



ferratum

Corporate Presentation

September 2020

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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 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-

looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree.

All forward-looking statements included herein are based on information presently available to Ferratum and, accordingly, Ferratum assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

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H1 2020 Overview

15 Years of operation

20 Countries



Consumer lending
87% of revenues



CapitalBox (SME)
12% of revenues



Mobile Bank and Primeloan
1% of revenues

Key takeaways

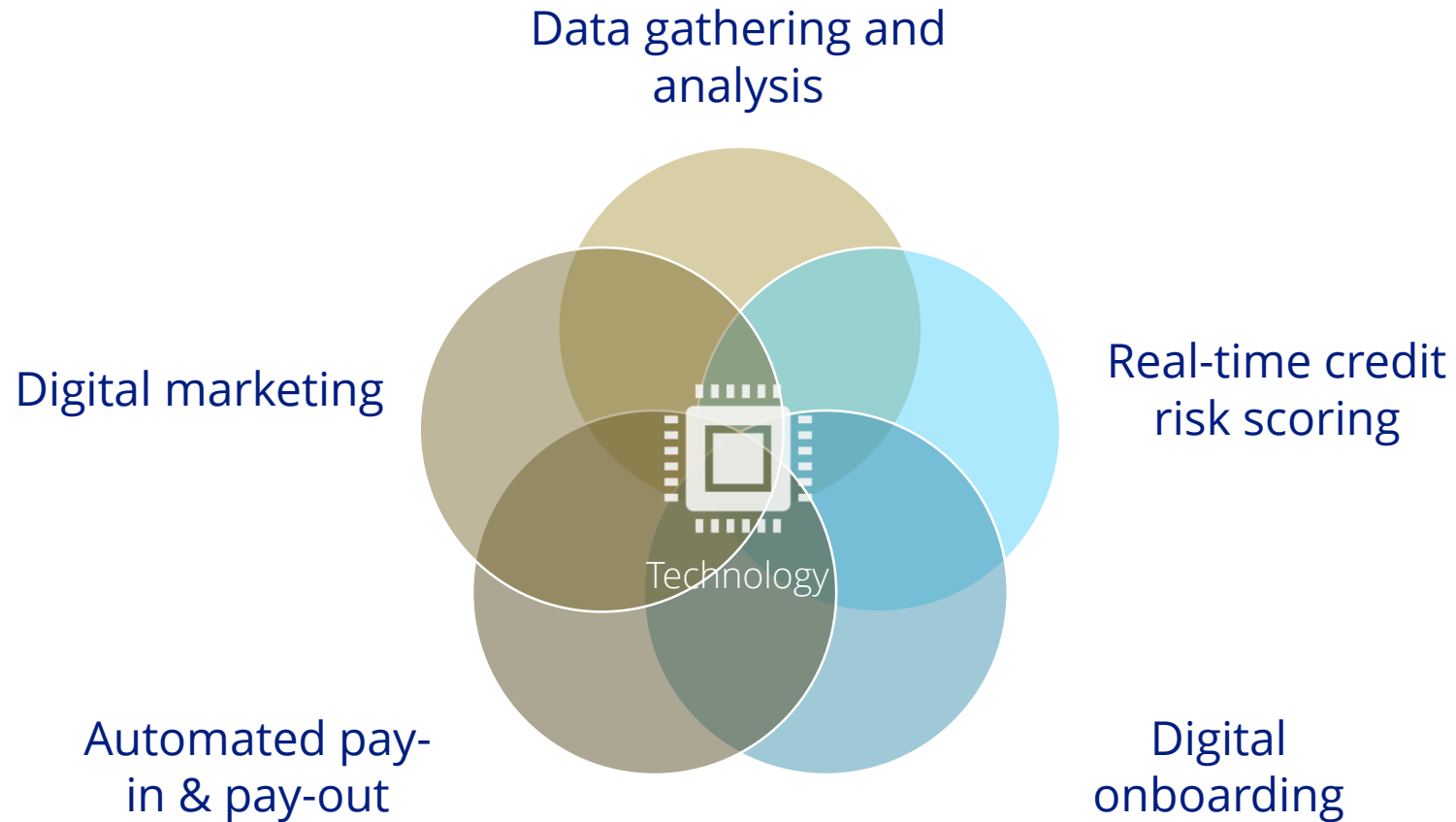
- **Successful execution of our 4-stage COVID-19 pandemic reaction plan:** Risk exposure well under control; cost base further reduced; financial metrics continued to strengthen; started to increase lending to re-activate growth in H2 20
- **Strong operational improvement in Q2 compared to Q1 20: EBIT of EUR 12.3m as a result of:** (1) focus on quality in lending activities, (2) sales related expenses reduced, (3) credit loss impairments down significantly
- **Continued focus on future growth:** Future growth initiatives progressing, Mobile Wallet live in first target market

€ 121.1m **-16.8%** **€ 12.3m** **€ 10.0m**

H1 2020 revenue Y-o-y revenue Q2 2020 EBIT H1 2020 EBIT



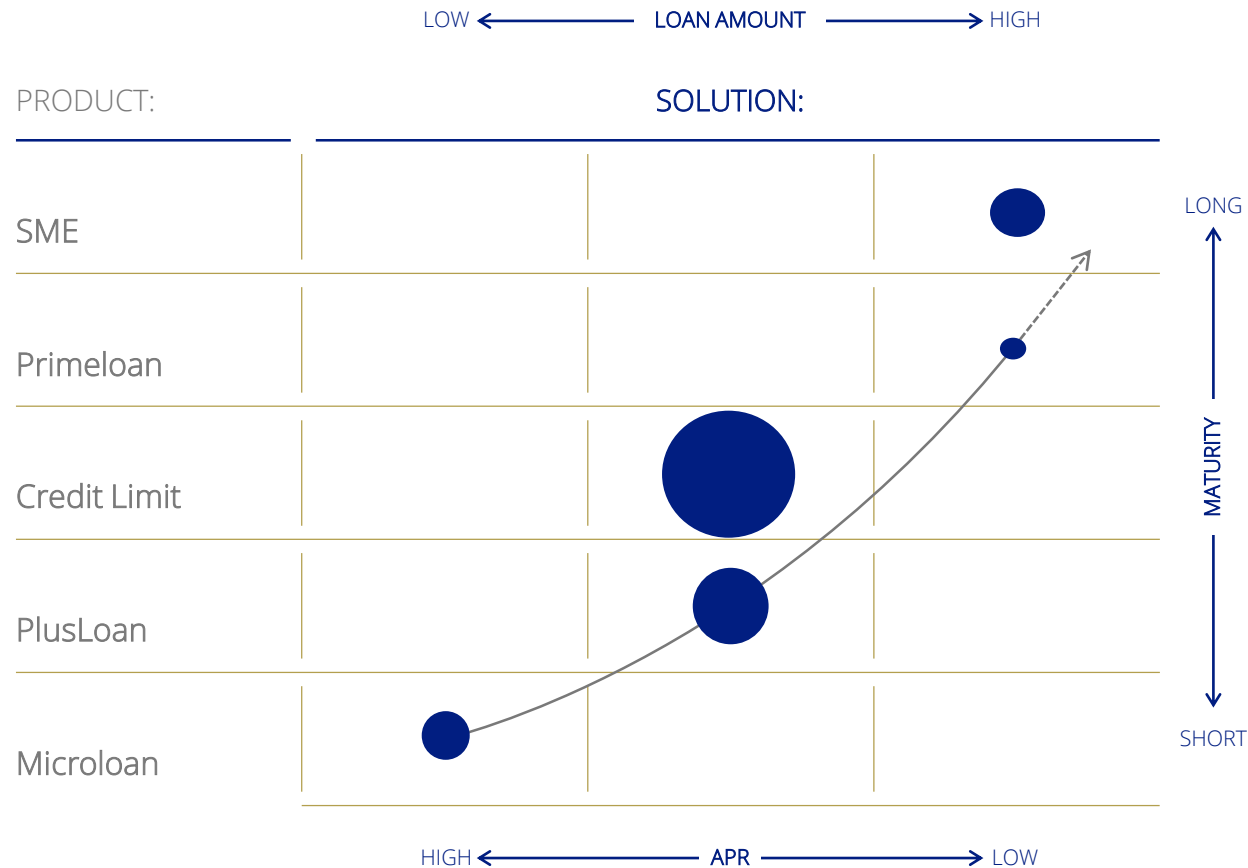
World class competencies and experience gained over the past 15 years form a competitive advantage



Entrepreneurial spirit and calculated risk-taking culture

Unique regulatory expertise globally

Lending product evolution continues to higher customer lifetime value



All products are based on the same principles:
Full digital setup and high user convenience,
real-time, paperless

SME – Business loan offering for small and medium size companies

Primeloan - strategic product for entering larger mass segments, launched already in four countries

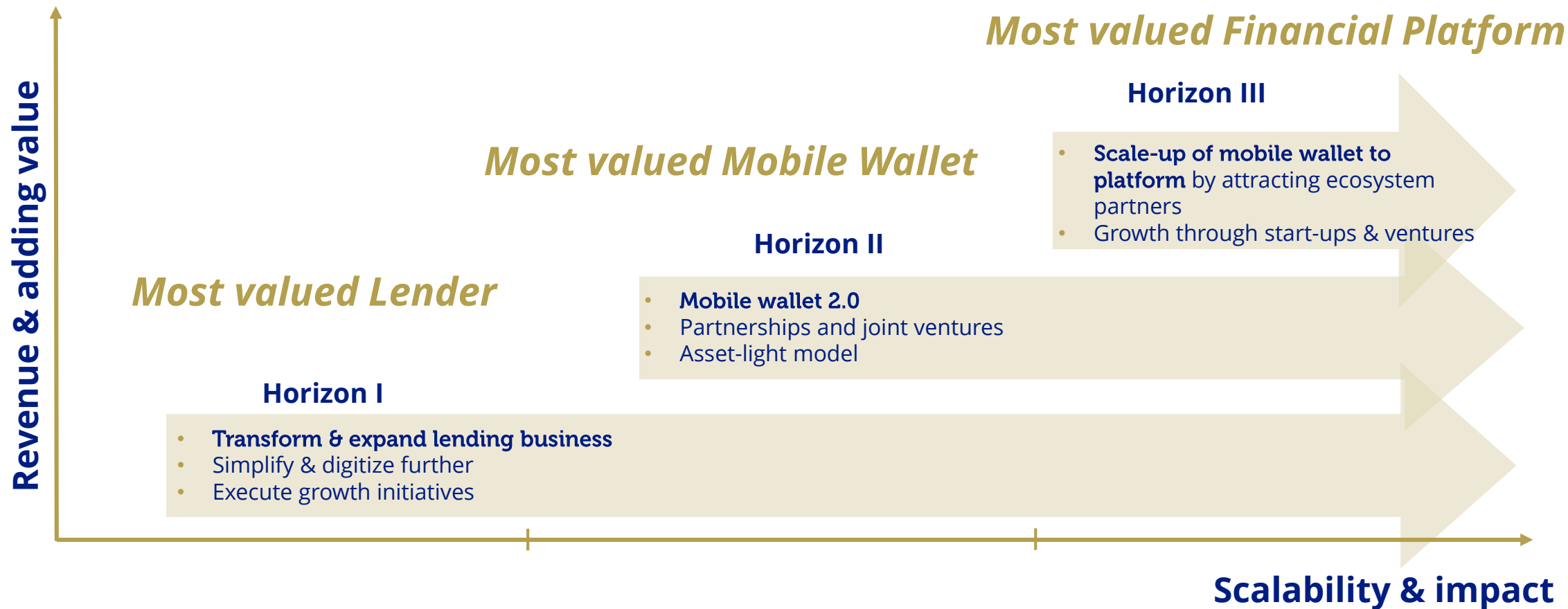
Credit Limit and PlusLoan continue to be the main components of revenue

Microloan strategically utilized primarily as a product to enter new markets, share is being reduced in established markets

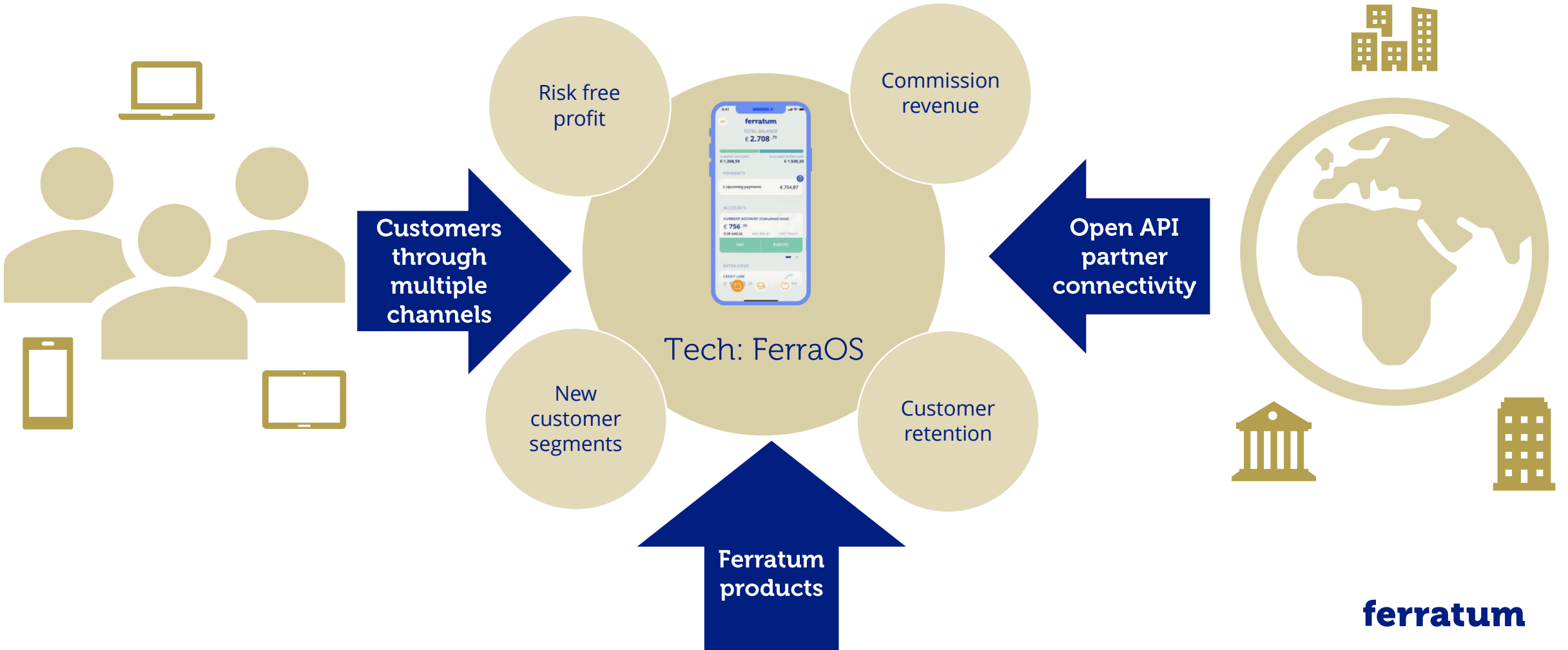
Credit Limit currently main revenue contributor, followed by PlusLoan and SME.

Currently small share with Microloan and Primeloan. Primeloan, SME and Wallet expected to contribute increasing revenue share.

We will achieve our strategic ambitions in three stages



Most valued financial platform: Scale-up Mobile Wallet to global financial platform and unlimited growth potential



CapitalBox: Serving underbanked SMEs in Europe with financial solutions

Our value proposition

Serving underbanked small businesses in Europe with financial and lending solutions: Fast, easy, digital and anytime access to financial services

Our vision

Establishing a European FinTech player serving small businesses with funding solutions

Our market potential

- EUR 400bn European wide funding gap for SME*
- 24.5m SME in Europe*
- 57% GDP contribution from SME*

*Source: 2018 SBA fact sheet, The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) produces the SBA fact sheets as part of the SME Performance Review (SPR), its main vehicle for economic analysis of SME issues.

Business lending rebranded to “CapitalBox”

– capturing the prospects in European SME digital lending

- **About CapitalBox: Ferratum’s SME business is now CapitalBox.** CapitalBox is a leading online lending platform focused on providing installment loans to SMEs. It is currently successfully active in 6 European markets
- **Growth story:** Over the last 5 years, CapitalBox has developed a strong track record of profitable growth
- **Strategic potential:** we want to develop CapitalBox into the leading online lending provider for SMEs in Europe
- **Purpose of Rebranding:** we intend to give more visibility to the Group’s SME business and reflect the broadened strategic portfolio of the Group in a clear branding strategy
- **Agile Market Focus:** we bundled the CapitalBox business in a lean, market oriented, agile organizational and legal structure – under continued support of the Ferratum Group to keep costs low
- **CapitalBox** during COVID-19: reduced lending significantly, especially in highly affected industries – currently increasing loan sales again
- **CapitalBox** during H2 2020: we will maintain risk sensitive approach, but are aiming at re-establishing growth mode
- **Visit CapitalBox at** <https://www.capitalbox.com/>

Update on Ferratum's COVID-19 action plan: Mitigation actions successful

1. Liquidity Management

Successful implementation of term deposits & cash collected from clients boost liquidity

- In Q2 20 deposits up by EUR 124m to EUR 443m
- Cash resources increased to EUR 382m
- No bond repayments due in 2020 and 2021

2. Tight Risk Control

Risk appetite reduced during early stage and peak of the pandemic

- Suspension of lending in selected markets pre-COVID
- Very solid repayment patterns
- Quality focus and stable risk KPIs result in significantly reduced impairments for Q2

3. Reduced Cost Base

Continued cost base reduction in Q2 20 vs. Q1 20 =>

Successful cost reduction had a substantial positive impact on earnings

- Personnel expenses reduced by EUR 1.6m (within 9 months headcounts reduced by more than 200 to 678)
- Other operating expenses decreased by EUR 1.5m
- Selling & Marketing expenses reduced temporarily by EUR 4.5m

4. Go for Opportunities

Ferratum has pursued its investments in future growth => important milestone in business lending and wallet achieved in Q2 20

- Business lending: Structuring an own entity successfully completed; rebranded to CapitalBox
- Mobile Wallet introduced in Latvia and scope of product features extended (NFC etc) – further markets will follow in the next quarters
- Operating model improved: will accelerate innovations and strengthen focus on market & business development
- Back to growth mode: after peak of the crisis, loan sales have accelerated during Q2

Management view on H2 2020

- **Lending activities:** Management intends to selectively increase its lending activities in H2 20, especially in higher quality loans with a better lifetime value
- **Impairments:** With potential increasing credit volume, impairments may increase, driven by provisioning of new loans – but trend in payment behavior has been very strong over the last months
- **Marketing expenses:** Marketing expenses could potentially have reached the bottom and will increase in H2 20 with increased business activities
- **Cost management:** Continue to improve automation and efficiency; maintain focus on cost initiatives
- **Funding:** Very strong cash base. Deposits increased to during Q2 20, interest rates have been reduced significantly at beginning of Q3 to achieve target structure and target volume. Utilization of deposit funding has been improved. Strategic funding opportunities under evaluation.
- **Investing in future growth:** Management expects continued growth during H2. Ferratum will continue to push CapitalBox (SME) to form a leading European wide digital SME lender. Wallet: prepare next market entries

Summary and key takeaways

- **Successful execution of our 4-stage COVID-19 pandemic reaction measures:** Risk exposure well under control; cost base further reduced; financial metrics continued to strengthen; prepared to increase lending and to re-activate growth in H2 20
- **Strong operational improvement compared to Q1 20: EBIT of EUR 12.3m as a result of:** (1) focus on quality in lending activities, (2) overall cost level and sales related expenses reduced, (3) impairments down significantly
- **Continued investments in future growth:** Future growth initiatives progressing, Mobile Wallet live in first target market



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H1 2020 FINANCIAL OVERVIEW

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H1 2020 overview of key financial metrics: EBIT turnaround achieved in Q2

| in EUR m | Q1 2020 | Q2 2020 | H1 2020 | H1 2019 | % change |
|--|---------|---------|---------|---------|----------|
| Revenue | 65.604 | 55.535 | 121.139 | 145.613 | -16.8% |
| EBIT | -2.292 | 12.258 | 9.965 | 20.546 | -51.5% |
| in% of Revenue | -3.5% | 22.1% | 8.2% | 14.1% | -5.9PP |
| Adjusted EBIT (excluding COVID-19 related impairments) | 5.481 | 12.258 | 17.738 | 20.546 | -13.7% |
| in% of Revenue | 8.4% | 22.1% | 14.6% | 14.1% | +0.5PP |
| EBT | -8.283 | 6,776 | -1,506 | 12,401 | n.m. |
| in% of Revenue | -12.6% | 12.2% | -1.2% | 8.5% | -9.7PP |
| profit after tax | -8.375 | 6.084 | -2,290 | 10,540 | n.m. |
| in% of Revenue | -12.8% | 11.0% | -1.8% | 7.2% | -9.0PP |
| EPS | -0.39 | 0.28 | -0.11 | 0.49 | n.m. |
| Equity Ratio | -7.1% | 15.8% | 15.8% | 20.9% | -5.1PP |
| ND /E | 2.79 | 2.27 | 2.27 | 2.72 | -16,5% |

- Y-o-y revenue movement of -16.8%:
 - (1) COVID-19 impact as of early March 2020
 - (2) Lending put on hold in selected markets
- EBIT turnaround achieved for H1 despite decreasing revenues
 - Cost reduction measures
 - Decreasing impairments in Q2 vs Q1 due to
 - (1) no further COVID-19 related provisions in Q2 20 and
 - (2) quality focus in lending; restrictive underwriting
 - sales related expenses reduced during Q2
- EBT turnaround achieved in Q2
 - cost impact of high volatility in key currencies during H1 (EUR 2.9m)
 - interest rate expenses reduced in Q2 vs Q1 (EUR 40m bond repayment)
- Leverage structure end of June 2020: ND/E improved y-o-y to 2.27 (H1 2019: 2.72):

Strong liquidity in terms of volume and structure - balance sheet ratios continue to remain strong

| EUR '000 | 30 June 2020 | 31 Dec 2019 | % Change |
|--|----------------|----------------|--------------|
| Assets | | | |
| Non-current assets | 60,420 | 60,512 | -0.2% |
| Accounts receivable – customer loans (net) | 334,716 | 386,167 | -13.3% |
| Other receivables | 11,858 | 14,463 | -18.0% |
| Income tax assets | 2,765 | 2,167 | 27.6% |
| Cash and cash equivalents | 381,831 | 155,518 | 145.5% |
| Total Assets | 791,590 | 618,827 | 27.9% |

| EUR '000 | 30 June 2020 | 31 Dec 2019 | % Change |
|---------------------------------------|----------------|----------------|--------------|
| Equity and liabilities | | | |
| Equity | 125,389 | 129,138 | -2.9% |
| Non-current liabilities | 219,826 | 174,236 | 26.2% |
| Current liabilities | 446,375 | 315,453 | 41.5% |
| Of which deposits | 442,888 | 242,161 | 82.9% |
| Total Equity & Liabilities | 791,590 | 618,827 | 27.9% |
| Net debt to equity ratio | 2.27 | 2.59 | -12.4% |

- Total Assets up by 27.9%, driven by cash from deposits and repayments
- Loans to customers (net) down by -13.3% to EUR 335m along management's expectations
- Management actions to reduce lending activities and risk exposure in some markets
- Deposit volume up from EUR 242m at the end 2019 to EUR 443m at the end of Q2 2020
- Deposit quality improved further – shift of deposits from overnight money towards longer durations, volumes will be reduced during Q3
- Healthy equity ratio at 15.8% and low leverage with a ND/E ratio of 2.27 (bond covenant 3.5)

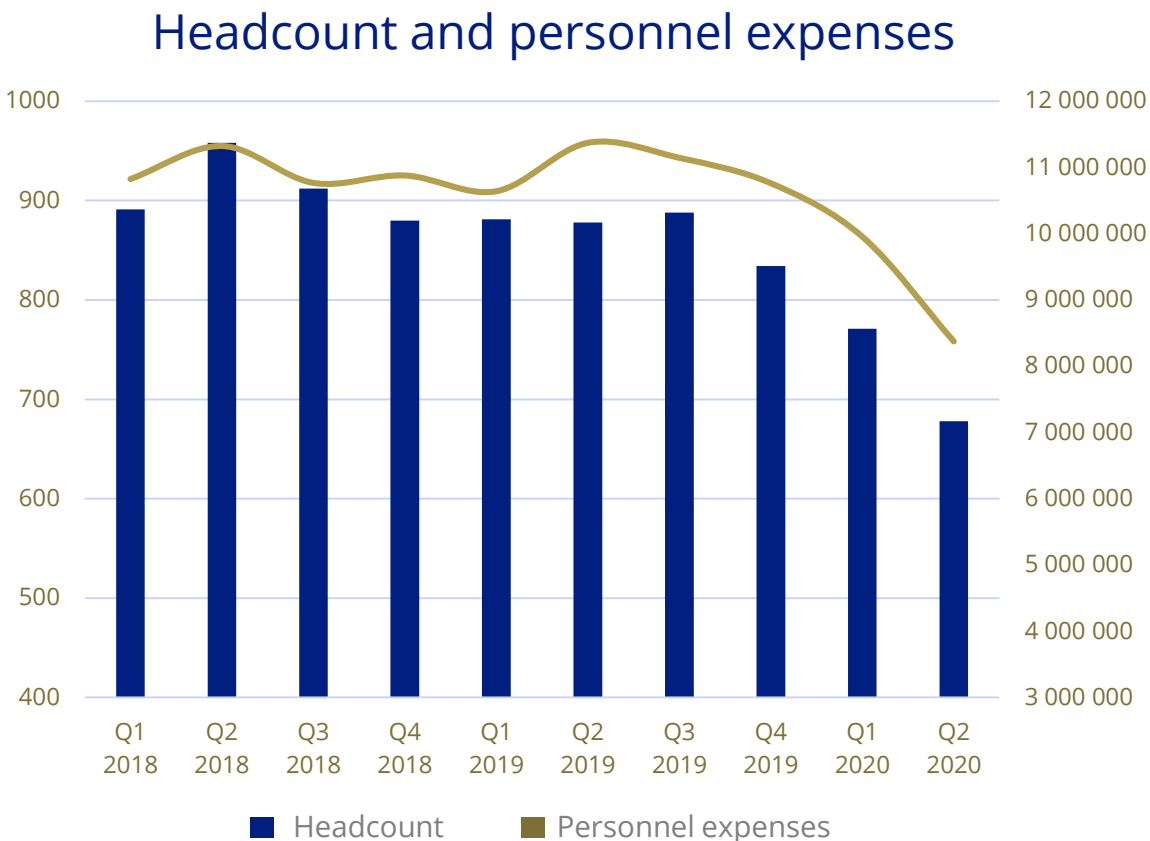
Cost reduction: substantial progress in creating a leaner organization

Personnel expenses

- Decrease in headcount > 200 y-o-y
- Reduction in staff cost of 16.7% in H1 2020 vs H1 2019

Operational expenses

- Sales related expenses reduced temporarily
- Increased efforts to boost automation
- Market and product related initiatives continued during the pandemic

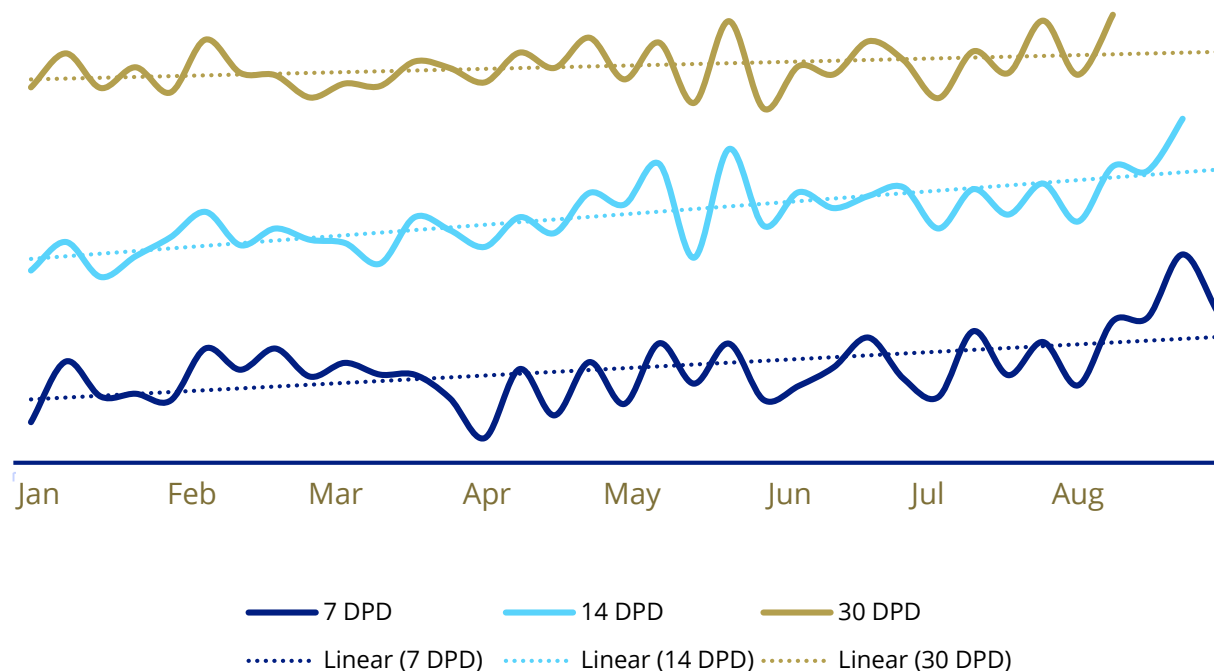


Overall payment behavior improves in H1 2020 despite COVID-19

Payment behavior and impairments

- Ferratum has adjusted its scoring and underwriting criteria for a deteriorating macroeconomic environment
- Lending suspended in Spain, Canada and Poland
- Selective and country specific new lending guidelines in all active markets
- Approval rate for new customers was down by 45% at the peak of the pandemic but nearly back to pre COVID-19 levels by end of June
- Decreased loan disbursement volumes based on combination of restrictive lending, lower marketing and less demand
- Impairments in Q1 contain a EUR 7.8m COVID-19 related provision reflecting expected deterioration of payment behaviour
- Payment behavior stable as per mid August 2020

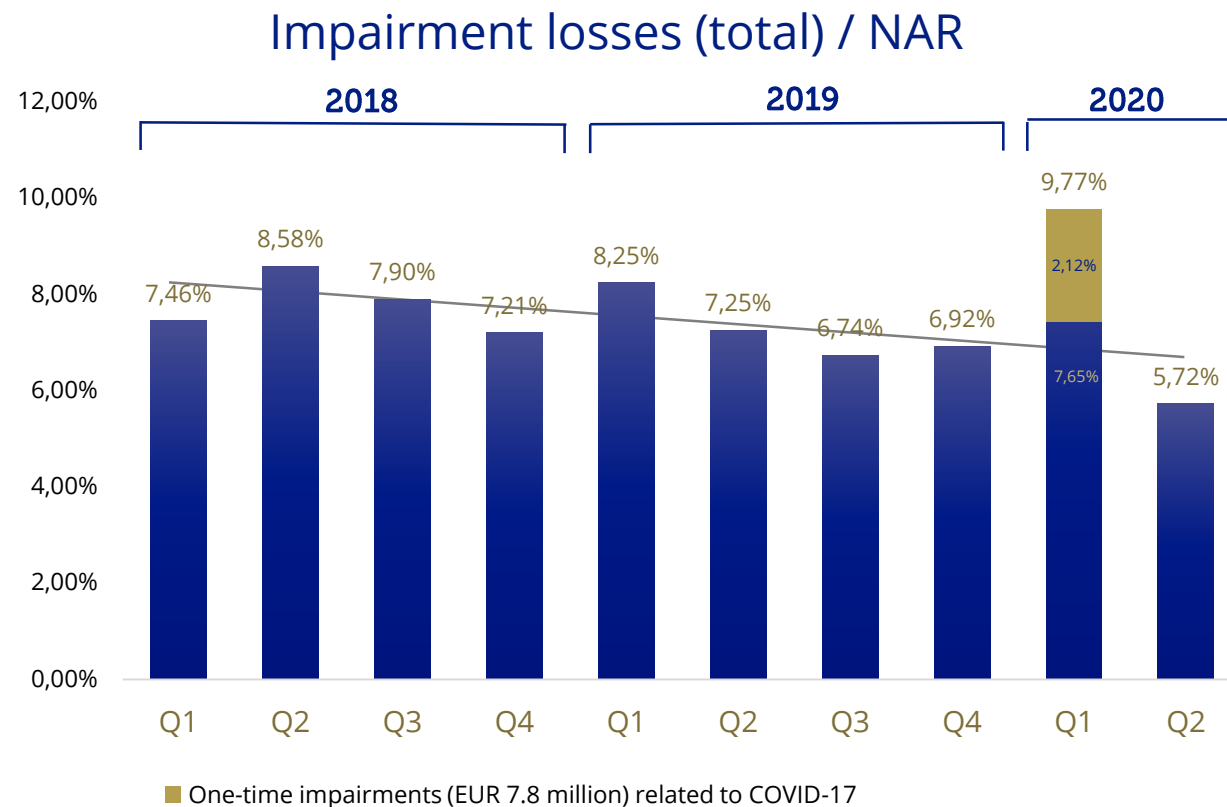
Invoices paid within 7, 14 and 30 DPD



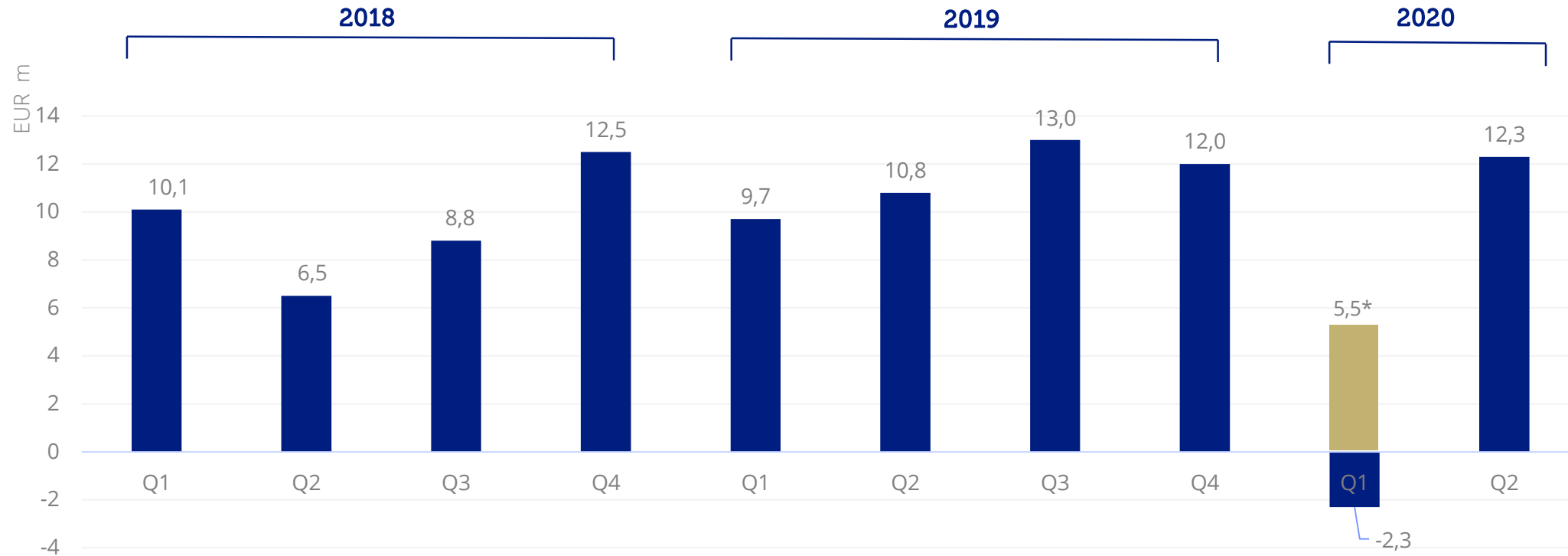
Improving mid term trend in payment behavior continues

IFRS 9 is a sophisticated standard calculating the expected loss introduced 1.1.2018

- Front loaded reserving model: ~6.7% loss provions (Q1) at disbursement date, whereas interest is recorded during the term of the loan
- The model is very sensitive to volatility in early payment behavior, as seen in Q2 2018 and Q1 2019
- Mid-term improving trend in impairment losses over NAR continues
- Core Parameter Probability of default (PD) has improved for 15 consecutive months - in total by 23%
- Forward looking Macroeconomic impact reflected in total impairments
- Potential negative macroeconomic impact on payment behavior has so far been mitigated in full

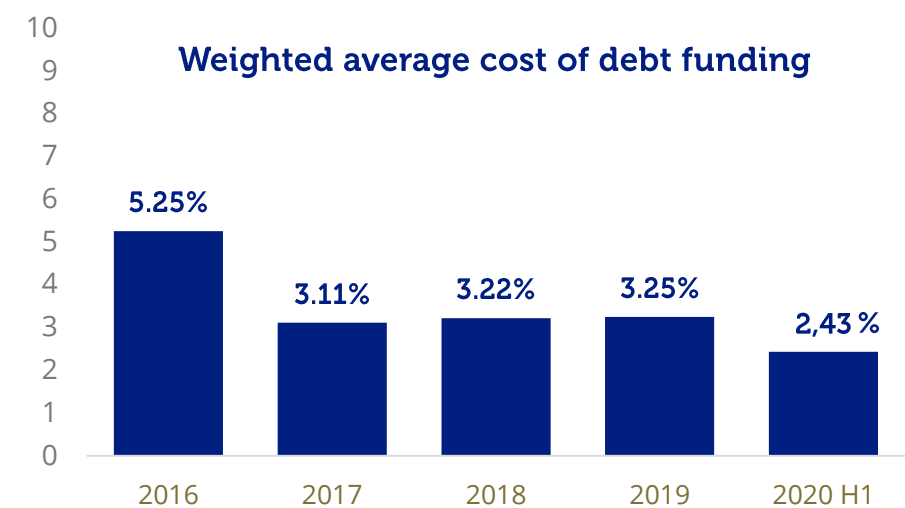
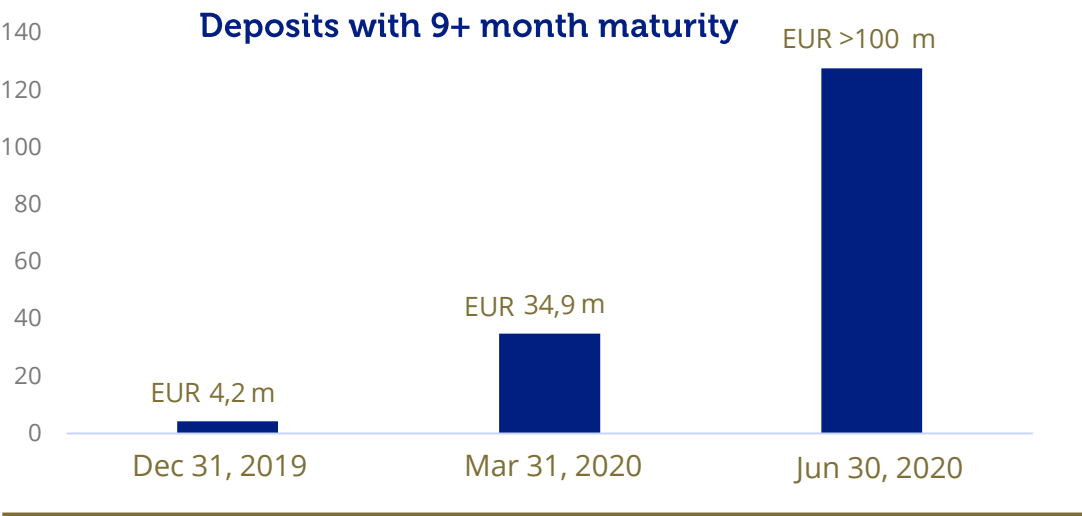
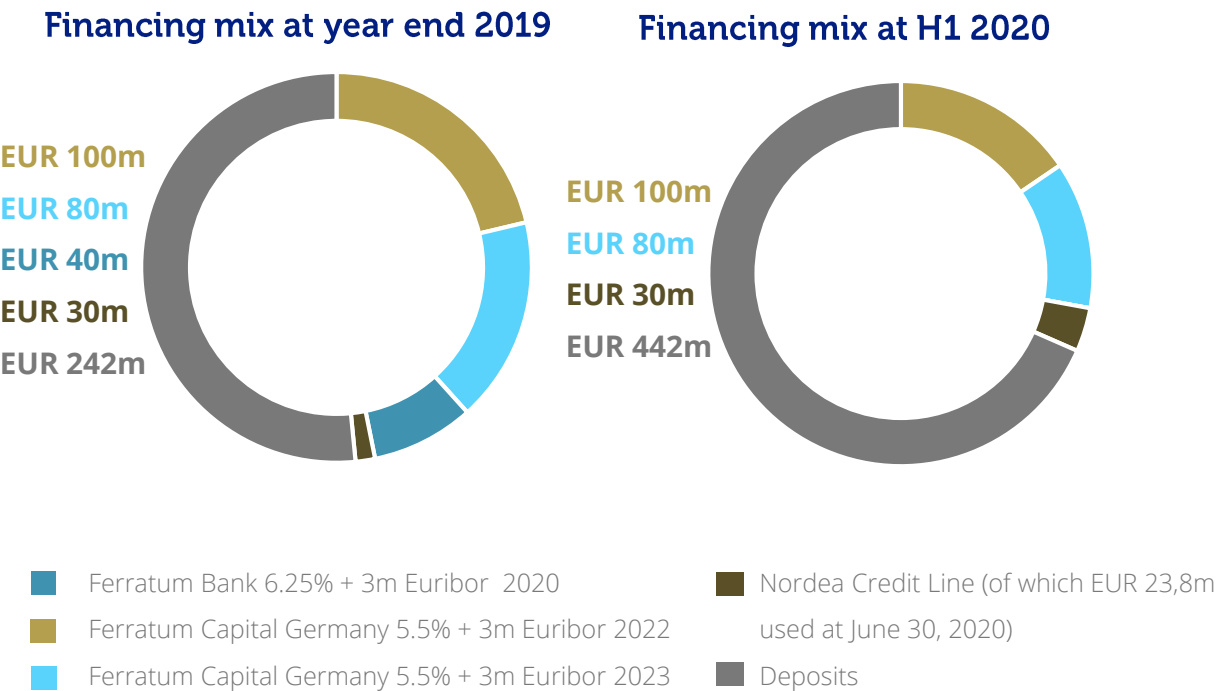


EBIT Development



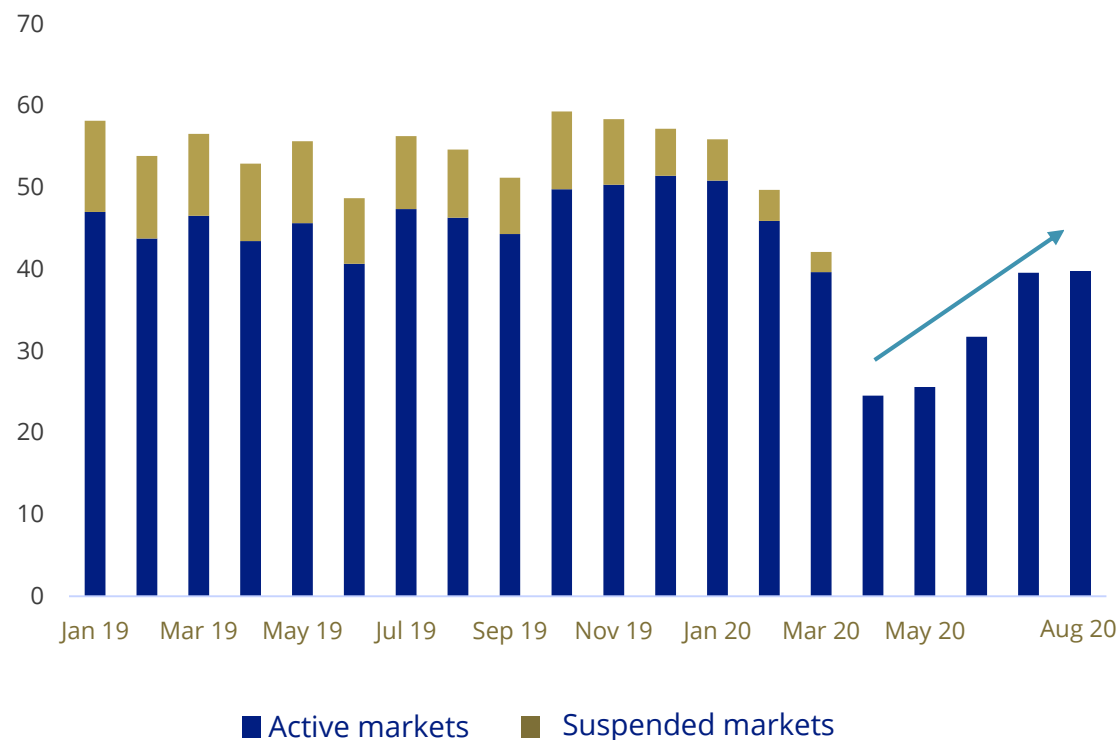
* Adjusted EBIT excluding COVID-19 related impairments

Funding structure and cost of debt capital

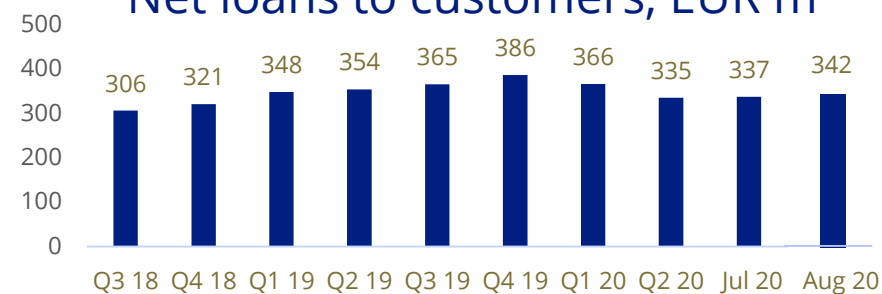


Reactivating growth in H2 20: Management expect to selectively increase lending volume

Loan volume disbursed, EUR m



Net loans to customers, EUR m



- Increasing lending volumes since May 2020
- Focus on markets which show a strong payment behavior
- Focus on higher quality credit segments
- Loan book (Net loans to customers) stabilized and starts to increase again
- H2 2020: Accelerated lending expected - provided economic conditions support growth

Contact information

Investor Relations

Bernd Egger

Chief Financial Officer

Telephone: + 49 173 7931235

e-Mail: [bernd.egger\(at\)ferratum.com](mailto:bernd.egger@ferratum.com)

Paul Wasastjerna

Head of Investor Relations,

Fixed-Income

Telephone: +358 40 7248247

e-Mail: [paul.wasastjerna \(at\) ferratum.com](mailto:paul.wasastjerna@ferratum.com)

Headquarters

Ferratum Group

Ratamestarinkatu 11 A

00520 Helsinki, Finland

Telephone: +358 9 4245 2356

| Date | Financial Calendar Events |
|------------|----------------------------|
| 19.11.2020 | Ferratum Group: 9M results |



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Backup slides

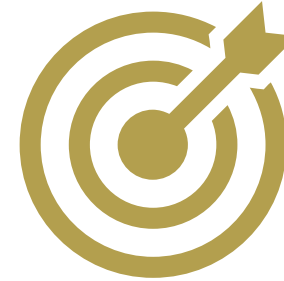
Our vision is to become the “Most valued financial platform”



Vision

“Most valued financial platform”

“We have always strived to offer our customers the fastest, easiest and most convenient loans. Now, we bring this vision beyond lending and into the whole financial field. To achieve this, we ensure the best possible customer experience, use and develop scalable technology, continue to build unique scoring and utilize world class data”

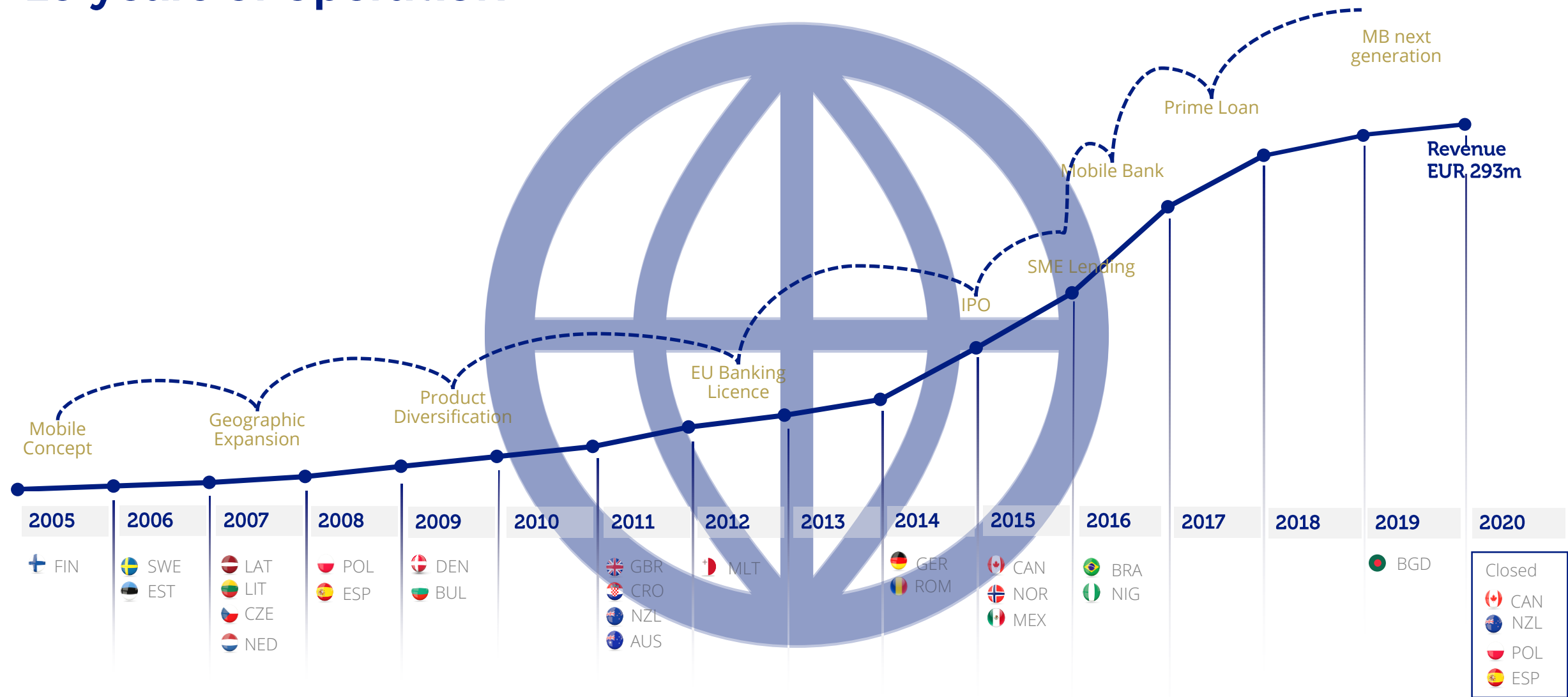


Mission

“More than money to everyone”

“We strive to offer everyone globally value beyond money through fastest, easiest and best customer experience”

15 years of operation



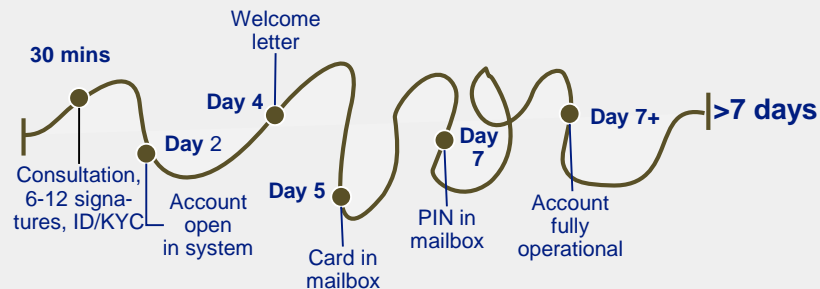
Future Perspective: Mobile Wallet at the core of all our customer interactions

Loan application process

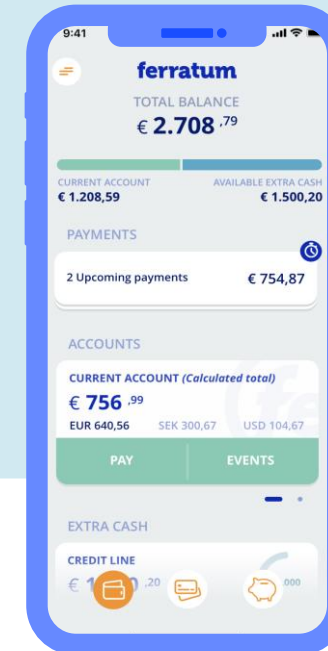
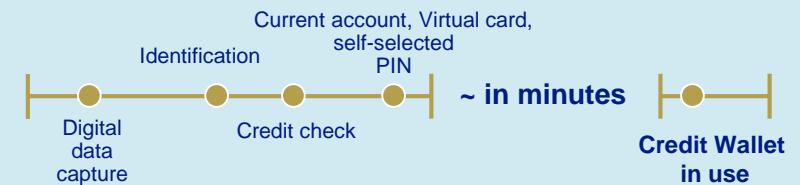
Traditional banks



Current account opening process

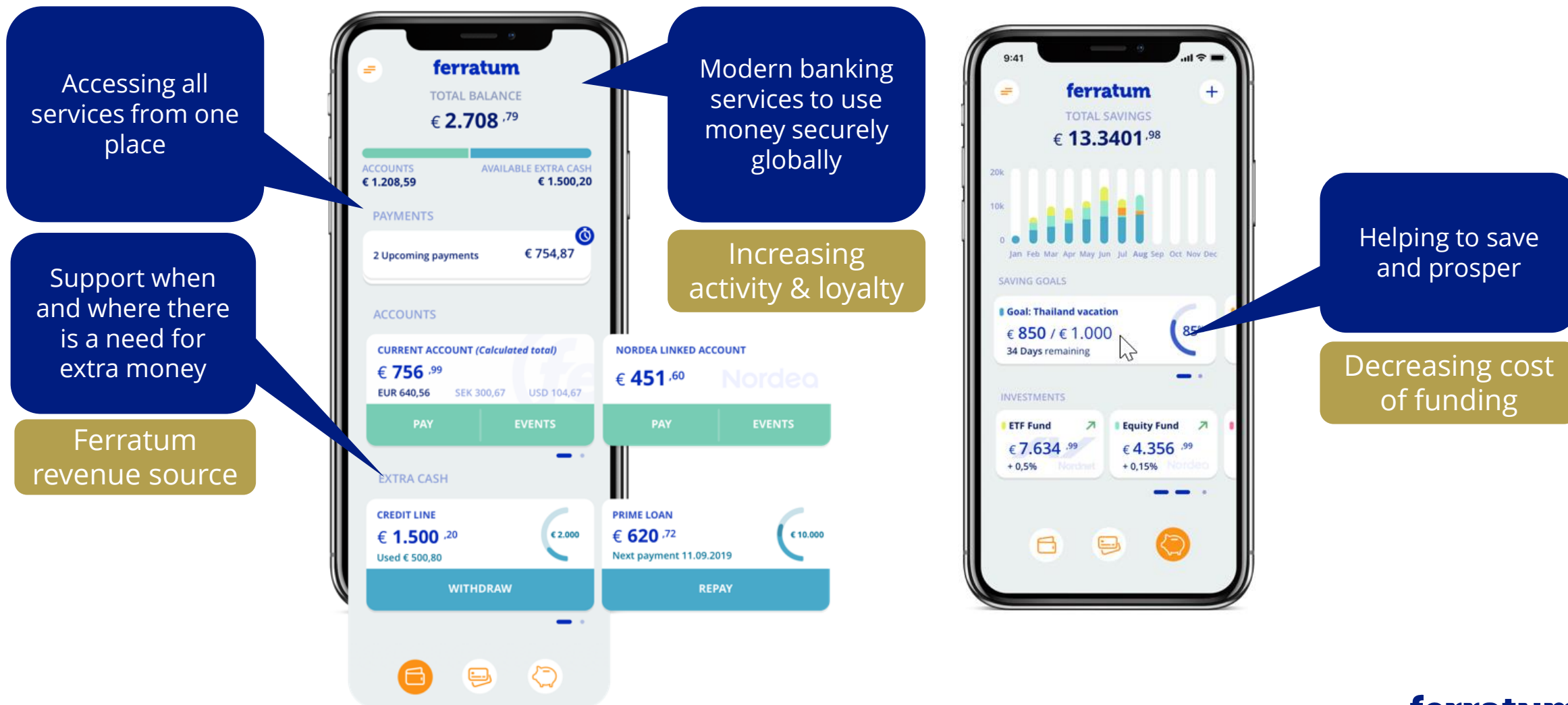


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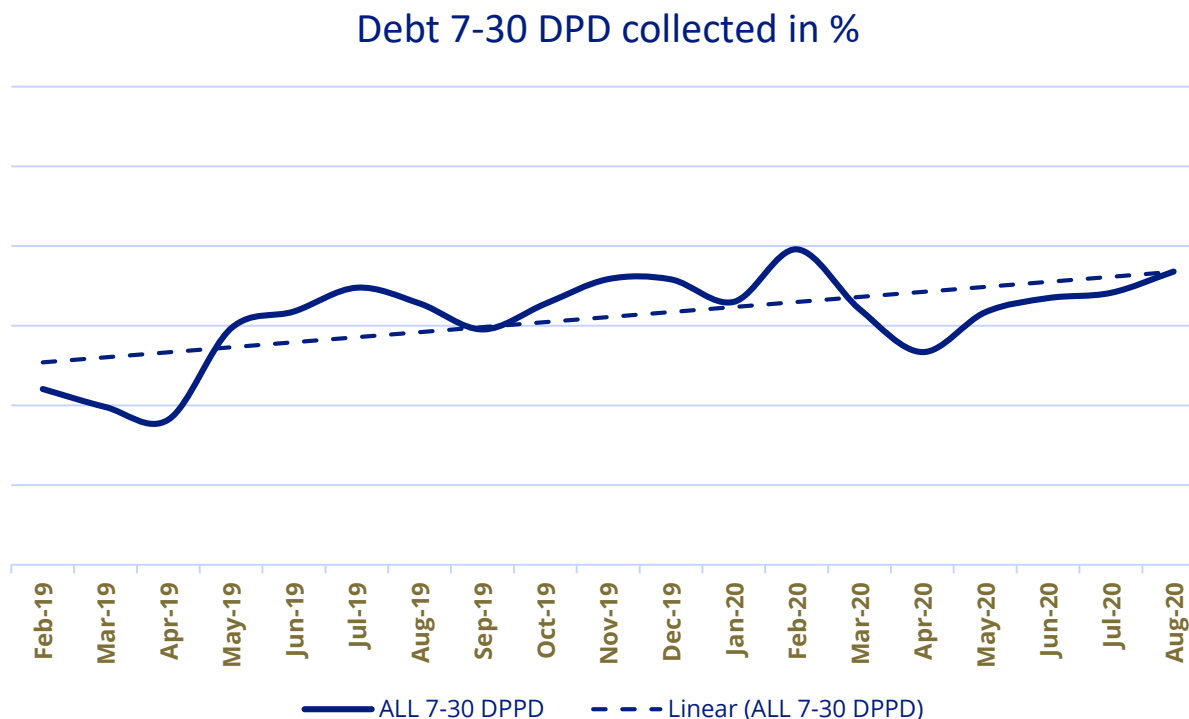
Ferratum Wallet – a win-win model for all

- Benefits for customers
- Benefits for Ferratum



The collections performance continues to improve

- Collection performance improved even though cash flow plans of individuals and businesses were impacted during Q2 2020
- In many countries COVID-19 specific laws (i.e. moratoria) have been implemented that support individuals but restrict collection activities
- Ferratum has applied a collection approach of cooperation, flexibility and search for consensual solutions: **“stay in touch with customers and find solutions”**



Strengthened focus on core products during H1

| Products | Average Loan Value | Average Loan Term | Revenue Share | H1 Revenues by Product (€,000) | | Active Markets | Comments |
|--|--------------------|-------------------|---------------|--------------------------------|--------|----------------|--|
| Primeloan (incl. Mobile Bank) €3,000 – €20,000 / 1 – 10 Years term | €6,162 | 5.1 years | 1.3% | 2019 | 1 637 | -1% y-o-y | 4 (4) <ul style="list-style-type: none">Primelending live in 4 markets, speed of role out will be function of economic conditions |
| | | | | 2020 | 1 616 | | |
| CapitalBox (SME) Up to €250,000 / 6 – 24 Month term | €14,611 | 479 days | 12.4% | 2019 | 13 004 | +15% y-o-y | 6 <ul style="list-style-type: none">Revenue increase driven by strong start into 2020 (pre COVID-19) |
| | | | | 2020 | 15 004 | | |
| Credit Limit Up to €4,000 / Digital revolving credit line | €1,365 | N/A | 59.7% | 2019 | 78 720 | -8% y-o-y | 8 <ul style="list-style-type: none">Revenue reduction kept low in this segment since the business benefits during pandemic from sustainable business relation to existing clients |
| | | | | 2020 | 72 267 | | |
| PlusLoan €300 – €5,000 / 2 – 36 Month term | €858 | 415 days | 18.0% | 2019 | 32 874 | -33% y-o-y | 8 <ul style="list-style-type: none">PlusLoan suspended in Poland early in 2020, in current market condition moderate investment in PlusLoan segment |
| | | | | 2020 | 21 818 | | |
| Microloan €25 – €1,000 / 7 – 90 Day term | €219 | 28 days | 8.6% | 2019 | 19 379 | -46 % y-o-y | 7 <ul style="list-style-type: none">Discontinued lending in New Zealand, Poland and Russia; overall reduced lending during H1 |
| | | | | 2020 | 10 436 | | |

Continued shift towards longer-term lending products

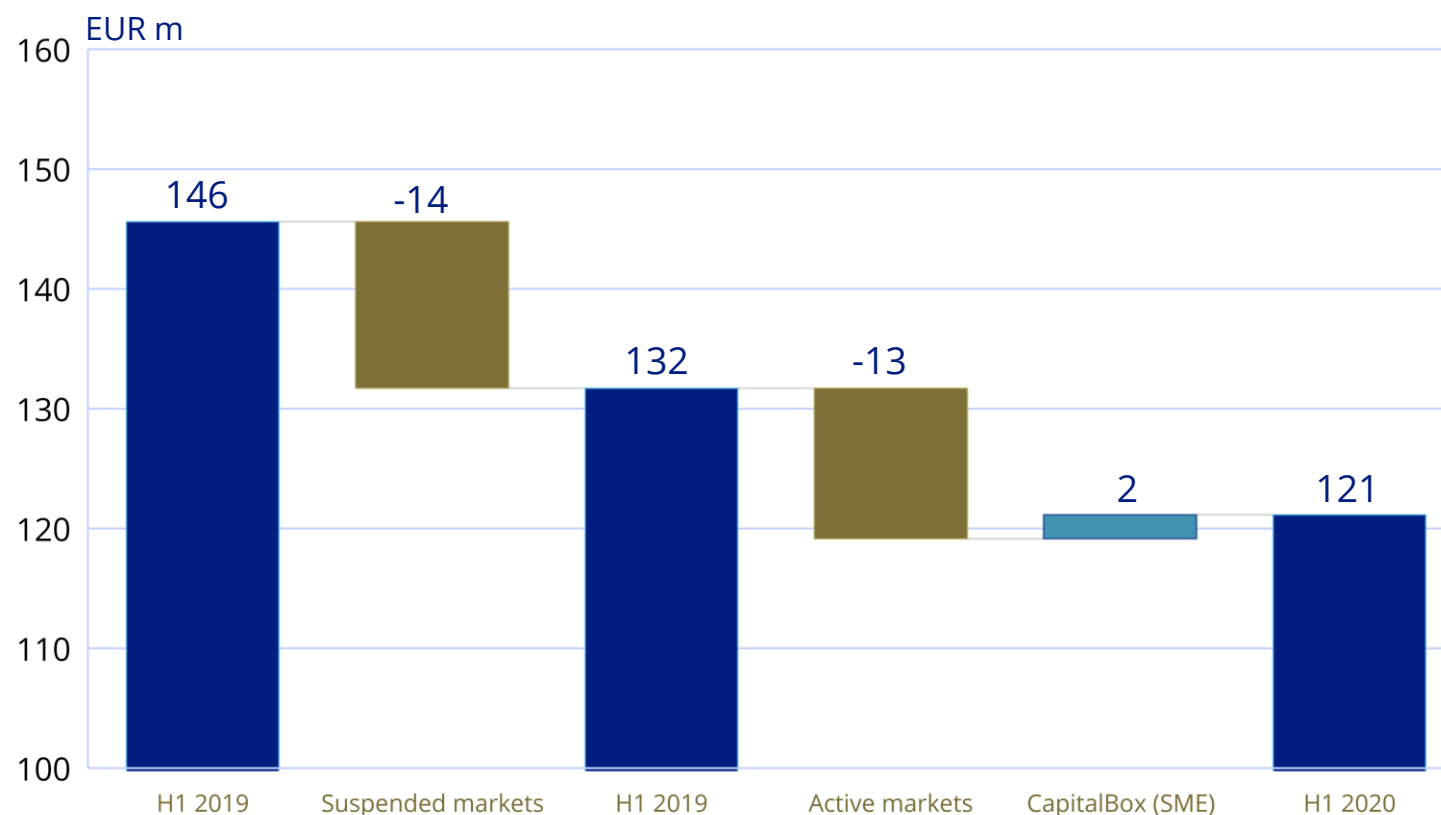
| EUR '000 | Microloan | | PlusLoan | | Credit Limit | | CapitalBox | | Mobile Bank and Primeloan | | Total | |
|---------------------------------------|--------------|--------------|----------------|--------------|---------------|---------------|-------------|---------------|---------------------------|----------------|----------------|---------------|
| | H1 2020 | H1 2019 | H1 2020 | H1 2019 | H1 2020 | H1 2019 | H1 2020 | H1 2019 | H1 2020 | H1 2019 | H1 2020 | H1 2019 |
| Revenue | 10,436 | 19,379 | 21,818 | 32,874 | 72,267 | 78,720 | 15,004 | 13,004 | 1,616 | 1,637 | 121,139 | 145,613 |
| Impairments | (4,033) | (7,908) | (17,340) | (13,820) | (25,621) | (25,954) | (5,719) | (4,610) | (2,024) | (2,043) | (54,738) | (54,335) |
| As % of Revenue | 38.7% | 40.8% | 79.5% | 42.0% | 35.5% | 32.9% | 38.1% | 35.5% | 125.3% | 124.8% | 45.2% | 37.3% |
| Marketing | (885) | (1,400) | (1,946) | (3,956) | (4,835) | (11,947) | (1,770) | (2,764) | (239) | (630) | (9,673) | (20,698) |
| As % of Revenue | 8.5% | 7.2% | 8.9% | 12.0% | 6.7% | 15.1% | 11.8% | 21.3% | 14.8% | 38.5% | 8.0% | 14.2% |
| Attributable Product Margin | 5,518 | 10,072 | 2,536 | 15,100 | 41,818 | 40,825 | 7,516 | 5,631 | (647) | (1,036) | 56,741 | 70,591 |
| As % of Revenue | 52.9% | 52.0% | 11.6% | 45.9% | 57.9% | 51.9% | 50.1% | 43.3% | - | - | 46.8% | 48.5% |
| Total Non-directly Attributable costs | (3,773) | (6,457) | (7,887) | (10,955) | (26,125) | (26,231) | (5,424) | (4,333) | (3,567) | (2,069) | (46,776) | (50,045) |
| Operating Profit | 1,746 | 3,614 | (5,351) | 4,146 | 15,693 | 14,594 | 2,092 | 1,297 | (4,214) | (3,105) | 9,965 | 20,546 |
| Gross Profit Margin, % | 16.7% | 18.7% | (24.5%) | 12.6% | 21.7% | 18.5% | 13.9% | 10.0% | - | - | 8.2% | 14.1% |
| Finance costs, net | (358) | (563) | (1,495) | (1,608) | (4,489) | (3,457) | (1,650) | (1,365) | (424) | (271) | (11,472) | (8,145) |
| Profit before tax | 1,388 | 3,052 | (6,847) | 2,538 | 11,205 | 11,136 | 442 | (68) | (4,638) | (3,376) | (1,506) | 12,401 |
| As % of Revenue | 13.3% | 15.7% | (31.4%) | 7.7% | 15.5% | 14.1% | 2.9% | (0.5%) | - | - | (1.2%) | 8.5% |

- Revenue share of Credit Limit product at 60%
- SME revenue share up at 12%
- Marketing expenses reduced temporarily in line with lower lending volumes
- Credit loss reserves driven up by COVID-19 in Q1 (forward looking impact assessment on macroeconomic factors)
- Overall actual payment behavior remains strong

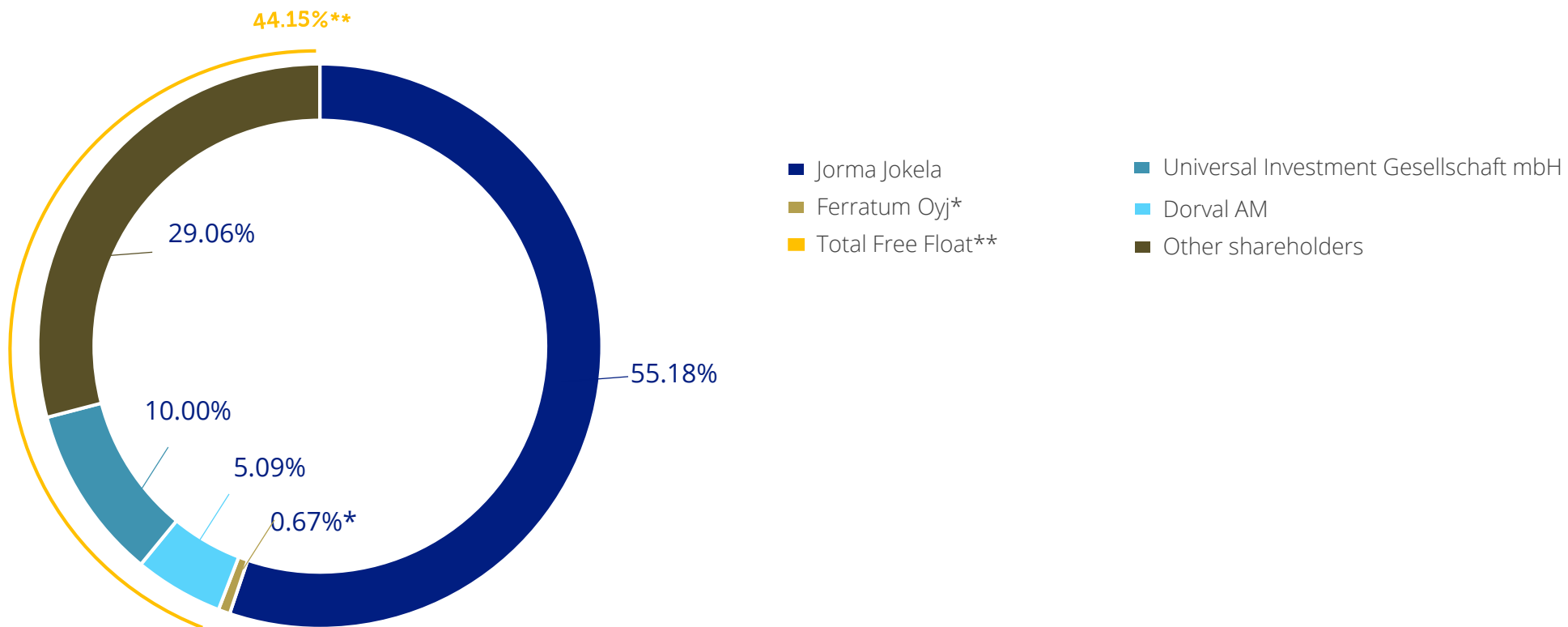
Revenue Bridge: H1 2019 vs H1 2020

Key drivers:

- Suspension of lending in some markets (not related to COVID-19) during the full first half of 2019 accounts for more than half of revenue delta
- Reduced revenue level in active markets is predominantly due to tighter risk management and lower yields during H1
- Positive SME revenue performance based on record months in early 2020
- Monthly revenue level is expected to turn around during H 2 2020



Shareholder information



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

* Treasury shares held by Ferratum Oyj (no voting right and no dividends paid on treasury shares)

** Total free float includes shares held by institutional investors, but not treasury shares held by Ferratum Oyj