

The background of the slide is a faded, high-angle photograph of a modern office space. Several people are visible working at desks with computers. Large windows in the background let in natural light. In the foreground, there are large, textured spherical pendant lights hanging from the ceiling. The overall atmosphere is professional and collaborative.

ferratum

First Quarter Results 2020

**IFRS preliminary unaudited financial results
for the first three months ended 31 March 2020**

20 May 2020

Important notice

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.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Ferratum or otherwise to engage in any investment activity.

Q1 2020 Overview

15 Years of operation

20 Countries



Consumer Loans

87% of revenues



Business loans

12% of revenues



Mobile Bank and Primeloan

1% of revenues

Key takeaways

- **Early action to the COVID-19 pandemic:** lending tightened to reduce the Group's risk exposure, strengthened liquidity, cost reduction plan in implementation - preparing the group to reactivate growth post pandemic
- Operative performance in Q1 2020 impacted by COVID-19 related impairments affected by deteriorating macroeconomic forecast
- **Financial metrics strengthened:** Solid liquidity position, no bond repayment within the next 24 months
- **Preparing for post-pandemic opportunities:** trend towards digital financial services and expected market consolidation offers new opportunities in SME and consumer lending

€65.6m

Q1 2020 revenue

-10.4%

Y-o-y revenue

€-2.3m

Q1 2020 EBIT

€5.5m

Adjusted Q1 2020 EBIT (excluding COVID-19 related impairments)



Increased revenue share of strategic key products

Products	Average Loan Value	Average Loan Term	Revenue Share	Q1 Revenues by Product (€,000)		Active Markets	Comments
Primeloan (incl. Mobile Bank) €3,000 – €20,000 / 1 – 10 Years term	€6,375	5.2 years	1.3%	2019	830	+3% y-o-y	4 (4)
				2020	853		
Business (SMEs) Up to €250,000 / 6 – 24 Month term	€14,471	468 days	12.1%	2019	6 083	+31% y-o-y	7
				2020	7 956		
Credit Limit Up to €4,000 / Digital revolving credit line	€1,336	N/A	58.7%	2019	38 718	-1% y-o-y	9
				2020	38 486		
PlusLoan €300 – €5,000 / 2 – 36 Month term	€853	412 days	18.8%	2019	17 088	-28% y-o-y	9
				2020	12 322		
Microloan €25 – €1,000 / 7 – 90 Day term	€220	29 days	9.1%	2019	10 478	-43 % y-o-y	7
				2020	5 987		



ferratum

Q1 2020 FINANCIAL OVERVIEW

ferratum

Q1 2020 overview of key financial metrics

in EUR m	Q1 2020	Q1 2019	% change
Revenue	65.604	73.196	-10.4 %
EBIT	-2.292	9.707	n.m.
in% of Revenue	-3.5%	13.3%	-16.8 PP
Adjusted EBIT (excluding COVID-19 related impairments)	5.481	9.707	-43.5%
in% of Revenue	8.4%	13.3%	-4.9 PP
EBT	-8.283	6.204	n.m.
in% of Revenue	-12.6%	8.5%	-21.1 PP
profit after tax	-8.375	5.204	n.m.
in% of Revenue	-12.8%	7.1%	-19.9PP
EPS	-0.39	0.25	n.m.
Return on Equity	-7.1%	4.6%	-11.7PP
ND /E (Bond Covenant definition)	2.79	2.76	+0.3PP

- Revenue decline of -10.4%:
 - (1) COVID-19 impact as of early March 2020,
 - (2) Restricted lending in selected markets during Q1
- EBIT EUR -2.3 million:
 - Reduced revenues compared to Q1 2019
 - COVID-19 provisions of impairments impacted due to forecasted deteriorating macroeconomic forecasts: one-time impairment 7.8 million
- Foreign Exchange impact on P&L -1.6 million
- Leverage structure: ND/E (bond covenant definition) remained y-o-y stable at 2.79 (Q1 2019: 2.76)

Liquidity and balance sheet ratios remain strong

EUR '000	31 Mar 2020	31 Dec 2019	% Change
Assets			
Non-current assets	60,827	60,512	+0.5%
Accounts receivable – customer loans (net)	366,388	386,167	-5.1%
Other receivables	19,552	14,463	+35.2%
Income tax assets	1,882	2,167	-13.1%
Cash and cash equivalents	213,158	155,518	+37.1%
Total Assets	661,807	618,827	+6.9%

EUR '000	31 Mar 2020	31 Dec 2019	% Change
Equity and liabilities			
Equity	118,314	129,138	-8.4%
Non-current liabilities	178,666	174,236	+2.7%
Current liabilities	364,827	315,453	+15.7%
Of which deposits	318,435	242,161	+31.5%
Total Equity & Liabilities	661,807	618,827	+6.9%
Net debt to equity ratio	2.79	2.59	+0.20PP

- Total Assets up by 6.9%, driven by cash and deposits
- loans to customers (net) down by -5.1% to EUR 366m
 - Management actions to reduce lending activities on reaction to COVID-19
 - Increased impairments
- Deposit volume increased from EUR 242m at the end 2019 to EUR 318m at the end of Q1 2020
- Improving deposit quality – shift of deposits from overnight money towards longer durations
- Healthy equity ratio at 17.9% and low leverage with a ND /E ratio of 2.79 (bond covenant definition)

Credit Limit remains profitable during Q1

	Microloan		PlusLoan		Credit Limit		SME		Mobile Bank and Primeloan		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Revenue	5,987	10,478	12,322	17,088	38,486	38,718	7,956	6,083	853	830	65,604	73,196
Impairments	(3,623)	(4,948)	(9,977)	(7,126)	(16,643)	(12,437)	(4,102)	(3,113)	(1,248)	(1,046)	(35,592)	(28,671)
As % of Revenue	60.5%	47.2%	81.0%	41.7%	43.2%	32.1%	51.6%	51.1%	146.3%	126.0%	54.3%	39.2%
Marketing	(521)	(1,210)	(1,441)	(1,941)	(3,480)	(5,837)	(1,512)	(1,388)	(114)	(375)	(7,068)	(10,771)
As % of Revenue	8.7%	11.5%	11.7%	11.4%	9.0%	15.1%	19.0%	22.8%	13.3%	45.2%	10.8%	14.7%
Attributable Product Margin	1,843	4,320	906	8,021	18,366	20,426	2,343	1,583	(509)	(592)	22,949	33,758
As % of Revenue	30.8%	41.2%	7.4%	46.9%	47.7%	52.8%	29.5%	26.0%	-	-	35.0%	46.1%
Total Non-directly Attributable costs	(2,151)	(3,315)	(4,428)	(5,406)	(13,829)	(12,250)	(2,859)	(1,925)	(1,974)	(1,156)	(25,241)	(24,052)
Operating Profit	(308)	1,005	(3,522)	2,615	4,537	8,176	(516)	(342)	(2,483)	(1,747)	(2,292)	9,707
Gross Profit Margin, %	(5.1%)	9.6%	(28.6%)	15.3%	11.8%	21.1%	(6.5%)	5.6%	-	-	(3.5%)	13.3%
Finance costs, net	(207)	(318)	(817)	(594)	(2,115)	(1,348)	(943)	(510)	(189)	(89)	(5,990)	(3,503)
Profit before tax	(515)	686	(4,339)	2,022	2,422	6,826	(1,458)	(852)	(2,673)	(1,836)	(8,283)	6,204
As % of Revenue	(8.6%)	6.6%	(35.2%)	11.8%	6.3%	17.6%	(18.3%)	(14.0%)	-	-	(12.6%)	8.5%

- Revenue share of Credit Limit product up at 59%
- SME revenue share up at 12%
- Marketing expenses reduced practically across all segments
- Increase in impairments driven up by COVID-19 related impairment



ferratum

Action plan on how to navigate through the COVID-19 pandemic

ferratum

COVID-19 pandemic: Immediate impact on Ferratum

Deteriorating macroeconomic factors across Europe

- GDP is expected to decrease by 7.5% in the Euro area in 2020 (2019: +1.2%)
- Unemployment rate is anticipated to increase in 2020
- Consumption has slowed down

Impact on Ferratum

Impairments

- Increase driven by IFRS 9 which requires stricter reserving when expectations on macroeconomic factors deteriorate
- Requirement for additional reserving is not linked to customers' actual payment behaviour

Group revenue

- Reduction in revenues as lending activity has been slowed down
 - Tighter scoring for all clients
 - Selective acceptance of new clients
 - Lending in some markets (Poland, Spain) has been put on hold

Payment behaviour

- Overall repayment pattern is robust, with slight deterioration in some markets

COVID19 - Immediate actions taken

1. Manage for Liquidity

Management focus on liquidity and payment behaviour result in strong financial metrics

- Increase in deposits leads to cash resources of EUR 213 m at the end of Q1 20
- Strong equity-ratio of 17.9% and low level of ND / E of 2.79
- After the repayment of Ferratum Bank p.l.c. bond (EUR 40m) no bond repayment within the next 24 months
- Payment behaviour remains robust

2. Control Risk

Immediate reduction of the Group's risk appetite to protect against severe hits in credit defaults

- Suspension of lending in some markets (including Spain and Poland)
- Scoring and underwriting tightened
- Overall lending volume reduced significantly

3. Reduce Cost Base

Immediate cost reduction measures introduced to create an even leaner & more efficient organization

- Headcount reduction (Q1 2020 personnel expenses -6.4%)
- Overhead costs under analysis and will be cut further
- Strict management of selling & marketing expenses

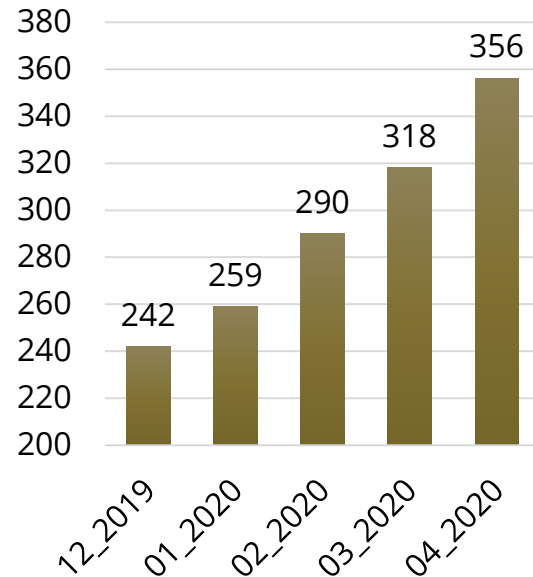
4. Go for Opportunities

Preparing for post pandemic opportunities and re-activating growth

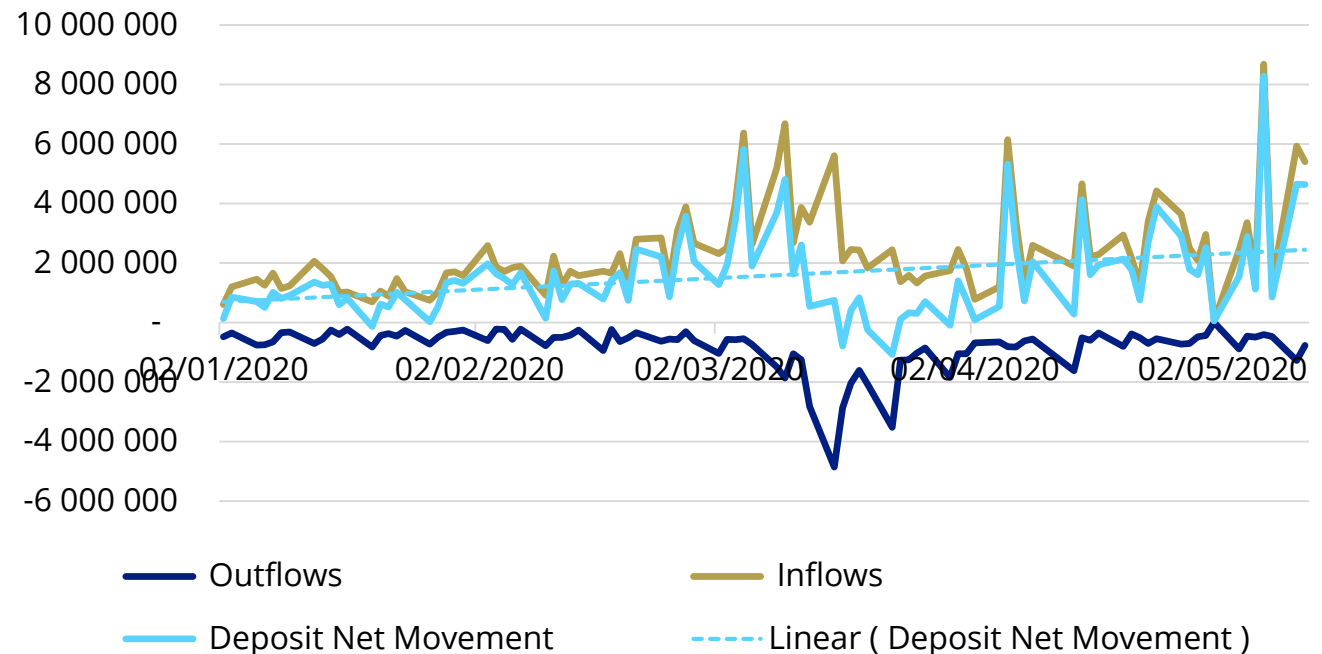
- The pandemic will further drive financial services towards the digital space
- The Group is well positioned to execute its "3 horizon strategy"

1. Liquidity: strong cash basis with a solid deposit business

Bank deposits in Mio €



Bank deposits daily movements: positive inflows during pandemic



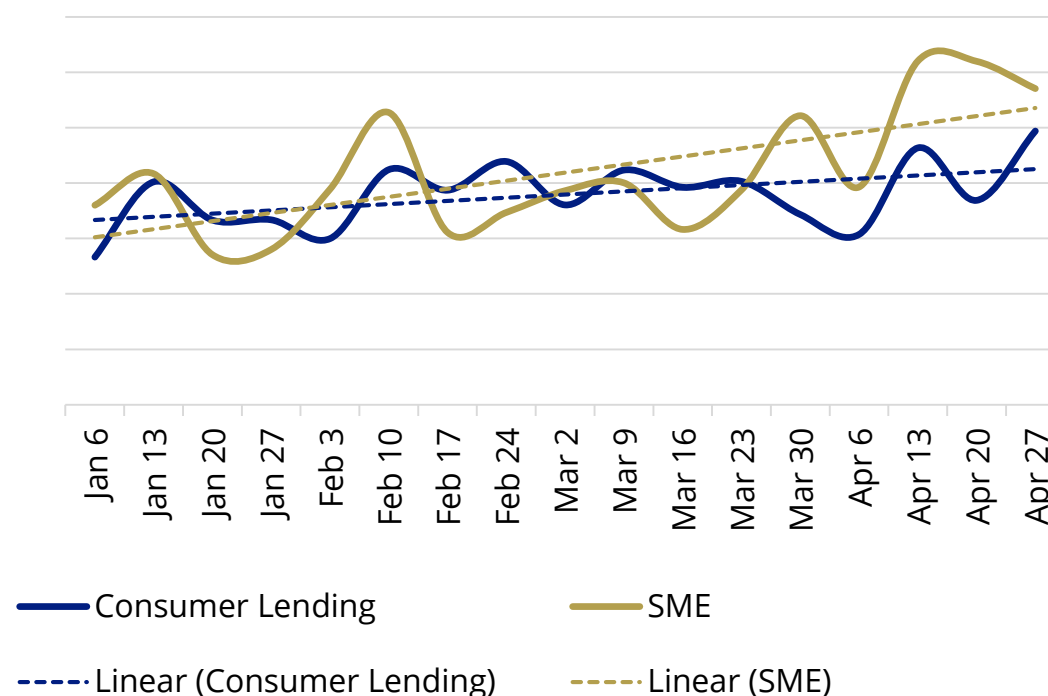
- Cash position is strong and stable
- Bank bond €40m repaid in March, no bond obligations due within 24 months
- Deposit movements are showing increasing net inflows – also during days of massive uncertainty practically no net outflows
- New term deposits introduced very successfully
- Term structure has improved significantly over the last 3 months – short term interest rate level will be reduced to keep balance

2. Overall payment behavior remains solid

Payment behaviour and impairments

- Ferratum has adjusted its scoring and underwriting criteria for a deteriorating macro economic environment
- Lending suspended in Spain and Poland and very selective and country specific new lending guidelines in all other countries
- Approval rate for new customers down by 45%
- Decreased loan disbursement volumes
- As a result the payment behaviour stable as per end of April – however revenue development impacted due to lowered lending volumes
- Impairments in Q1 contain a € 7.8 million extra COVID-19 related provision reflecting expected deterioration of payment behaviour

Invoices paid within 7 DPD



3. Cost reduction: creating a leaner organization

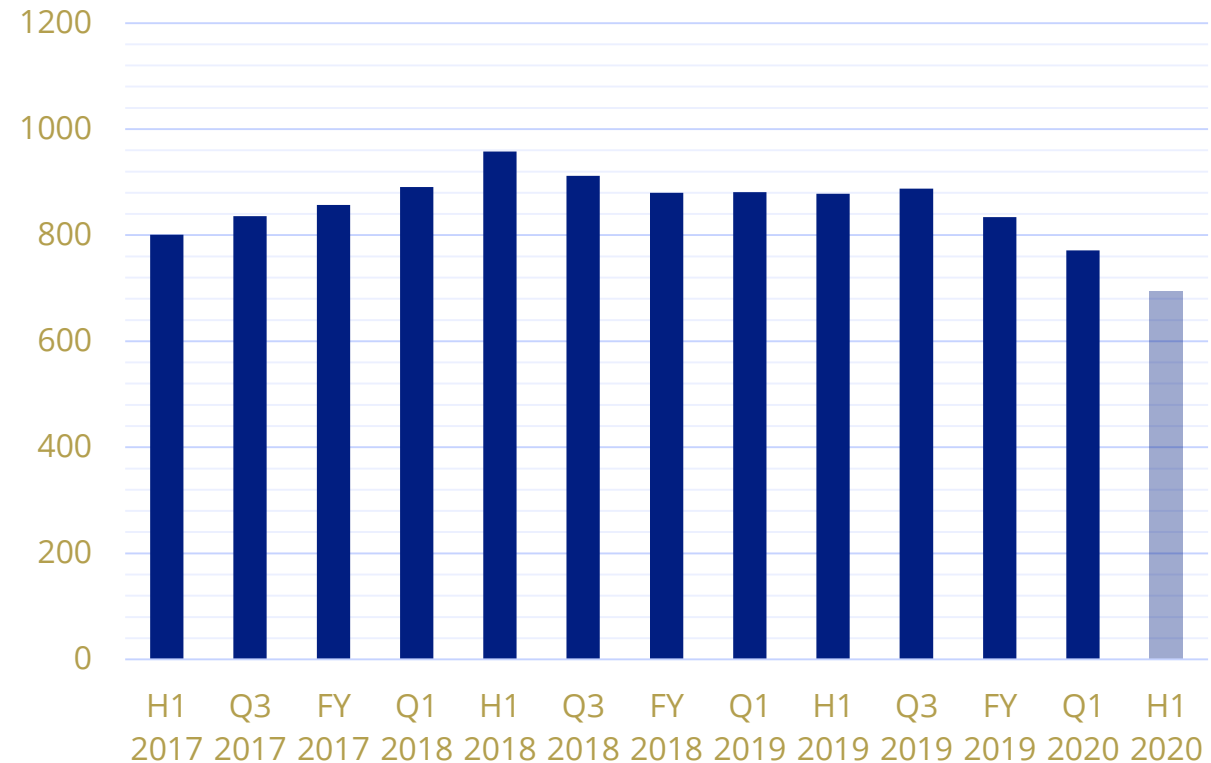
Personnel expenses

- Head count reduction plan in implementation:
 - Q1: -6.4 % personnel expenses;
 - Substantial headcount reduction by end of Q2
 - Annualized cost impact € 6 Mio

Operational expenses

- Cost reduction program in progress
 - Review all service providers
 - Cut back on administrative expenses
 - Review and streamline group structure
 - Accelerate automation of processes

Headcount development



Earnings call key takeaways

- Early reaction to COVID-19 pandemic with strong management action to reduce costs, strengthen liquidity and to prepare the group to be ready to reactivate growth post pandemic
- Payment behavior is currently in a better shape than total impairments indicate
- Strong liquidity position and balance sheet metrics to navigate through current uncertain times
- The Group will post pandemic be more efficient, agile and able to move faster with Group strategy implementation

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
30.06.2020	Ferratum Group: Annual General Meeting
20.08.2020	Ferratum Group: H1 results
28.08.2020	Ferratum Capital Germany: H1 report
28.08.2020	Ferratum Bank p.l.c.: H1 report
19.11.2020	Ferratum Group: 9M results