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Q1 2021 Results – Earnings Call

12 May 2021



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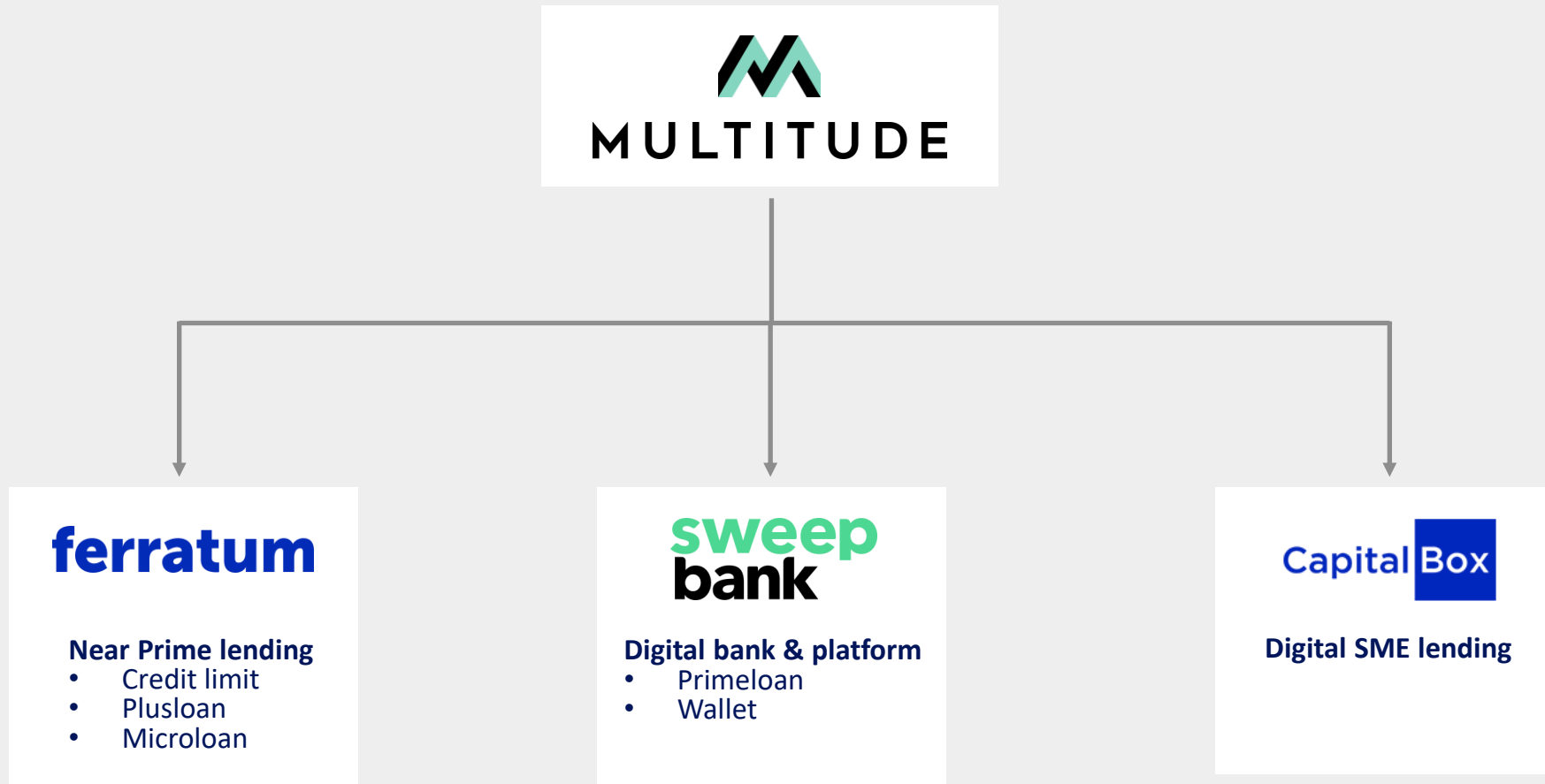


The new brand reflects the total variety of our businesses, different group units and our wide knowhow.

Multitude communicates our strength as a multinational fintech with a portfolio of services, each focusing on a specific customer segment.



Proposed new Group structure



Further details to be presented at the Group's CMD on June 8, 2021

Overview & Key takeaways



16 Years of operation

19 Countries



86% of revenues



11% of revenues



3% of revenues

Key takeaways

- During Q1 market conditions affected by COVID-19 related lockdowns and decreased loan demand
- Solid start into 2021 reaching an EBIT of EUR 5.4 million; credit losses remained well under control
- Launch of SweepBank with continued strong increase in revenues: y-o-y +79.3%
- Strong execution on the Group's 2021 key objectives

€ 52m

Q1 2021 revenue

-21%

Y-o-y revenue

€ 5.4m

Q1 2021 EBIT

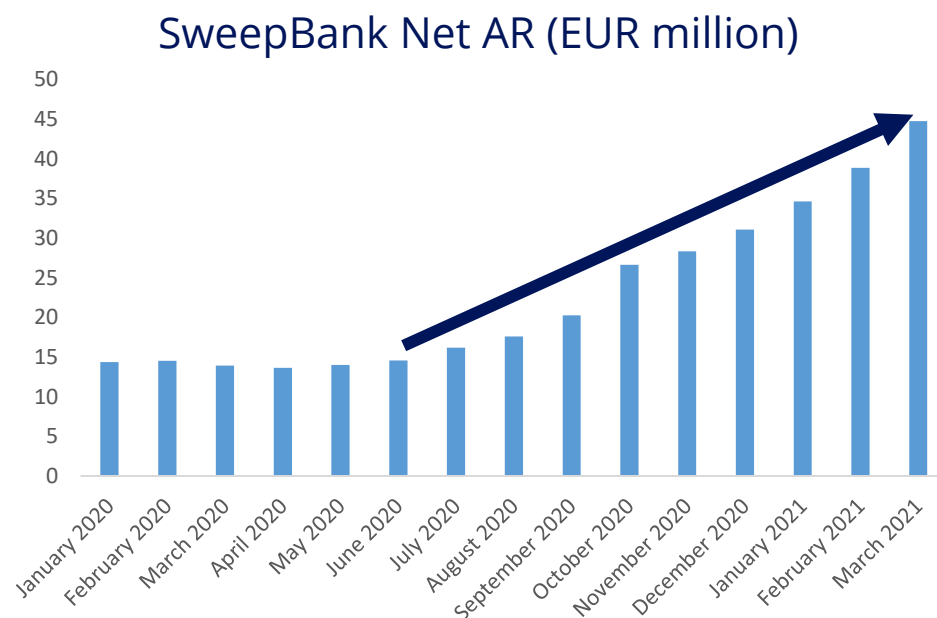
€ -0.3m

Q1 2021 net profit



Accelerated SweepBank growth

Launch of new countries and increased volume



Initiatives during Q1 2021

- Launched the new brand SweepBank
- Optimized existing markets for Primeloans - Fine tuning acquisition channels, underwriting & pricing
- Prepared for new market entry with Wallet (Finland launched in May)
- Increased investments in marketing and partnerships

Primeloan	Finland	Germany	Latvia	Sweden
Max loan amount	30k	30k	15k	30k
Average term	7 years	4.5 years	4.5 years	9 years
Wallet live	May 2021		X	

The Group's 2021 objectives – strong execution already during Q1 2021

- ✓ **Strong position based on solid liquidity and successful organizational transformation**
Increased liquidity at EUR 300 million and organizational transformation finalized
- ✓ **Credit quality to remain high in all tribes**
Continued improving trend in impairment losses over net accounts receivable
- ✓ **Launch of new brand strategy, supported by agile transformation**
New brands successfully introduced; re-positioning and transformation executed
- ✓ **SweepBank (Primeloan) to remain as one of the key growth drivers for the Group**
In Q1 2021 SweepBank volume continued to grow strongly – up by EUR 30.1 million vs Q1 2020 reflecting 11.6% of net loan volume
- ✓ **Ferratum (Near Prime) > stabilizing loan sales with solid profitability**
Solid sales and profit performance at sales in Q1 2021
- ✓ **CapitalBox (SME) back to portfolio growth**
Stable portfolio quality and increased lending portfolio

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Q1 2021 Financial Results

Financial overview: Y-o-y impairments improved massively and EBT breakeven reached

EUR million	Q1 2021	Q1 2020	% change
Revenue	51.9	65.6	-20.9%
EBIT	5.4	-2.3	n.m.
% of revenue	10.4%	n.m.	n.m.
EBT	0.6	-8.3	n.m.
% of revenue	1.2%	n.m.	
Profit after tax	-0.3	-8.4	n.m.
Equity ratio	16.3%	17.4%	-2.3pp
ND/E	2.74	2.89	

- **Revenue comparison Q1 2021 vs Q1 2020 affected by:**
 - Stricter and more conservative lending policy in Q1 2021 vs. Q1/ 2020
 - Suspended lending in selected markets during 2020
- **EBIT improved**
 - Impairments level reduced significantly:
 - EUR 16.5 million Q1 2021 vs. EUR 35.6 million in Q1 2020 (including COVID-19 related impairment charge of EUR 7.8 million)
 - Total expenses down by EUR 2.7 million
- **Net financial costs decreased** y-o-y by EUR 1.2 million to EUR 4.8 million
- **Equity ratio at a healthy level** of 16.3% and ND/E at 2.74

Increased liquidity enables the Group to re-activate growth

EUR '000	31 Mar 2021	31 Dec 2020	% Change
Assets			
Non-current assets	57,558	59,943	-4.0%
Accounts receivable – customer loans (net)	387,828	360,955	7.4%
Other receivables	20,549	16,053	28.0%
Current tax assets	1,267	1,567	-19.1%
Cash and cash equivalents	300,438	236,564	27.0%
Total Assets	767,640	675,082	13.7%

EUR '000	31 Mar 2021	31 Dec 2020	% Change
Equity and liabilities			
Equity	124,875	125,568	-0.6%
Non-current liabilities	249,483	242,959	2.7%
Of which deposits (non-current)	70,802	63,689	11.2%
Current liabilities	393,282	306,554	28.3%
Of which deposits (current)	364,767	275,833	32.2%
Total Equity & Liabilities	767,640	675,082	13.7%

Net debt to equity ratio	2.74	2.49
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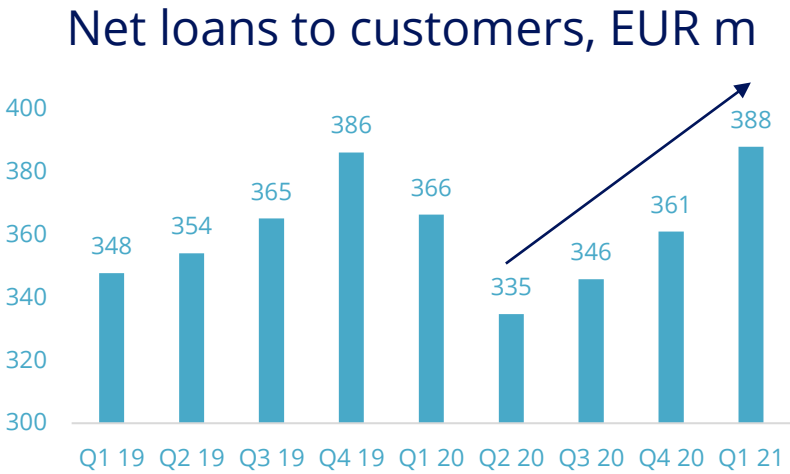
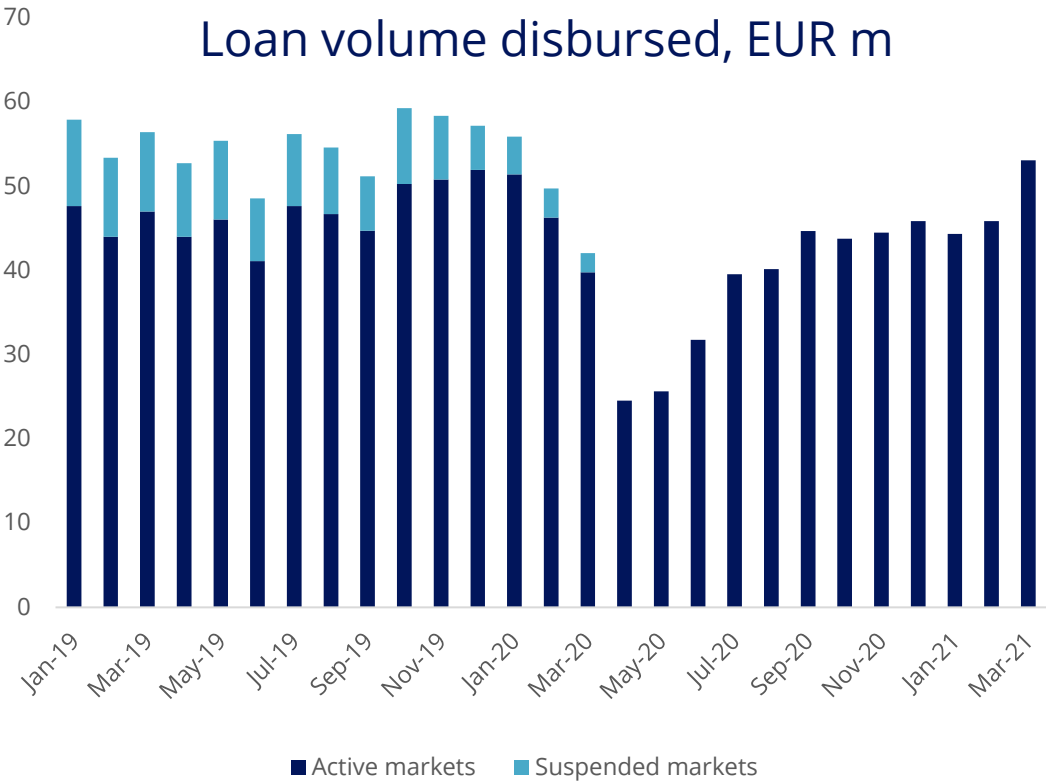
- Total Assets up by 13.7% to EUR 768 million compared to Dec 2020,
- driven by cash and cash equivalents (+ EUR 63.9 million) and loans to customers (+ EUR 26.9 million),
 - largely related to SweepBank
- Deposits up by EUR 96 million to EUR 436 million to support SweepBank and CapitalBox growth
- Equity ratio at 16.3% and ND/E at a solid level of 2.74

Continued emphasize on longer-term lending products

EUR million	Microloan		PlusLoan		Credit Limit		SME		Wallet and Primeloan		Total	
	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020	Q1 2021	Q1 2020
Revenue	5,059	5,987	8,383	12,322	31,439	38,486	5,482	7,956	1,520	853	51,883	65,604
Impairments	(1,099)	(3,623)	(3 483)	(9,977)	(8,951)	(16,643)	(1,367)	(4,102)	(1,321)	(1,248)	(16,492)	(35,592)
As % of Revenue	21.7%	60.5%	41.6%	81.0%	28.5%	43.2%	29.9%	51.6%	86.9%	146.3%	31.8%	54.3%
Marketing	(930)	(521)	(1,019)	(1,441)	(2,972)	(3,480)	(1,229)	(1,512)	(684)	(114)	(6,835)	(7,068)
As % of Revenue	18.4%	8.7%	12.2%	11.7%	9.5%	9.0%	22.4%	19.0%	45.0%	13.3%	13.2%	10.8%
Attributable Product Margin	3,047	1,843	3,909	906	19,625	18,366	2,635	2,343	(485)	(509)	28,732	22,949
As % of Revenue	60.2%	30.8%	46.6%	7.4%	62.4%	47.7%	48.1%	29.5%	-	-	55.4%	35.0%
Total Non-directly Attributable costs	(2,140)	(2,151)	(3 546)	(4,428)	(13,297)	(13,829)	(2,319)	(2,859)	(2,022)	(1,974)	(23,323)	(25,241)
Operating Profit	907	(308)	364	(3,522)	6,328	4,537	317	(516)	(2,507)	(2,483)	5,409	(2,292)
Gross Profit Margin, %	17.9%	(5.1%)	4.3%	(28.6%)	20.1%	11.8%	5.8%	(6.5%)	-	-	10.4%	(3.5%)
Finance costs, net	(134)	(207)	(350)	(817)	(2,270)	(2,115)	(715)	(943)	(462)	(189)	(4,801)	(5,990)
Profit before tax	897	(515)	339	(4,339)	6, 166	2,422	265	(1,458)	(2,540)	(2,673)	608	(8,283)
As % of Revenue	17.7%	(8.6%)	4.0%	(35.2%)	19.6%	6.3%	4.8%	(18.3%)	-	-	1.2%	(12.6%)

- Credit Limit continues to account for 60% of revenues
- Primelending revenue started to pick up
- Marketing expenses normalized in line with increasing portfolios
- Solid underwriting performance in all products
- Margin improvement in all products
- With H1 reporting, new segment reporting will be introduced

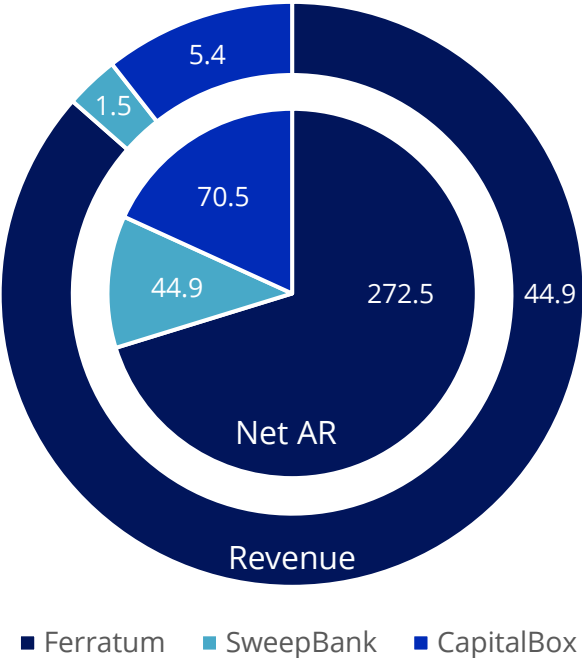
Lending volume: back to growth



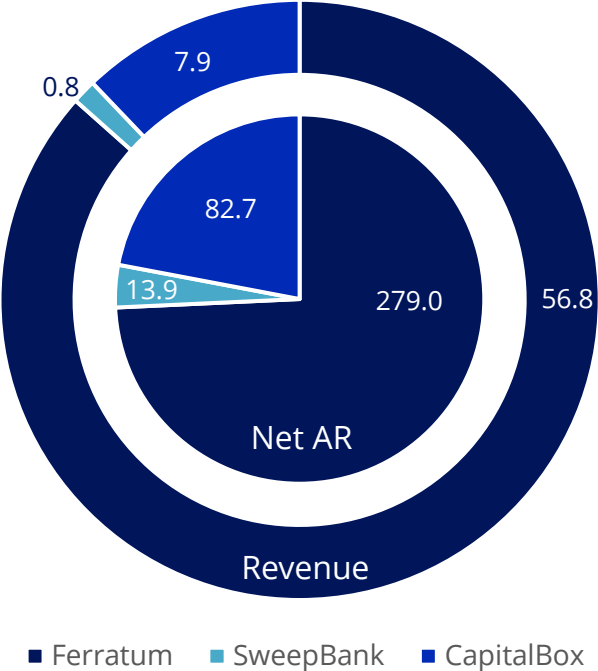
- Increased lending volumes since May 2020
- Continued focus on markets with strong payment behaviour and higher credit quality

Increased revenue and Net AR share in SweepBank

Q1 2021 Revenue and Net AR



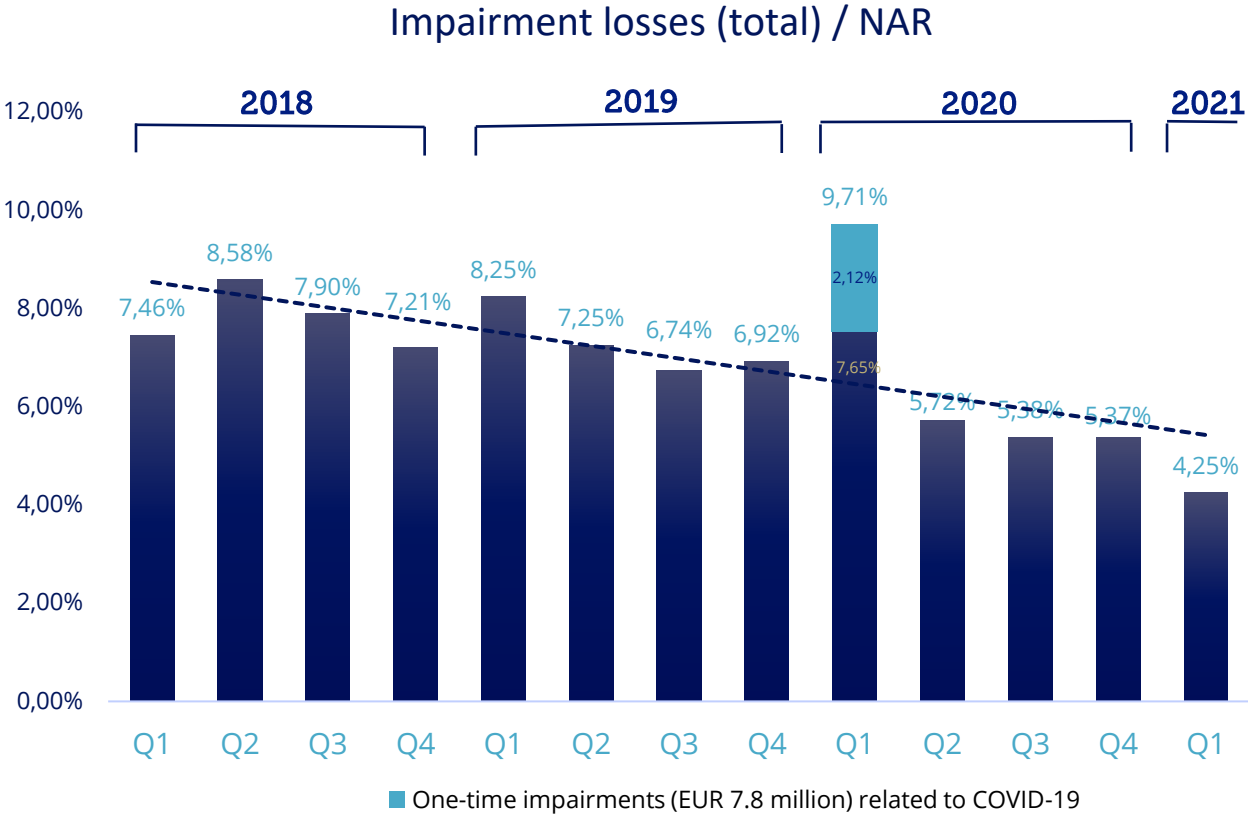
Q1 2020 Revenue and Net AR



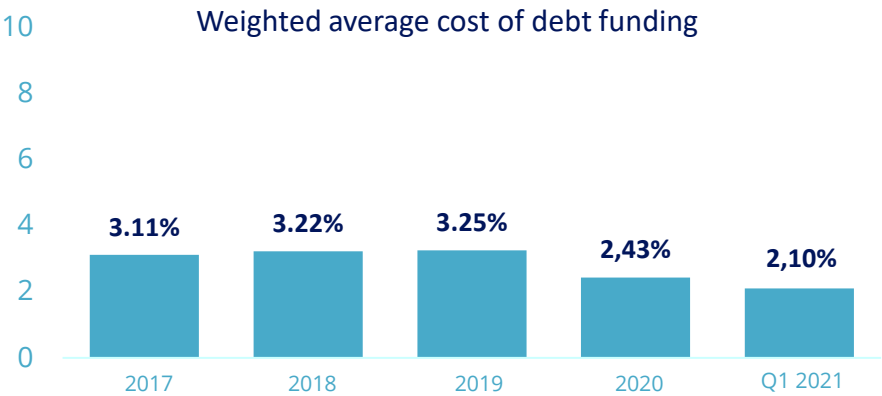
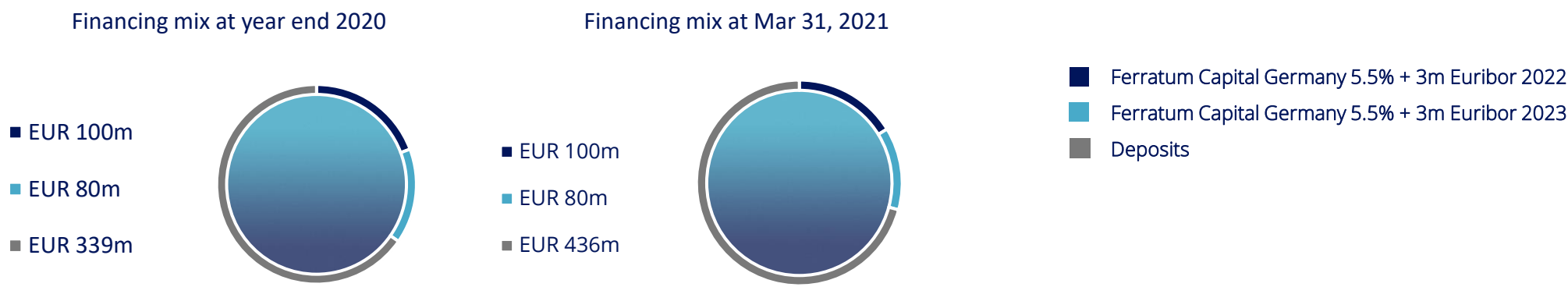
Asset quality continued to improve in Q1 2021

Focus on SweepBank & selective lending for Ferratum (near-prime) products drive asset quality improvements

- Mid-term improving trend in impairment losses over net accounts receivable (NAR) continues
- Continued improvement of Core Parameter Probability of default (PD)
- Forward looking Macroeconomic Impact reflected in total impairments
- Potential negative Macroeconomic Impact on payment behaviour has so far been mitigated successfully



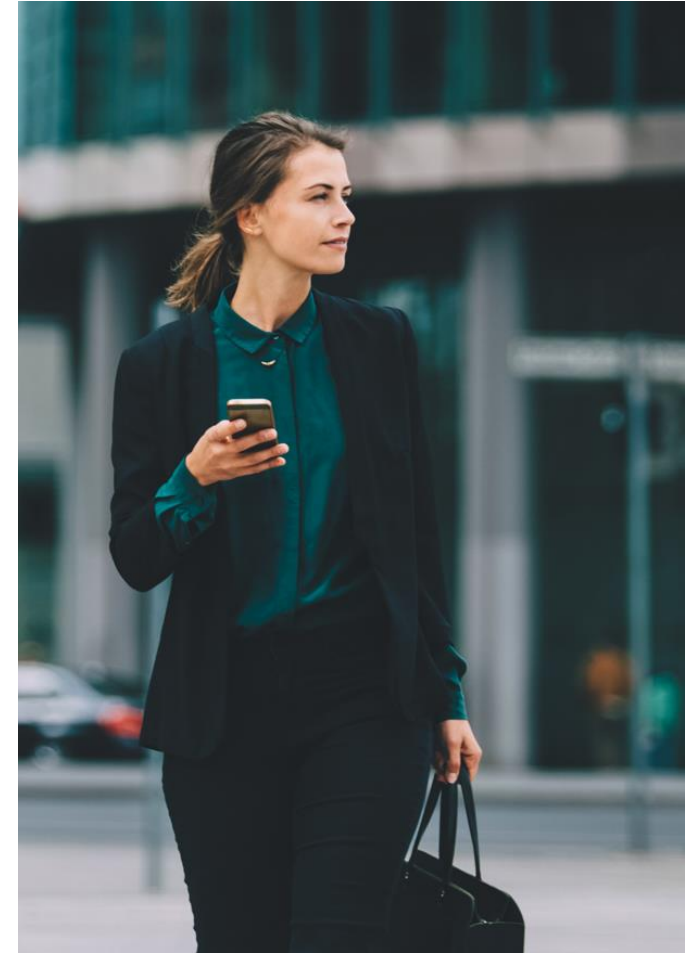
Funding structure and cost of debt capital



Preparations for the issue of a Perpetual Bond initiated.
Purpose: raising IFRS equity to supplement growth.

Summary and key takeaways

- **Market conditions affected by COVID-19 related lockdowns in Q1**
- **Solid start into 2021 reaching an EBIT of EUR 5.4 million; credit losses remained well under control**
- **Strong execution on the Group's 2021 key objectives**
- **New Group structure, including tribe and brand strategy established**



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Thank you