %	15.8%	20.1%	8.8%	9.0%	20.2%	23.3%					13.7%	15.6%
Finance costs, net	(234)	(242)	(528)	(230)	(882)	(499)	(180)	(35)	(5)	(1)	(903)	(1,400)
Net Product Margin	1,980	2,459	467	261	3,624	2,717	206	(152)	(1,258)	(1,100)	5,946	3,792
As % of Revenue	14.2%	18.3%	4.1%	4.8%	16.2%	19.7%					11.9%	11.4%

\*incl. Mobile Bank, FerBuy and Ferratum P2P



# Portfolio quality further improved

Portfolio NBV (EUR million)



EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
Dec. 31, 2016				
Current	153,394	(7,309)	146,085	4.8
1-90 days due	20,683	(5,359)	15,324	25.9
91-180 days due	14,736	(6,597)	8,139	44.8
>181 days due	58,197	(43,400)	14,797	74.6
<b>Total</b>	<b>247,010</b>	<b>(62,664)</b>	<b>184,346</b>	<b>25.4</b>

EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
Mar. 31, 2017				
Current	172,627	(8,190)	164,437	4.7
1-90 days due	25,422	(6,892)	18,530	27.1
91-180 days due	18,240	(8,100)	10,140	44.4
>181 days due	55,842	(42,659)	13,183	76.4
<b>Total</b>	<b>272,131</b>	<b>(65,841)</b>	<b>206,290</b>	<b>24.2</b>

# Solid balance sheet structure: high cash level driven by deposit growth

EUR '000	31 Mar 2017	31 Dec 2016
<b>Assets</b>		
Non-current assets	31,458	30,426
Accounts receivable – consumer loans (net)	206,290	184,346
Other receivables	8,788	7,298
Income tax assets	547	555
Cash and cash equivalents	64,600	73,059
<b>Total Assets</b>	<b>311,683</b>	<b>295,683</b>

EUR '000	31 Mar 2017	31 Dec 2016
<b>Equity and liabilities</b>		
Equity	93,447	87,875
Non-current liabilities	73,362	72,246
Current liabilities	144,873	135,563
of which deposits	118,795	101,436
<b>Total Equity &amp; Liabilities</b>	<b>311,683</b>	<b>295,683</b>
Net debt to equity ratio	1.64	1.53

- Accounts receivable growth as planned
- Deposit volume ahead of target and positive for further growth in lending business in 2017
- Replacement of bond expiring in January 2017 (WKN: A1Z4JU) with new EUR 25 million bond (WKN: A189MG) took place in December 2016 and caused higher balance sheet volume over year end
- Strategy 2017 is to use current high liquidity for growth of credit portfolio, i.e. only moderately grow balance sheet volume

# Operating cash flow positive – benefitting from deposit growth

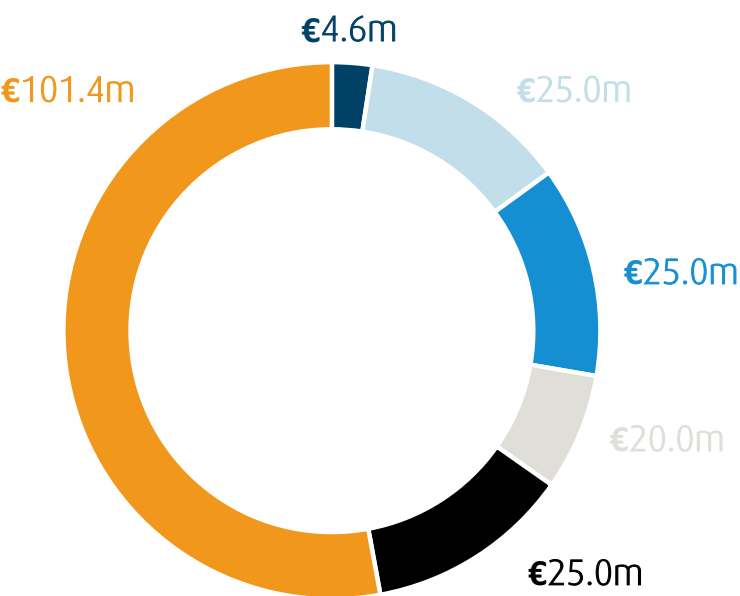
EUR '000

Assets	Q1 2017	Q1 2016
Net cash from operating activities before movements in portfolio and deposits	23,706	13,171
Net cash from operating activities	1,940	(11,401)
Net cash used in investing activities	(2,172)	(2,041)
Net cash used in financing activities	(8,487)	7,813
Net increase/decrease in cash equivalents	(8,719)	(5,629)
Cash and cash equivalents at the end of the period	64,600	11,184

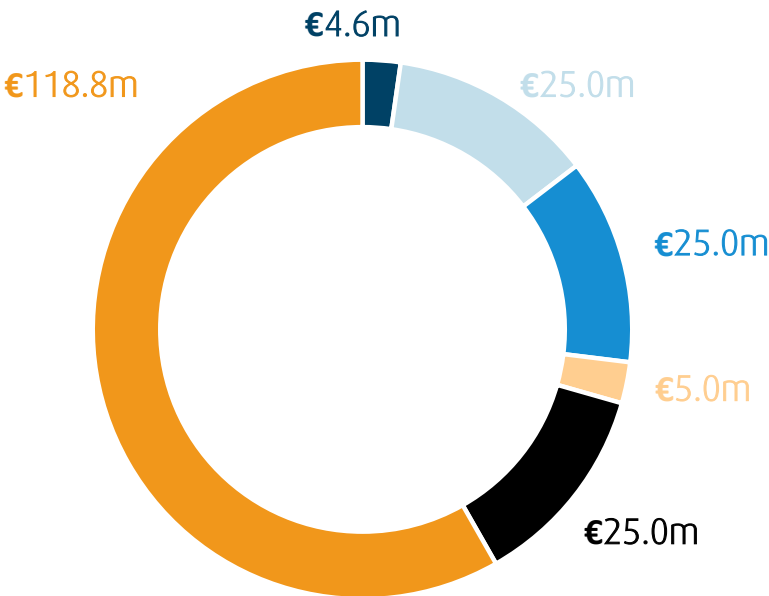
- Net cash from operating activities before movements in portfolio and deposits shows strong cash surplus from core business
- Net cash from operating activities now positive as deposit growth was stronger than credit portfolio growth

# Cost of capital

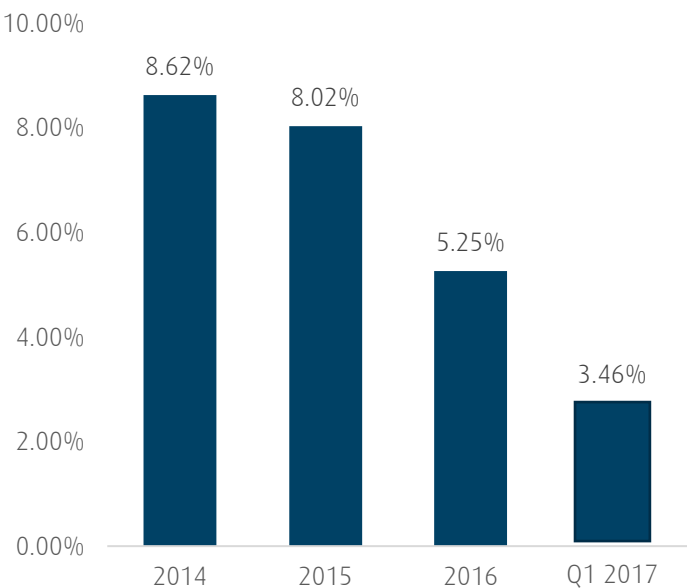
Financing Mix 2016



Financing Mix Q1 2017



Weighted average cost of funding



- Ferratum Capital Poland B2 6,5% + 6m Wibor 2017

■ Ferratum Capital Germany GmbH 8% 2018

■ Ferratum Capital Germany 4,875% 2019

■ Ferratum Bank 4,9% 2017

■ Ferratum Bank 6,25% + 3m Euribor 2020

■ Deposits

■ Nordea Credit Line



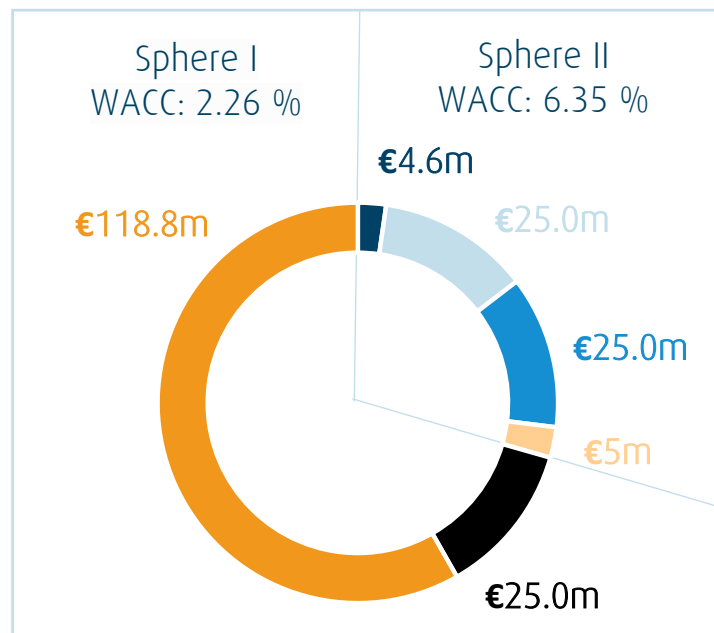
# Scope to further improve cost of capital over time

## Sphere I Operations

Countries covered by Ferratum Bank p.l.c.'s EU banking license



## Sphere I/II Financing Split Q1 2017



- Ferratum Capital Poland B2 6,5% + 6m Wibor 2017
- Ferratum Capital Germany 4,875% 2019
- Ferratum Bank 6,25% + 3m Euribor 2020
- Ferratum Capital Germany GmbH 8% 2018
- Nordea Credit Line
- Deposits

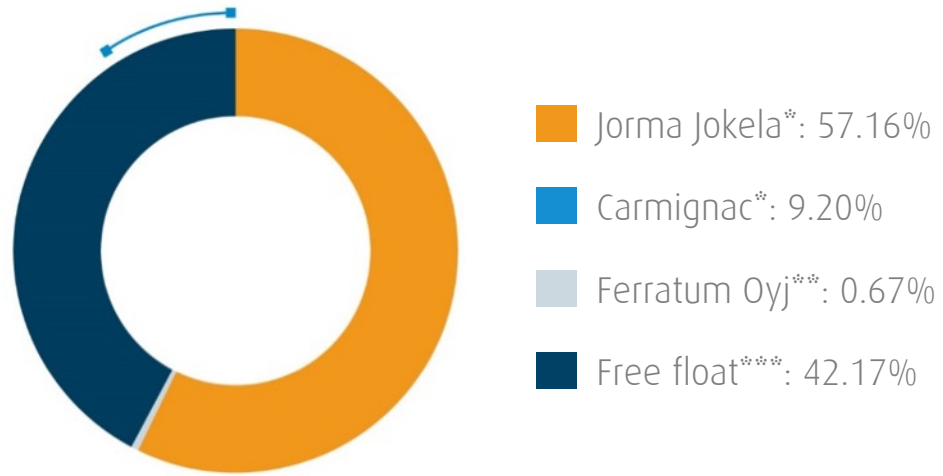
## Sphere II Operations

Countries / operations NOT currently covered by Ferratum Bank p.l.c.'s EU banking license



# Shareholder structure

## Shareholder structure



\* Shareholders holding above 5% of the shares based on the latest shareholder notifications received

\*\* Treasury shares

\*\*\* Free float includes shares held by Carmignac as well as shares from employees and management

## Financial Calendar

Date	Event
17 August 2017	Report for the first half-year 2017
16 November 2017	Report for the first nine months of 2017
27-29 November 2017	German Equity Forum

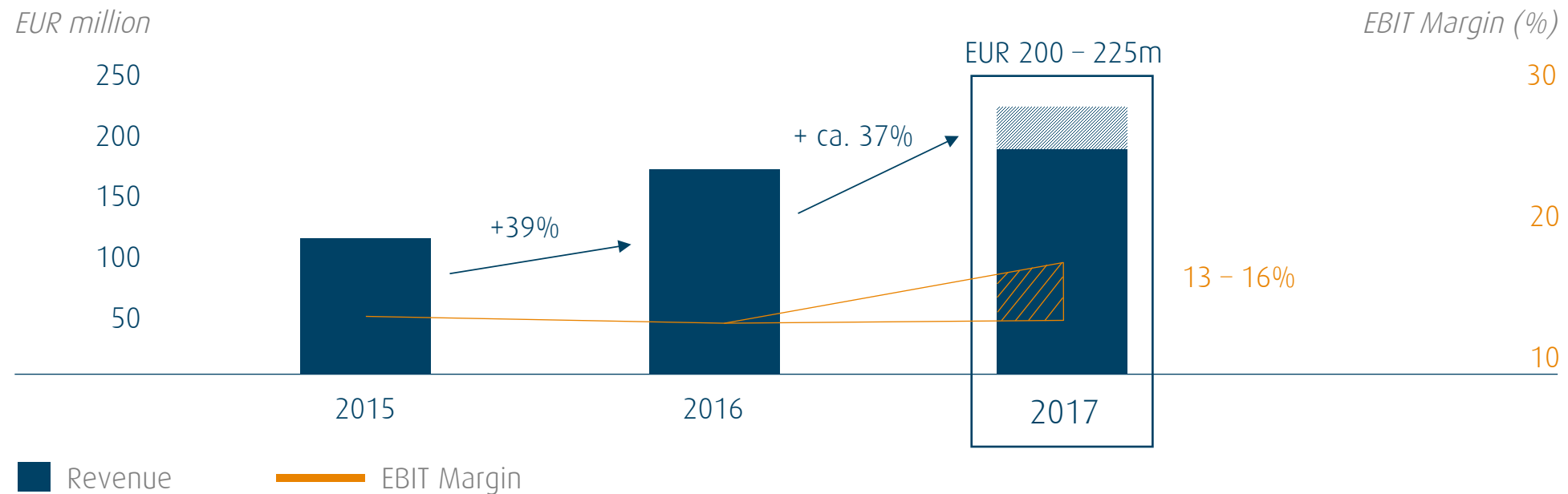


# 03

Outlook

# 2017 outlook

- Strong start to 2017, trading in line with management expectations
- Strategically important events post quarter-end: entry into Brazil, launch of Primeloan in Finland
- Expecting to launch the Mobile Bank in several more countries, and roll out Credit Limit, PlusLoan and Ferratum Business in additional markets, over the year ahead
- 2017 fiscal guidance reiterated





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# Contacts

## Investor Relations

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Thank You  
Kiitos Paljon  
Vielen Dank

