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Ferratum Capital Germany GmbH

Investor Presentation

Credit update

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.

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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

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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 **2020** 1 616 -1% y-o-y	4 (4)	• Primelending live in 4 markets, speed of role out will be function of economic conditions
CapitalBox (SME) Up to €250,000 / 6 – 24 Month term	€14,611	479 days	12.4%	**2019** 13 004 **2020** 15 004 +15% y-o-y	6	• Revenue increase driven by strong start into 2020 (pre COVID-19)
Credit Limit Up to €4,000 / Digital revolving credit line	€1,365	N/A	59.7%	**2019** 78 720 **2020** 72 267 -8% y-o-y	8	• Revenue reduction kept low in this segment since the business benefits during pandemic from sustainable business relation to existing clients
PlusLoan €300 – €5,000 / 2 – 36 Month term	€858	415 days	18.0%	**2019** 32 874 **2020** 21 818 -33% y-o-y	8	• PlusLoan suspended in Poland early in 2020, in current market condition moderate investment in PlusLoan segment
Microloan €25 – €1,000 / 7 – 90 Day term	€219	28 days	8.6%	**2019** 19 379 **2020** 10 436 -46 % y-o-y	7	• Discontinued lending in New Zealand, Poland and Russia; overall reduced lending during H1

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

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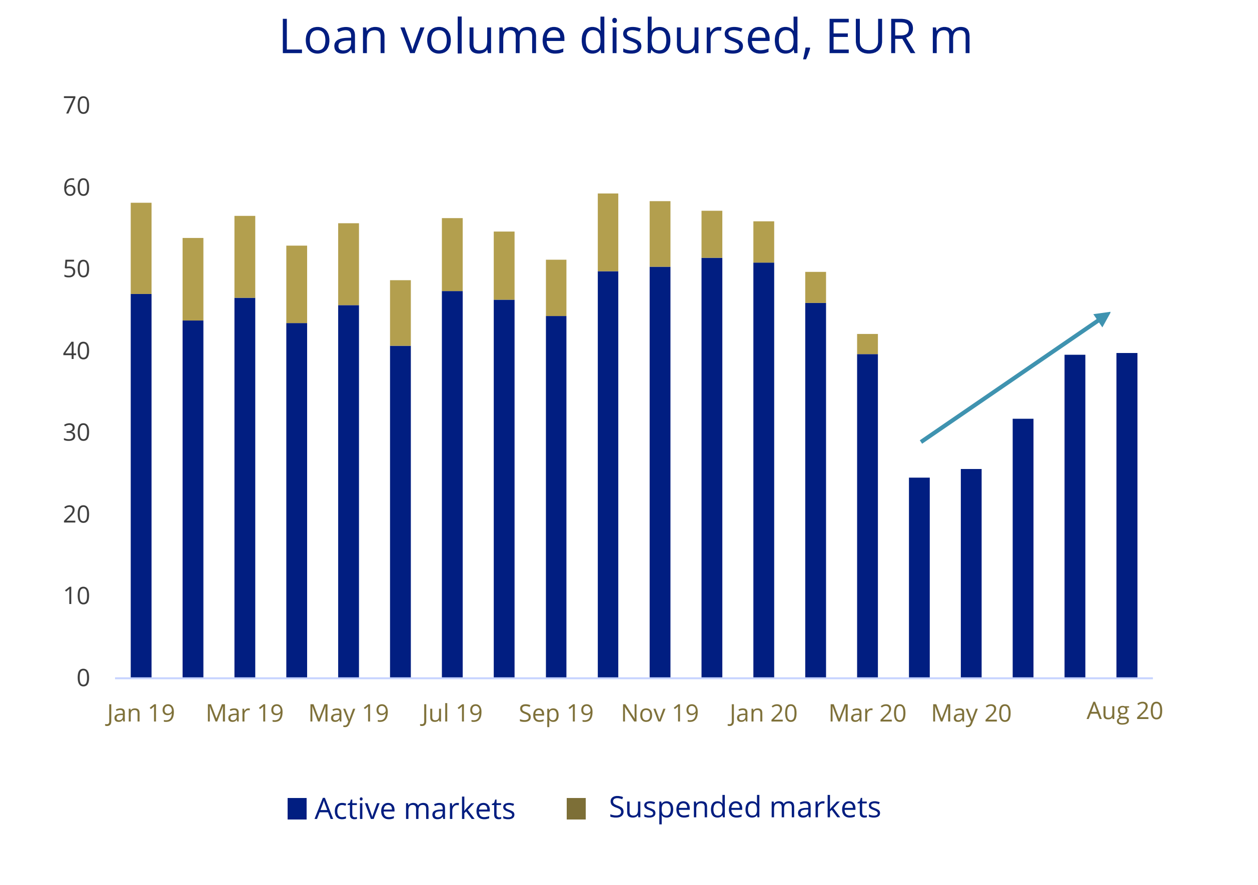
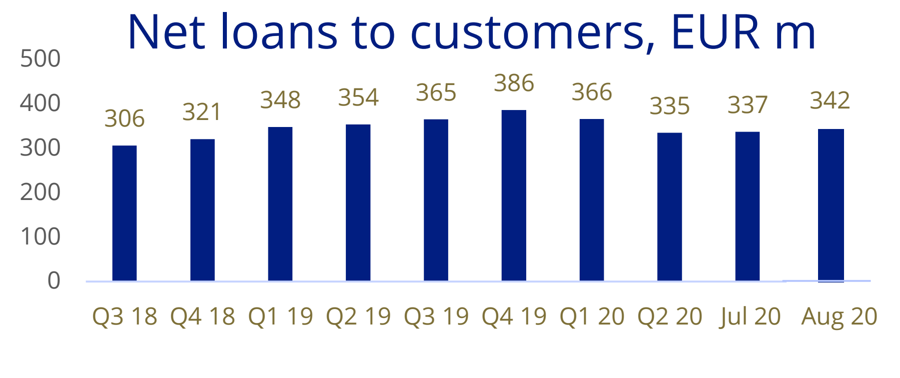
Reactivating growth in H2 20:
Management expect to selectively increase lending volume





- 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) stabilzed and starts to increase again
- H2 2020: Accelerated lending expected - provided economic conditions support growth

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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/

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H1 2020 FINANCIAL OVERVIEW

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):

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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)

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

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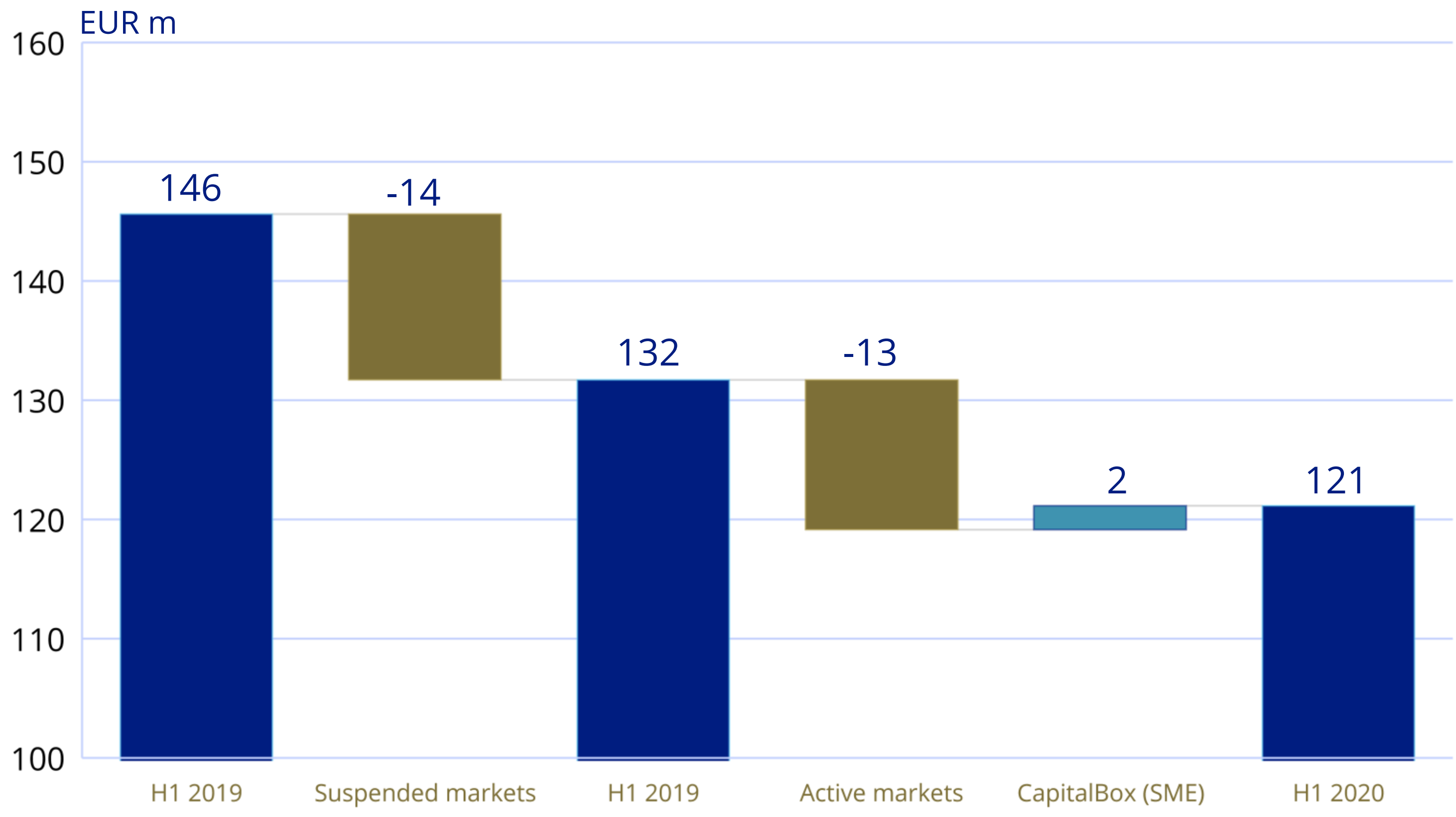
Revenue Bridge: H1 2019 vs H1 2020

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



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Cost reduction: substantial progress in creating a leaner organization

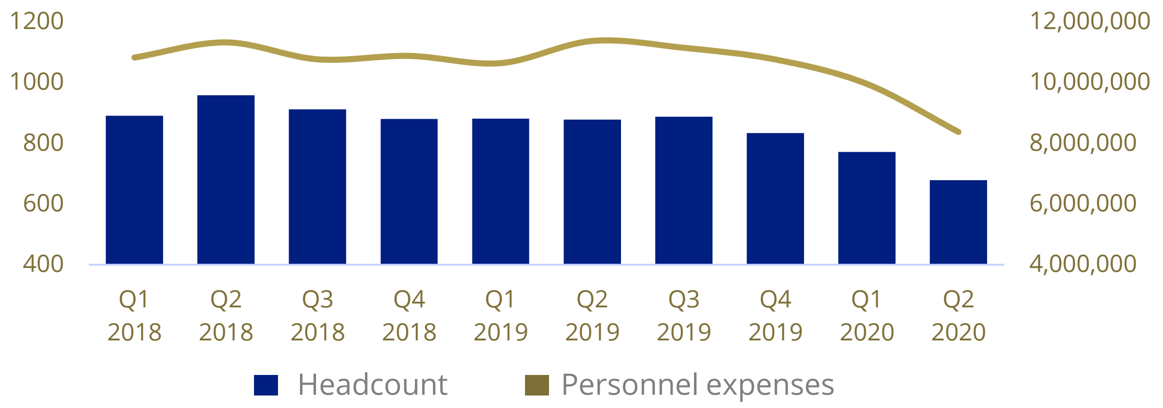
Personnel expenses

- Decrease in headcount > 200 y-o-y
- Reduction in staff cost of 16.7% in H1 2020 vs H1 2019
- Decrease in personnel expenses expected to be long-term in nature

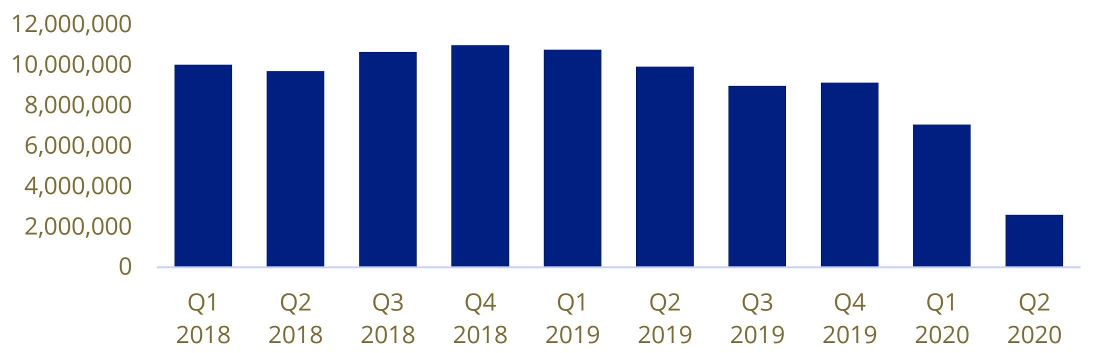
Operational expenses

- Sales related expenses are variable and were reduced temporarily as disbursed loan volumes decreased – expected to increase in line with increased volumes
- Increased efforts to boost automation
- Market and product related initiatives continued during the pandemic

Headcount and personnel expenses



Selling and marketing expenses



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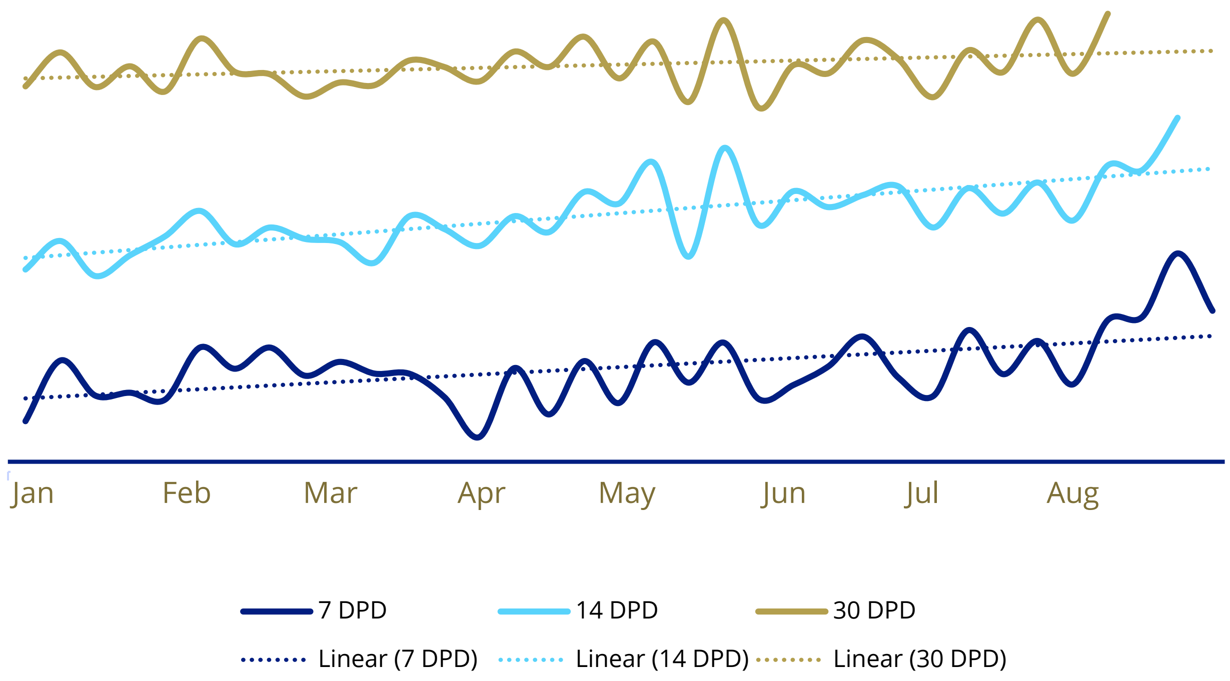
Overall payment behavior improves in H1 2020 despite COVID-19

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



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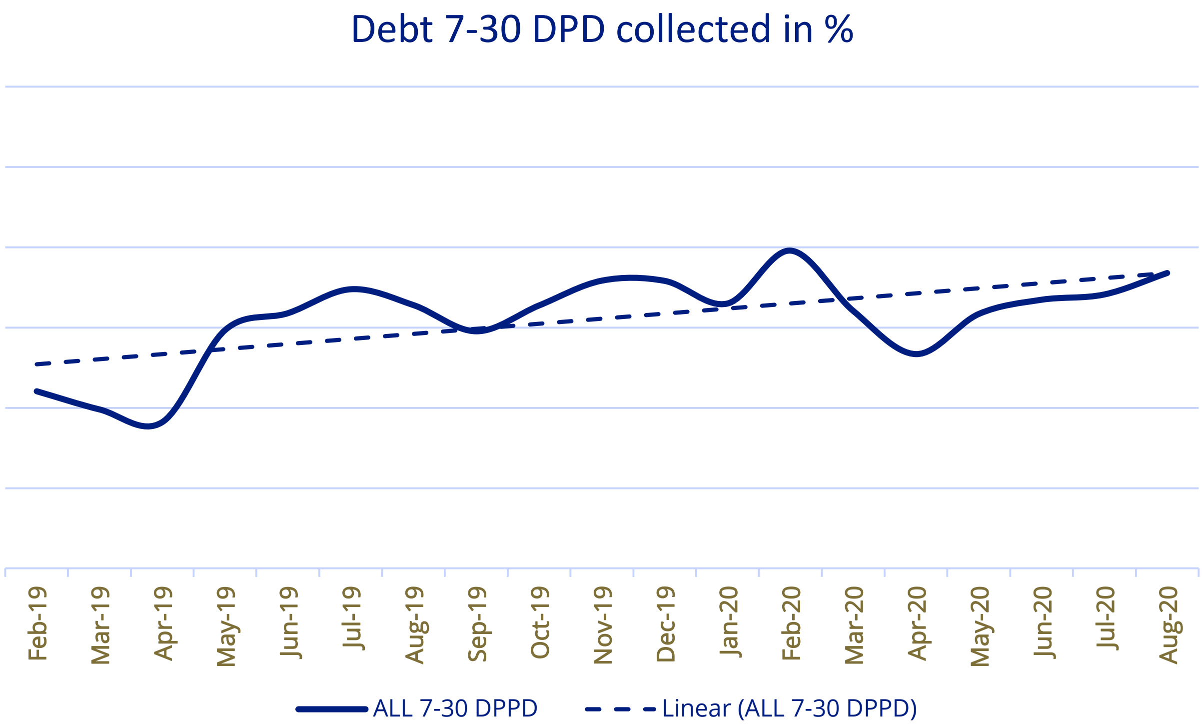
The collections performance continues to improve

- 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”**



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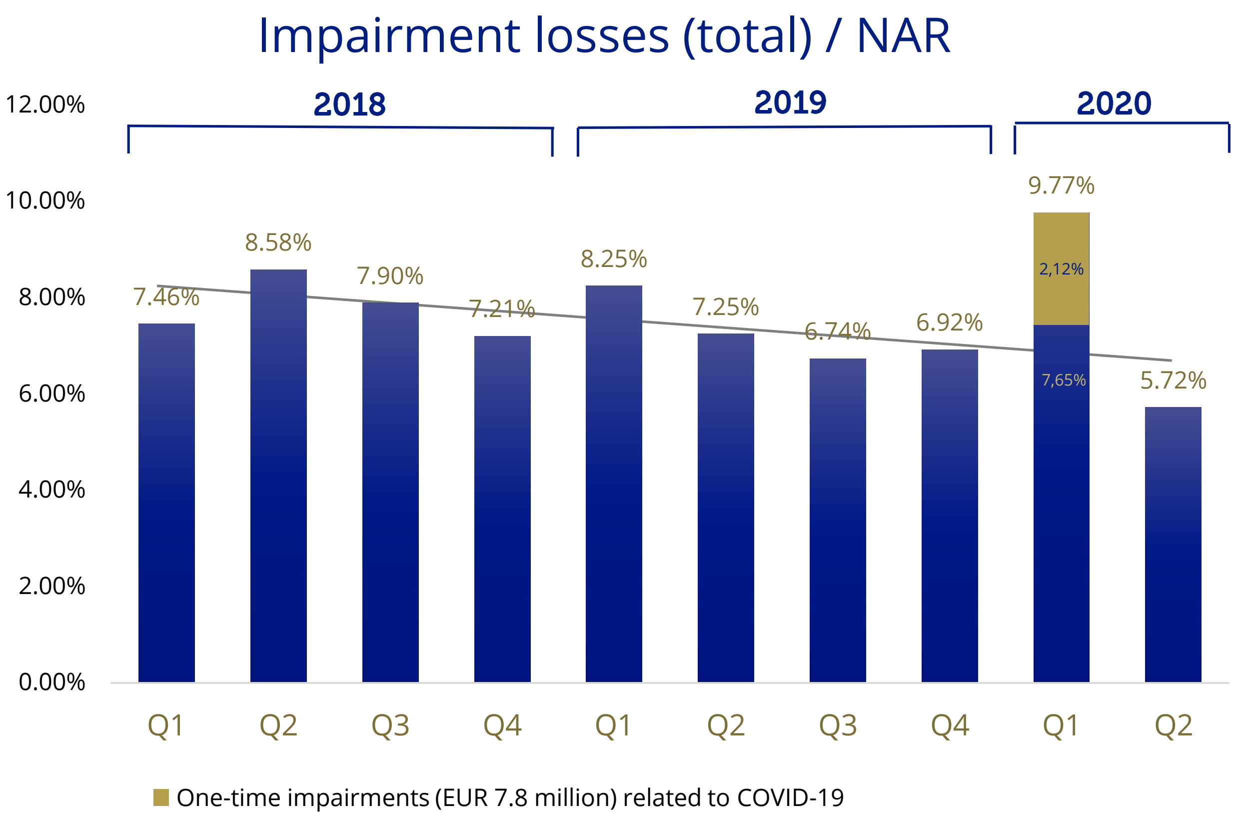
Improving mid term trend in payment behavior continues

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

- Front loaded reserving model: ~6.7% loss provisions (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



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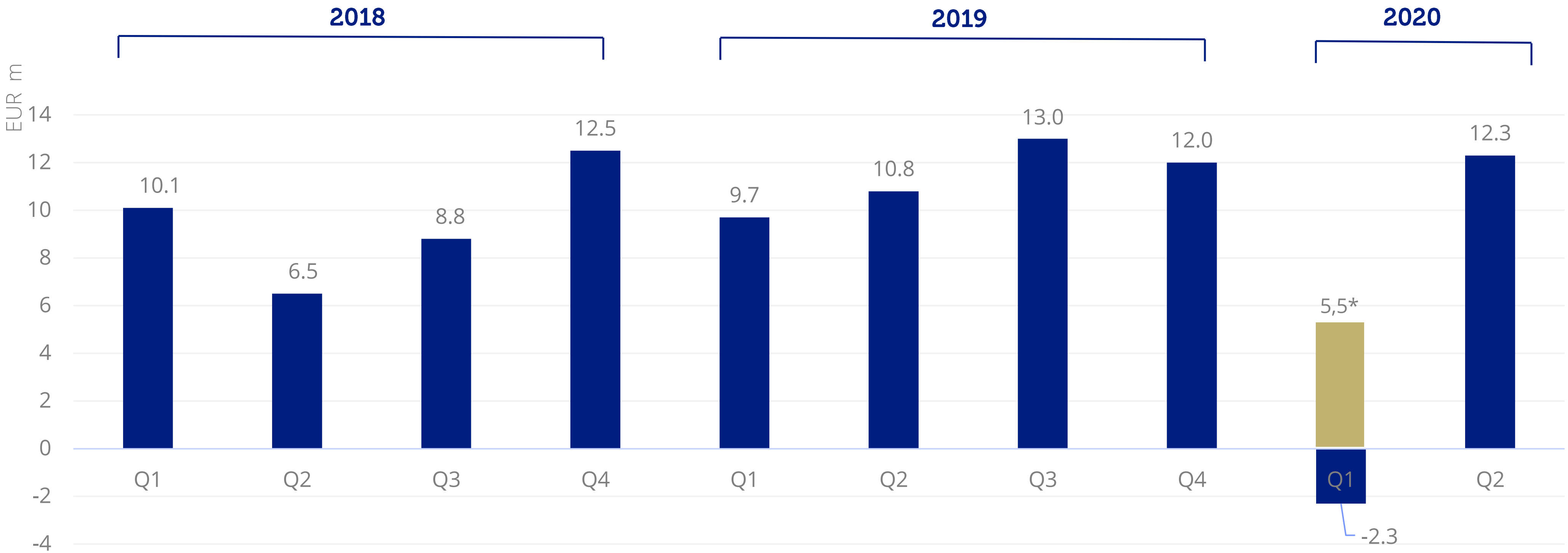
EBIT Development

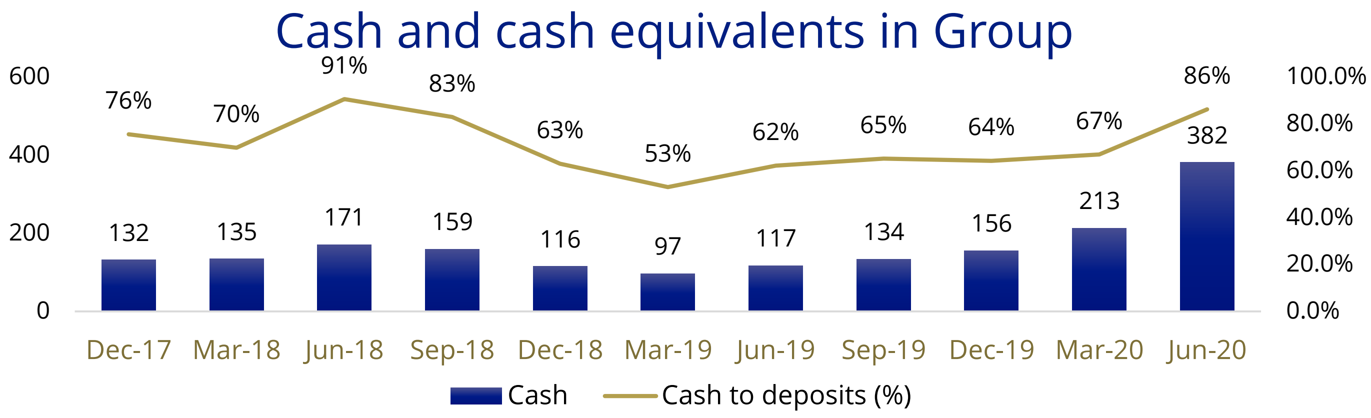


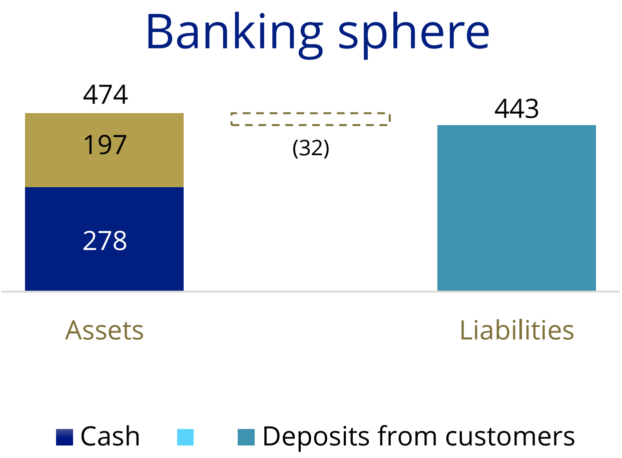
* Adjusted EBIT excluding COVID-19 related impairments

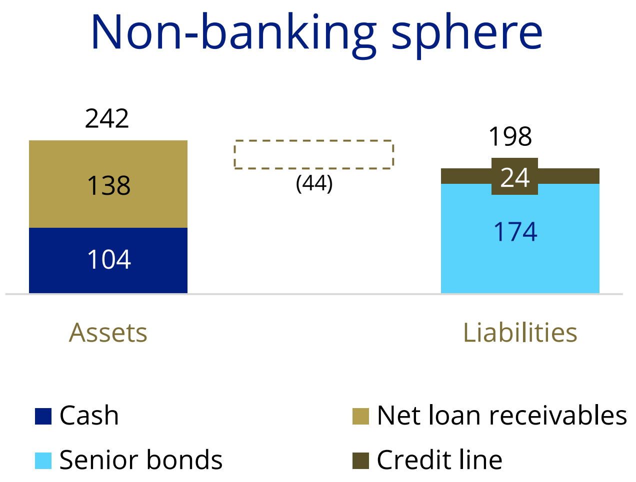
Cash level at all time high – strong position also outside banking sphere

Cash balance has been growing since Q1 2019

- Ferratum has been able to grow the cash balance steadily since Q1 2019, in line with an increasing deposit base
- The deposit base and cash position is expected to decrease during Q3 2020
- While the majority of the cash is held in Ferratum Bank, the banking sphere, there is a strong cash position also in the non-banking sphere
- Assets exceed liabilities by EUR 32m in banking sphere and by EUR 44m in non-banking sphere
- Net loan receivables exceed liabilities net of cash by 19% in banking sphere and by 47% in non-banking sphere



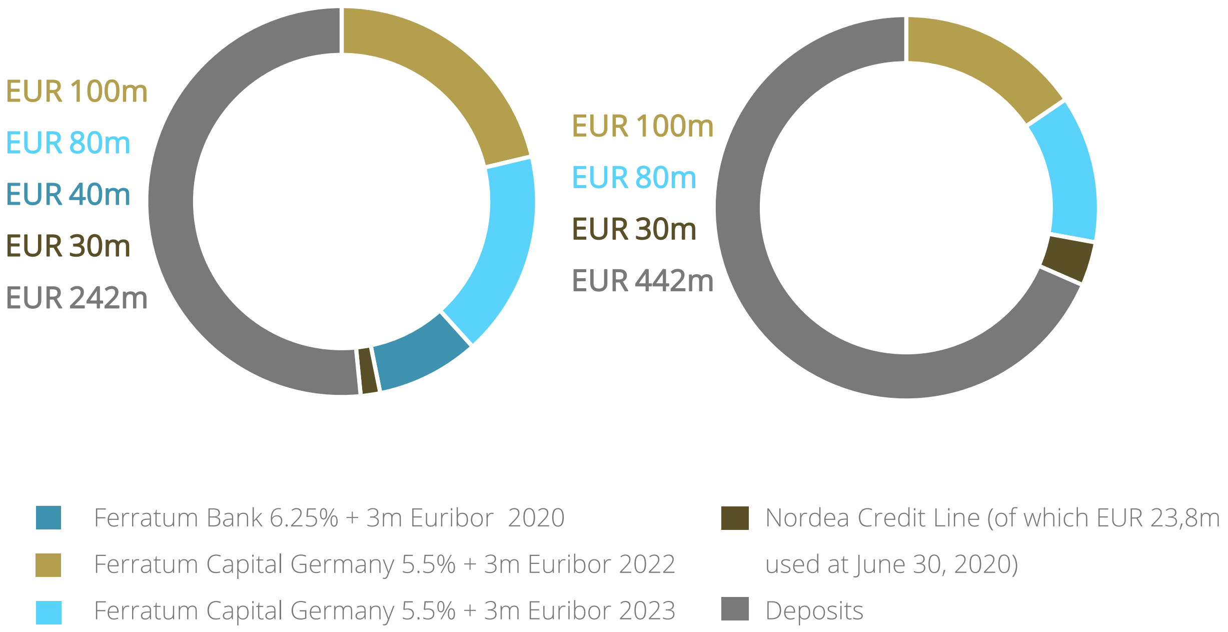




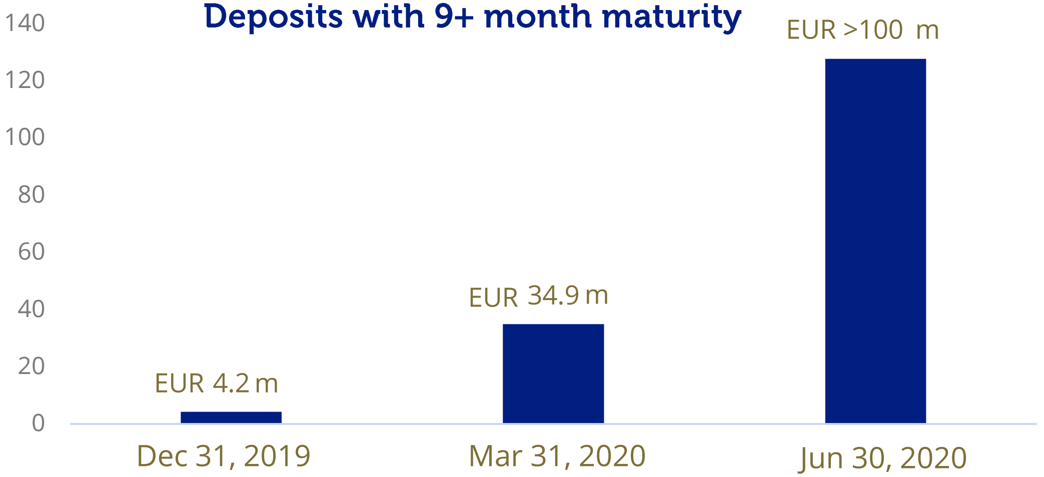
Note: Assets and liabilities excluding working capital items

Funding structure and cost of debt capital

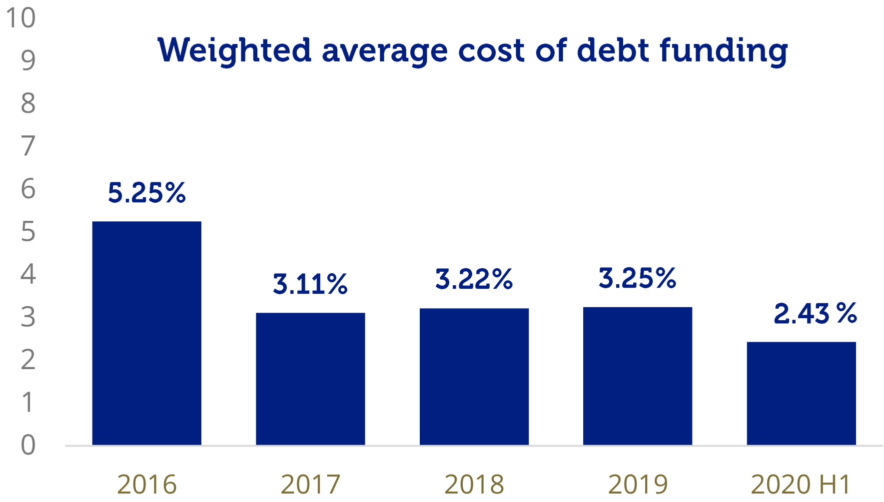
Financing mix at year end 2019 / Financing mix at H1 2020



Deposits with 9+ month maturity



Weighted average cost of debt funding



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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
- **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. No funding needs during 2020
- **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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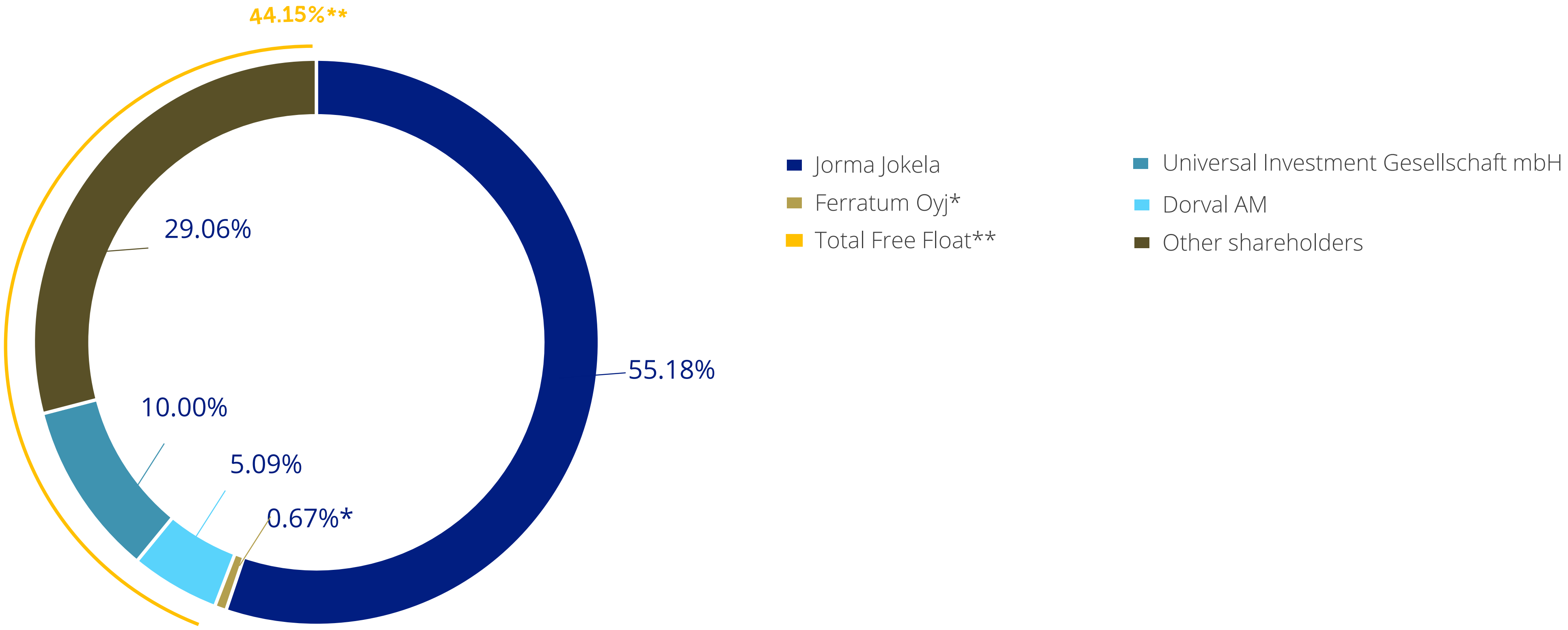
Shareholder information



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

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Date	Financial Calendar Events
19.11.2020	Ferratum Group: 9M results