



Ferratum Capital Germany GmbH

(incorporated with limited liability under the laws of the Federal Republic of Germany,
having its corporate domicile in Berlin, Federal Republic of Germany)

Up to € 50,000,000 4.875 per cent Notes due 2019

guaranteed by

Ferratum Oyj

(a public limited company incorporated under the laws of Finland)

Issue Price: 100 per cent

Ferratum Capital Germany GmbH (the "**Issuer**" or "**Ferratum GmbH**") on 22 June 2016 (the "**Issue Date**") intends to issue up to € 50,000,000 4.875 per cent Notes due 2019 (the "**Notes**") under an unconditional and irrevocable guarantee (the "**Guarantee**") of Ferratum Oyj (the "**Guarantor**"). Unless previously redeemed, the Notes will be redeemed at par on 22 June 2019 (the "**Maturity Date**"). The Notes can be redeemed early, at the option of the Issuer, on or after 21 October 2018 at 100.75% of the principal amount. The Notes will bear interest from and including 22 June 2016 to, but excluding, the Maturity Date at a rate of 4.875 per cent *per annum*, payable annually in arrears on 22 June in each year, commencing on 22 June 2017.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 as amended from time to time (the "**Prospectus Directive**"). The purpose of this Prospectus is to enable the Issuer or other persons entitled to use the Prospectus to publicly offer the Notes in Luxembourg and Germany and the jurisdictions in which the Prospectus has been notified. This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg law relating to prospectuses for securities, as amended (*Loi du 10 juillet 2005 relative aux prospectus pour valeurs mobilières* – the "**Prospectus Law**"), which implements the Prospectus Directive into Luxembourg law. By approving the Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer. The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany ("**Germany**") and may request to provide competent authorities in additional host Member States within the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Law (the "**Notification**").

Application has been made for the Notes to be listed on the Entry Standard of the Frankfurt Stock Exchange, which is not a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on Markets in Financial Instruments, as amended.

The Guarantor is currently rated BBB+ by Creditreform Rating AG. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Notes are issued in bearer form with a denomination of €1.000 each.

The Notes have been assigned the following securities codes: ISIN DE000A2AAR27, WKN A2AAR2.

Sole Global Arranger and Sole Bookrunner

ICF BANK

8 June 2016

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SUMMARY OF THE PROSPECTUS

Summaries are made up of disclosure requirements, referred to as "Elements". These Elements are numbered in Sections A - E (A.1 - E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Since a number of points do not need to be addressed there may be gaps in the numbering sequence. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a brief description of the point with "not applicable" is included.

A. – Introduction and Warnings

A.1 Warnings

Warning that:

- this Summary should be read as an introduction to the Prospectus;
- any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;
- where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and

civil liability attaches only to the persons which have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such the Notes.

A.2 Information regarding the subsequent use of the prospectus

ICF BANK AG and each financial intermediary subsequently reselling or finally placing the Notes is entitled to use the Prospectus for the subsequent resale or final placement of the Notes during the offer period for the subsequent resale or final placement of the Notes from 9 June 2016 to 20 June 2016, provided however, that the Prospectus is still valid in accordance with Article 11 (1) of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010).

When using the Prospectus, ICF BANK AG and each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by ICF BANK AG or a financial intermediary, ICF BANK AG or such financial intermediary shall provide information to investors on the

terms and conditions of the offer at the time of that offer.

B. – Issuer

- B.1 Legal and commercial name of the issuer** The legal and commercial name of the Issuer is: Ferratum Capital Germany GmbH (the "**Issuer**")
- B.2 Domicile and legal form of the issuer, legislation under which the issuer operates and country of incorporation** The Issuer is incorporated in Germany as limited liability company (*Gesellschaft mit beschränkter Haftung*), organised and operating under the laws of the Federal Republic of Germany. Its domicile is Berlin, Germany.
- B.4b Most significant recent trends affecting the issuer and the industries in which it operates** Not applicable; there are no trends known to the Issuer affecting the Issuer's business.
- B.5 Description of the group and the issuer's position within the group** The Issuer is a subsidiary of Ferratum Oyj (the "**Guarantor**"). Ferratum Oyj is a Finnish company which is the parent company of the Ferratum group, which consists of numerous subsidiaries and affiliates in various jurisdictions (the "**Ferratum Group**" or the "**Group**", "**we**", "**our**" or "**us**"). The Issuer is a wholly owned subsidiary of the Guarantor.
- B.9 Profit forecasts or estimates** Not applicable. This Prospectus does not contain profit forecasts or estimates.
- B.10 Any qualifications in the audit report on the historical financial information** Not applicable. There are no qualifications in the auditor's report on historical financial information of the Issuer.
- B.12 Selected historical key financial information** The following table shows the key balance sheet items of the Issuer:

	31 December	
	2015	2014
	<i>(in € thousand)</i>	
Total Assets	25,567	25,501
Subscribed capital	25	25
Provisions	161	99
Total Liabilities	25,406	25,402
<i>thereof</i> bonds	25,395	25,395

The Issuer is not required to and has not published any interim financial statements since 31 December 2015.

No material adverse change There has been no material adverse change in the prospects of Ferratum Capital Germany GmbH since the date of the last published audited financial statements as of and for the year 31

December 2015.

	Significant changes in financial or trading position	Not applicable; there has been no significant change in the financial or trading position of Ferratum Capital Germany GmbH since the date of the last published audited financial statements as of and for the year 31 December 2015.
B.13	Recent Events	Not applicable; there are no recent events that are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Dependence of the Issuer on other entities within the group	<p>Please read Element B.5 together with the information below.</p> <p>Ferratum Capital Germany GmbH is a wholly-owned subsidiary of Ferratum Oyj. It is dependent on its parent company Ferratum Oyj.</p>
B.15	Principal activities	The Issuer's business activity is the raising of debt capital through the issuance of bearer bonds and the granting of loans to other entities within the Ferratum Group.
B.16	Controlling interest over the Issuer	Ferratum Capital Germany GmbH is a wholly-owned subsidiary of Ferratum Oyj. Hence, Ferratum Oyj directly controls the Issuer.
B.17	Credit ratings assigned to the Issuer or its debt securities	Not applicable. Ferratum Capital Germany GmbH is not rated. Ferratum Capital Germany GmbH's €25 million bond issued in 2013 is, as of the date of this Prospectus, rated BBB+ by Creditreform Rating AG.
B.18	Nature and Scope of the guarantee	Ferratum Oyj guarantees unconditionally and irrevocably the due payment of interest and principal and additional amounts, if any, for the Notes.
B.19 B.1	Legal and commercial name of the Guarantor	The legal name of the Guarantor is Ferratum Oyj and the commercial name of the Guarantor is Ferratum.
B.19 B.2	Domicile, legal form, legislation, country of incorporation of the Guarantor	<p>The Guarantor is domiciled in Finland and has its registered office at Ratamestarinkatu 11 A, FI-00520, Helsinki, Finland.</p> <p>The Guarantor is a public limited company organized under the laws of Finland.</p>
B.19 B.4b	Description of any known trends affecting the Guarantor and the industries in which it operates	<p>Key structural drivers for growth in the market for mobile consumer loans include in particular:</p> <ul style="list-style-type: none">• the digitalization of traditional financial services, in particular a further trend towards mobile phone consumer credit products;• the technological progress resulting from the revolution in payment methods (e.g. PayPal, mobile loans);• new players entering the payments and financial markets (e.g. Apple, Google Mobile operators and government authorities);• traditional players like Visa and Mastercard are

moving into new technology payments; and

- changes in attitudes of customers as manifested in the rise of social lending – peer-to-peer social lending via internet.

B.19 B.5 Description of the Group and the Guarantor's position within the Group Ferratum Oyj is the ultimate parent company of the Ferratum Group.
The Ferratum Group consists of many subsidiaries in various jurisdictions in Europe, North America and Asia.

B.19 B.9 Profit forecast or estimate of the Guarantor Not applicable; no profit forecast or estimate is made by the Guarantor.

B.19 B.10 Qualifications in the audit report on the historical financial information of the Guarantor Not applicable; Pricewaterhouse Coopers Oy, Authorised Public Accountants issued unqualified auditor's reports on the consolidated financial statements of Ferratum Oyj and its subsidiaries for the fiscal years ended on 31 December 2015 and 2014.

	As of and for the financial year ended 31 December	
	2015	2014
	<i>(in € million)</i>	
Revenue	111.0	70.5
EBT ⁽¹⁾	12.9	7.7
EBT margin (in %)	11.6%	10.9%
EBIT ⁽²⁾	17.0	11.8
EBIT margin (in %)	15.3%	16.7%
EBITDA ⁽³⁾	18.3	12.4
EBITDA margin (in %)	16.5%	17.6%
Profit after tax	11.4	6.8
Net cash from operating activities	(32.7)	(9.9)
Net cash used in investing activities	(5.5)	(1.9)
Net cash used in financing activities	47.6	2.7
Change in net cash flow	9.5	(9.1)
Total assets	140.1	79.8
<i>thereof</i> accounts receivables – consumer loans (net)	106.8	61.5
Non-current liabilities	48.9	28.9
Current liabilities	13.6	29.5
Total Equity	77.6	21.4

(1) Earnings before tax (EBT).

(2) Earnings before interest and tax (EBIT) is shown in the consolidated income statement as "Operating profit".

(3) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by adding depreciation and amortization to operating profit.

The financial information for the first quarter of 2016 and as of 31 March 2016 was taken from the Guarantor's interim

financial statement for the first quarter ending 31 March 2016.

	As of and for the three months ended 31 March	
	2016	2015
	<i>(in € million)</i>	
Revenue	33.2	23.0
EBT ⁽¹⁾	3.8	2.6
EBT margin (in %)	11.4%	11.1%
EBIT ⁽²⁾	5.2	2.6
EBIT margin (in %)	15.6%	11.2%
EBITDA ⁽³⁾	5.6	5.8
EBITDA margin (in %)	16.8%	12.1%
Profit after tax	3.3	2.2
Net cash from operating activities	(11.4)	(9.0)
Net cash used in investing activities	(2.0)	(0.1)
Net cash used in financing activities	7.8	40.4
Change in net cash flow	(5.6)	31.3
Total assets	152.4	122.2
<i>thereof</i> accounts receivables – consumer loans (net)	121.8	71.1
Non-current liabilities	49.1	29.2
Current liabilities	22.8	23.5
Total Equity	80.5	69.6

(1) Earnings before tax (EBT).

(2) Earnings before interest and tax (EBIT) is shown in the consolidated income statement as "Operating profit".

(3) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by adding depreciation and amortization to operating profit.

**No material
adverse change**

There has been no material adverse change in the prospects of the Guarantor since the date of the last published audited consolidated financial statements as of and for the year ended 31 December 2015.

**Significant
changes in
financial or
trading position**

Not applicable; there has been no significant change in the financial or trading position of the Guarantor since the date of the last published interim consolidated financial statements as of and for the 3-month period ended 31 March 2016.

**B.19
B.13 Recent Events**

In January 2016, the Group announced the acquisition of FCB Firmen-Credit Bank GmbH ("**FCB**"), a bank operating in Germany, which shall function as the core of its Ferratum Business product offering. The Group also further rolled out its deposit strategy, taking deposits in Germany starting in early 2016.

Ferratum also continued its product roll out into new geographies by introducing the Credit Limit product in Poland and introducing Ferratum Business in Denmark in the first quarter of 2016. Additionally, Ferratum Bank plc also took

over the operations in Spain in early 2016, which had previously been working under local licenses and are now operating under the Group's EU credit license. Lastly, the Group further focused on the introduction of the Group's mobile bank into the European market in 2016, which the Group considers the most important strategic goal for 2016.

In April 2016, the Group's credit line with Nordea was increased from €15 million to €35 million to use as a refinancing facility for the Group's further growth of its non bank operational sphere.

In May 2016, Ferratum launched Ferratum Business in the Netherlands.

B.19 **Dependence of the**
B.14 **Guarantor on**
 other entities
 within the group

Please read Element B.19 B.5 together with the information below.

Not applicable; the Guarantor is the parent company to all the companies within the Ferratum Group and thus is not dependent on other group companies.

B.19 **A description of**
B.15 **the Guarantor's**
 principal activities

The Group is a leading international provider of unsecured mobile consumer loans and small business loans. As a pioneer in the field of mobile short-term consumer lending, it has expanded its operations since 2005 to 23 countries and as of 31 March 2016 had 1.3 million active and former customers who have received one or more loans in the past and had a total of 3.9 million user accounts in its database. The Group's business is designed for fast, easy and confidential loans to consumers and can be accessed through the internet, specifically through mobile devices, with loan approval usually within minutes after a multitude of financial background checks and profiling.

The Group principally operates in Western Europe and Eastern Europe as well as in selected countries in the Asia Pacific region (Australia and New Zealand) and in North America (Mexico and Canada). In many Eastern European countries, in Mexico and other emerging and developing countries, small consumer loans refer to the provision of financial services to under banked households and are widely seen as improving livelihoods, reducing vulnerability to economic, social, and political risks, and fostering social and economic empowerment. In Western Europe, Australia, New Zealand, Canada and other developed countries, small consumer loans serve a similar function as in the emerging countries, but also are a fast and economical means to deliver small consumer credit amounts to meet customers' short-term financial needs, while avoiding the formal paper-based procedures of traditional banks.

The Group's core products are mobile microloans. Microloans offer consumers a quick and straight-forward access to small cash amounts. Ferratum has been a pioneer in bringing mobile micro loans to European consumers. The microloan business is based on mobile phone technology and electronic bank account debiting. Customers are usually able to obtain microloans

within minutes through the use of their mobile devices. Microloans are offered in the range of €50–1,000 with maturity periods of 7–90 days, depending on the loan amount and the legislative framework of the location.

The Group also offers a credit limit product which is a product based on revolving credit which is a type of credit that does not have a fixed number of payments, in contrast to instalment loans (PLUS Loans / Microloans). The credit limit product is an arrangement which allows for the loan amount to be withdrawn, repaid, and redrawn again, in any manner and any number of times, until the arrangement expires, similar to an overdraft account.

The Group's PLUS Loans product is a more flexible loan product outside the typical range of microloans. The PLUS Loan products are offered in larger amounts typically between €300 and €3,000 with longer maturity periods of 2–36 months. The repayment instalments are normally equally distributed throughout the term of a PLUS Loan. This allows customers to budget their finances when repaying. PLUS Loans involve instalment repayment plans, which further distinguish them from our traditional microloan product.

The Group has also developed FerBuy, a secure and flexible e-commerce payment solution for online merchants and consumers. FerBuy offers online merchants a secure payment portal with no financial risk. FerBuy allows customer credit approvals to be conducted by using our established credit scoring processes. Customers can buy and receive online goods or services immediately, but choose to postpone payment on credit with a 2–6 month instalment plan.

In 2015, the Group started to offer established small businesses with a strong track record of at least two years loans to finance working capital with a term of six to twelve months. These loans, offered as part of the Ferratum Business product offering, can be applied in an amount of €2,000 to €50,000. Ferratum Business is currently offered in five countries.

The Group also takes deposits in Germany and Sweden.

From a financing perspective, the Group divides its activities into two spheres:

- In sphere one, the Group pools all operations in countries in which it operates with the EU credit institution license held by Ferratum Bank plc: Slovakia, Poland, Estonia, Latvia, Germany, Bulgaria, the Czech Republic, Norway, France, Sweden and Spain. This first sphere is currently principally financed via a €20 million bond issued in the July 2015 by Ferratum Bank plc within a €30 million debt programme, under which Ferratum Bank plc can issue further bonds in amounts of €10 million until July 2016. Furthermore, the Group's strategy is to have the

deposits which it is taking in Sweden and has recently started to take in Germany, provide the principle source of financing for the Group's operations in sphere one.

- In sphere two, the Group pools all operations in countries where it does not use Ferratum Bank plc's EU credit license, most notably all operations outside of the European Economic Area – such as New Zealand, Australia, Russia, Canada and Mexico – and in certain European jurisdictions where the Group currently does not operate under Ferratum Bank plc's banking credit license. Currently, these countries include Finland, Denmark, the UK, the Netherlands, Lithuania and Croatia. Ferratum is considering to shift some of the jurisdictions for sphere two to sphere one over time. Ferratum Business is currently within sphere two, but shall be brought under sphere one, following the completion of the FCB acquisition. The proceeds from the sale of the Notes shall be principally used to finance operations in sphere two.

B.19	Controlling	Jorma Jokela (CEO and founder of Ferratum) directly and indirectly holds a controlling interest in the Guarantor with 57.32% of the shares of the Guarantor.
B.16	interest over the Guarantor	
B.19	Credit ratings	The Guarantor is currently rated BBB+ by Creditreform Rating AG.
B.17	assigned to the Guarantor or its debt securities	

C. – Securities

C.1.	Type and class of the securities being offered and/or admitted to trading, including any security identification number	<p>Type and Class</p> <p>Up to €50 million aggregate principal amount in notes due 2019 with a denomination of €1,000 per Note which are issued as bearer securities.</p> <p>Security Identification Number(s)</p> <p>ISIN: DE000A2AAR27 WKN: A2AAR2</p>
C.2	Currency of the securities issue	Euro
C.5	Restrictions on the free transferability of the securities	Not applicable. The Notes are freely transferable.
C.8	Rights attached to the Notes, ranking of the Notes and limitations to the	<p>Rights attached to the Notes</p> <p>Each holder of the Notes has the right <i>vis-à-vis</i> the Issuer to claim payment of principal and interest when such payments</p>

rights attached to the Notes

are due in accordance with the Terms and Conditions of the Notes.

Ranking of the Notes

The Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

Redemption

Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at its principal amount on 22 June 2019.

Redemption for Taxation Reasons

Early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of Germany.

Early Redemption at the Option of the Issuer

The Notes can be redeemed early, at the option of the Issuer, on or after 21 October 2018 at 100.75% of the principal amount.

Negative Pledge

The Terms and Conditions of the Notes contain a negative pledge provision.

Events of Default

The Terms and Conditions of the Notes provide for events of default entitling holders of the Notes to demand immediate redemption of the Notes.

Cross Default

The Terms and Conditions of the Notes provide for cross default provisions.

Change of Control

The Terms and Conditions provide for a change of control clause.

Resolutions of Holders

The Notes provide for resolutions of Holders.

Governing Law

The Notes are governed by German law.

Limitations to rights attached to the Notes

The prescription period (*Vorlegungsfrist*) is shortened to (i) ten years with respect to payments of principal and (ii) five years with respect to payments of interest.

C.9 Interest / Interest Commencement Date / Maturity Date / Yield/

Please see Element C.8

Interest /Interest Commencement Date

The Notes bear interest from 22 June 2016 at a fixed rate of

Representative of Holder

4.875 per cent. *per annum* payable in arrear on 22 June of each year.

Maturity Date

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed on 22 June 2019.

Yield

The yield equals 4.875 per cent. *per annum*. The yield of the Notes will be calculated by the Issuer.

Representative of holder

Not applicable, no representative of the holders has been appointed in the Terms and Conditions.

C.10 Derivative Component in the Interest Payment

Not Applicable, there is no derivative component in the interest payment.

C.11 Admission to trading on a regulated market

Not Applicable, application has been made to admit the Notes on the Entry Standard of the Frankfurt Stock Exchange.

D. – Risks

D.2 Key information on the key risks that are specific to the Issuer

The Issuer acts at present to facilitate the financing of the Ferratum Group. Its main assets will be loans granted to other members of the Group. The Issuer's continued operations depend on the ability of such Group entities to meet their payment obligations under these loans.

D.3 Key information on the key risks that are specific to the securities

Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances.

Liquidity Risk

There can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Risk of early redemption

If the Notes are redeemed prior to maturity due to the occurrence of an event set out in the Conditions of the Notes or after 21 October 2018 at the option of the Issuer, the holder of such Notes might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

Market Price Risk

The holder of Notes is exposed to the risk of an unfavourable development of market prices of his Notes which materializes

if such holder sells the Notes prior to the final maturity of such Notes.

Creditworthiness of the Guarantor

The market price of the Notes may decrease, should the creditworthiness of the Guarantor decrease.

Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative

A Holder is subject to the risk of being outvoted and to lose rights against the Issuer in the case that other Holders agree pursuant to the Terms and Conditions of the Notes to amendments of the Terms and Conditions of the Notes by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"). In the case of an appointment of a noteholders' representative for all Holders a particular Holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Holders.

Currency Risk

The holder of a Note denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. In addition, governments and competent authorities could impose currency exchange controls in the future.

Fixed Rate Notes

The holder of a fixed rate note ("**Fixed Rate Note**") is exposed to the risk that the price of such Fixed Rate Note falls as a result of changes in the market interest rate.

Key information on the key risks that are specific to the Guarantor and the Group

The Guarantor and thus the Group is subject to the following key risks:

Risks Related to the Group's Operations and Industry

- An economic slowdown could adversely affect the demand for the Group's mobile consumer loans, increase its credit losses and decrease its growth.
- The Group may not be able to successfully evaluate the creditworthiness of its customers, may not price its consumer loan products correctly and may not be able to adequately diversify its consumer loan portfolio.
- If the Group's risk provisions in relation to credit losses are not sufficient, the Group's results of operations and financial condition may be adversely affected.
- If the Group incurs a large amount of fraud-related losses, the Group's results of operations and financial condition may be adversely affected.
- If the Group does not generate a sufficient amount of cash

to satisfy its liquidity needs and may not be able to grow its business as a result of cash shortages.

- If the Group does not have access to financing under affordable terms, it may not be able to expand its business and refinance its existing or future indebtedness.
- The Group is subject to floating rate interest rate risks.
- The Group's business and results of operations may be adversely affected if the Group is unable to manage its growth effectively.
- Any disruption in the Group's information systems or external telecommunication infrastructure worldwide could adversely affect the Group's operations.
- If the Group fails to geographically diversify and expand its operations and customer base, its business may be harmed.
- Negative public perception and press coverage of short-term unsecured consumer loans could negatively affect the Group's revenues and results of operations.
- Competition in the short-term lending industry could cause the Group to lose its market share and revenues.
- A reduction in demand for the Group's products, and failure by the Group to develop innovative and attractive products, could adversely affect the Group's business and results of operations.
- The Group's operations are subject to exchange rate risk.
- The Group is subject to accounting and management risk.
- Certain tax positions taken by the Group requires the judgment of management and could turn to be inefficient or challenged by tax authorities.
- If the Group loses its current CEO or key management or is unable to attract and retain the talent required for its business, the Group's operating results may suffer.
- The Group may incur property, casualty or other losses not covered by insurance.

Regulatory and Legal Risks

- The Group is subject to various consumer protection laws, other local legal and regulatory requirements and European law, changes of which or interpretations of which by authorities could significantly impact the Group's business.
- The Group may fail to successfully manage the diverse sets of regulatory requirements the Group currently is subject to and may face regulatory problems entering into new markets.
- The Group's business may be challenged by consumers, consumer protection organizations, courts, or regulatory agencies in connection with compliance with the EU Consumer Credit Directive and the national laws

implementing the Directive.

- The nature of the Group's business as a provider of mobile consumer loans may be misunderstood by customers, consumer protection organizations and other people, which may have an adverse effect on our reputation.
- The Group may lose required licences to operate the Group's mobile consumer loan business or face challenges to renew such licences.
- The Group's Maltese banking subsidiary and its German banking subsidiary may fail to comply with all regulations it is subject to and such failures could materially impact its operations and strategy.

The Group is subject to a diverse set of tax regimes in the jurisdictions it operates in and changes in such tax regimes could materially impact its business, financial condition, or results of operations.

E. – Offer

E.2b Reasons for the offer and use of proceeds

The net proceeds derived from the offer of the Notes shall (i) mainly be used to finance the operations of sphere two of the Group's operations, i.e. for operations in markets where the Group does not operate under the credit licence of Ferratum Bank plc, which includes all jurisdictions outside the European Economic Area and certain European countries where the Group has a long-standing history: Finland, Denmark, the UK, the Netherlands, Lithuania, Croatia, New Zealand, Australia, Russia, Canada and Mexico, and (ii) for general corporate purposes.

E.3 Description of the Terms and Conditions of the offer

The Notes will be publicly offered during an offer period commencing on 9 June 2016 and ending on 20 June 2016 at an issue price of 100 per cent (the "**Issue Price**") in Germany and Luxembourg. The minimum denomination of the Notes is € 1,000. The offer of the Notes is not subject to any conditions. Orders may be placed with ICF BANK AG or other financial intermediaries and via the online subscription tool of Deutsche Börse Xetra (*Xetra Zeichnungsfunktionalität*). Investors will be informed about their allocation via customary information systems. Delivery of allocated Notes will be affected via book-entry against payment of the Issue Price.

E.4 A description of any interest that is material to the issue/offer including conflicting interests

Not applicable; as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

E.7 Estimate of expenses charged to the investor by the issuer or the offeror

Not applicable; the Issuer will not charge any expenses or taxes. Each investor has however to inform itself about taxes or expenses it may be subject to, e.g. deposit fees.

GERMAN TRANSLATION OF THE SUMMARY – DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

Zusammenfassungen bestehen aus geforderten Angaben, die als "Elemente" bezeichnet werden. Diese Elemente sind in den Abschnitten A - E (A.1 - E.7) fortlaufend nummeriert. Die Zusammenfassung enthält alle Elemente, welche notwendig in einer Zusammenfassung für diese Art von Wertpapier und Emittent einbezogen werden müssen. Da eine Reihe von Punkten nicht eingereicht werden muss, können sich Lücken in der fortlaufenden Nummerierung ergeben. Obwohl wegen der Art des Wertpapiers und des Emittenten ein Element notwendigerweise in der Zusammenfassung aufgeführt sein muss, kann es sein, dass in Bezug auf dieses Element keinerlei Informationen gegeben werden können. In diesem Fall enthält die Zusammenfassung eine kurze Beschreibung des Punktes mit dem Hinweis "nicht anwendbar/entfällt".

A. – Einleitung und Warnhinweise

A.1 Warnhinweise Warnhinweise, dass:

- die Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte;
- sich der Anleger bei jeder Entscheidung in die Schuldverschreibungen zu investieren, auf den Prospekt als Ganzen stützen sollte;
- ein Anleger, der wegen der in dem Prospekt enthaltenen Angaben Klage einreichen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaats möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und

zivilrechtlich nur die Personen haften, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts wesentliche Angaben, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.

A.2 Angabe über die spätere Verwendung des Prospekts

ICF BANK AG und jeder Finanzintermediär, der die emittierten Schuldverschreibungen nachfolgend weiter verkauft oder endgültig platziert, ist berechtigt, den Prospekt für den späteren Weiterverkauf oder die endgültige Platzierung der Schuldverschreibungen während der Angebotsperiode für den späteren Weiterverkauf oder die endgültige Platzierung vom 9 Juni 2016 bis zum 20 Juni 2016 zu verwenden, vorausgesetzt jedoch, dass der Prospekt in Übereinstimmung mit Artikel 11 Abs. 1 des Luxemburger Wertpapierprospektgesetzes (*Loi relative aux prospectus pour valeurs mobilières*), welches die Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 (geändert durch Richtlinie 2010/73/EU des Europäischen Parlaments und des Rates vom

24. November 2010) umsetzt, noch gültig ist.

Bei der Nutzung des Prospektes hat ICF BANK AG und jeder weitere Finanzintermediär sicherzustellen, dass er alle anwendbaren, in den jeweiligen Jurisdiktionen geltenden Gesetze und Rechtsvorschriften beachtet.

Für den Fall, dass ICF BANK AG und/oder ein weiterer Finanzintermediär ein Angebot macht, informiert ICF BANK AG oder dieser Finanzintermediär die Anleger zum Zeitpunkt der Angebotsvorlage über die Bedingungen des Angebots.

B. – Emittentin

- | | | |
|-------------|---|--|
| B.1 | Juristische und kommerzielle Bezeichnung der Emittentin | Der gesetzliche und kommerzielle Name der Emittentin ist: Ferratum Capital Germany GmbH (die " Emittentin "). |
| B.2 | Sitz und Rechtsform, geltendes Recht und Land der Gründung | Die Emittentin ist eine Gesellschaft mit beschränkter Haftung nach deutschem Recht, die in Deutschland nach deutschem Recht gegründet wurde und ihren Sitz in Berlin, Deutschland hat. |
| B.4b | Wichtigste jüngste Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken | Entfällt; der Emittentin sind keine Trends bekannt, die einen Einfluss auf ihr Geschäft haben können. |
| B.5 | Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe | Die Emittentin ist die Tochtergesellschaft der Ferratum Oyj (die " Garantin "). Bei der Ferratum Oyj handelt es sich um eine finnische Gesellschaft, die Muttergesellschaft der Ferratum Gruppe, die aus zahlreichen Gesellschaften in verschiedenen Ländern besteht (" Ferratum Gruppe " oder " Gruppe "). Die Emittentin ist eine 100%ige Tochter der Garantin. |
| B.9 | Gewinnprognosen oder -schätzungen | Entfällt. Dieser Prospekt enthält keine Gewinnprognosen oder -schätzungen. |
| B.10 | Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen | Entfällt. Es gibt keine Einschränkungen im Vermerk des Abschlussprüfers zu den historischen Finanzinformationen der Emittentin. |

B.12 Ausgewählte wesentliche historische Finanzinformationen

Folgende Tabelle zeigt wesentliche Bilanzpositionen der Emittentin:

	31. Dezember	
	2015	2014
	<i>(in Tausend €)</i>	
Gesamte Aktiva	25.567	25.501
Gezeichnetes Kapital	25	25
Rückstellungen	161	99
Gesamtverbindlichkeiten	25.406	25.402
<i>davon Schuldverschreibungen</i>	<i>25.395</i>	<i>25.395</i>

Die Emittentin hat seit dem 31. Dezember 2015 keine Zwischenfinanzinformationen veröffentlicht und ist auch nicht verpflichtet solche Informationen zu veröffentlichen.

Keine wesentlichen nachteiligen Veränderungen

Seit dem Datum des letzten veröffentlichten und geprüften Abschlusses für das Jahr zum 31. Dezember 2015 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der Ferratum Capital Deutschland GmbH eingetreten.

Wesentliche Veränderungen in der Finanzlage oder der Handelsposition

Entfällt; seit dem Datum des letzten veröffentlichten und geprüften Abschlusses für das Jahr zum 31. Dezember 2015 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Ferratum Capital Germany GmbH eingetreten.

B.13 Letzte Entwicklungen

Entfällt; es gibt keine Entwicklungen, die in wesentlichem Maße für die Beurteilung der Solvenz der Emittentin relevant sind.

B.14 Angabe zur Abhängigkeit der Emittentin von anderen Unternehmen innerhalb der Gruppe

Bitte Punkt B.5 zusammen mit der unten aufgeführten Information lesen.

Ferratum Capital Germany GmbH ist eine 100%ige Tochter der Ferratum Oyj. Sie ist abhängig von ihrer Muttergesellschaft Ferratum Oyj.

B.15 Haupttätigkeiten

Die einzige Geschäftsaktivität der Emittentin bildet die Aufnahme von Fremdkapital durch die Emission von Inhaberschuldverschreibungen und die Gewährung von Darlehen an Mutter-, Tochter- oder Schwesterunternehmen innerhalb der Ferratum Gruppe.

B.16 Kontrolle über die Emittentin

Ferratum Capital Germany GmbH ist eine 100%ige Tochter der Ferratum Oyj. Die Emittentin wird direkt von der Ferratum Oyj beherrscht.

B.17 Kreditratings der Emittentin oder ihrer Schuldtitel

Entfällt. Ferratum Capital Germany GmbH ist nicht geratet. Die von Ferratum Capital Germany GmbH im Jahr 2013 begebene Anleihe in Höhe von €25 Millionen ist, zum Datum dieses Prospekts, von der Creditreform Rating AG BBB+ geratet.

B.18 Beschreibung von

Die Ferratum Oyj garantiert bedingungslos und unwiderruflich

	Art und Umfang der Garantie	die pünktliche Zahlung von Zinsen und Kapital sowie von etwaigen zusätzlichen Beträgen, die unter den Schuldverschreibungen zu zahlen sind.
B.19 B.1	Gesetzliche und kommerzielle Bezeichnung der Garantin	Ferratum Oyj ist gesetzlicher Name der Garantin und Ferratum ist kommerzieller Name der Garantin.
B.19 B.2	Sitz / Rechtsform / geltendes Recht/ Land der Gründung der Garantin	Die Garantin hat ihren Sitz in Finnland und ist im Unternehmensregister mit der Adresse Ratamestarinkatu 11 A, FI-00520, Helsinki, Finnland eingetragen. Die Garantin ist eine Aktiengesellschaft nach dem Recht Finnlands.
B.19 B.4b	Bereits bekannte Trends, die sich auf die Garantin und die Branchen, in denen sie tätig ist, auswirken	Die wichtigsten strukturellen Faktoren für das Wachstum im Markt für mobile Verbraucherkredite sind insbesondere: <ul style="list-style-type: none"> • die Digitalisierung der traditionellen Finanzdienstleistungen, insbesondere weitere Trendsetzung in Richtung Mobilfunk-Verbraucherkredit-Produkte; • der technische Fortschritt infolge der Umwälzung der Zahlungsmethoden (z.B. PayPal, mobile Kredite); • neue Anbieter auf dem Zahlungs- und Finanzmarkt (z.B. Apple, Google Mobile Betreiber und Regierungen/Behörden); • traditionelle Anbieter wie Visa und Mastercard ziehen in neue Zahlungsverkehrstechnologien; und • Veränderungen im Verhalten der Verbraucher, z.B. der Anstieg des Bedarfs für peer-to-peer Darlehen über Internetplattformen.
B.19 B.5	Beschreibung der Gruppe und der Stellung der Garantin innerhalb der Gruppe	Ferratum Oyj ist die Muttergesellschaft der Ferratum Gruppe. Die Ferratum Gruppe beinhaltet zahlreiche Tochtergesellschaften in unterschiedlichen Jurisdiktionen in Europa, Nordamerika und Asien.
B.19 B.9	Gewinnprognosen oder – schätzungen der Garantin	Entfällt; es wird keine Gewinnprognose oder -schätzung durch die Garantin veröffentlicht.
B.19 B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen der Garantin.	Entfällt; Pricewaterhouse Coopers Oy, Authorised Public Accountants hat die Konzernabschlüsse der Ferratum Oyj und ihrer Tochtergesellschaften für die zum 31. Dezember 2015 und 2014 endenden Geschäftsjahre jeweils mit uneingeschränkten Bestätigungsvermerken versehen.

B.19 **Ausgewählte**
B.12 **wesentliche**
historische
Finanzinformatio
nen der Garantin

Zum und für das
Geschäftsjahr endend am
31. Dezember

2015 **2014**

(in Millionen €)

Umsatz	111,0	70,5
EBT ⁽¹⁾	12,9	7,7
EBT-Marge (in %)	11,6%	10,9%
EBIT ⁽²⁾	17,0	11,8
EBIT-Marge (in %)	15,3%	16,7%
EBITDA ⁽³⁾	18,3	12,4
EBITDA-Marge (in %)	16,5%	17,6%
Ergebnis nach Steuern	11,4	6,8
Cashflow aus laufender Geschäftstätigkeit	(32,7)	(9,9)
Cashflow aus der Investitionstätigkeit	(5,5)	(1,9)
Cashflow aus der Finanzierungstätigkeit	47,6	2,7
Veränderung im Kapitalfluss	9,5	(9,1)
Gesamtkapital	140,1	79,8
<i>davon</i> Forderungen aus Lieferungen und Leistungen – Mikrodarlehen (netto)	106,8	61,5
Langfristige Verbindlichkeiten	48,9	28,9
Kurzfristige Verbindlichkeiten	13,6	29,5
Eigenkapital (gesamt)	77,6	21,4

(1) Ergebnisse vor Steuern (EBT).

(2) Ergebnisse vor Zinsen und Steuern (EBIT) ist in der Konzern-Gewinn- und Verlustrechnung als Betriebsergebnis bezeichnet.

(3) EBITDA ist Ergebnisse vor Zinsen, Steuern und Abschreibungen ist kalkuliert als EBIT plus Abschreibungen und Amortisierungen.

Die Finanzinformation für das erste Quartal 2016 und zum 31. März 2016 wurde dem Zwischenabschluss der Garantin zum 31. März 2016 entnommen:

	Zum und für das Geschäftsjahr endend am 31. Dezember	
	2016	2015
	<i>(in Millionen €)</i>	
Umsatz	33,2	23,0
EBT ⁽¹⁾	3,8	2,6
EBT Marge (in %)	11,4%	11,1%
EBIT ⁽²⁾	5,2	2,6
EBIT Marge (in %)	15,6%	11,2%
EBITDA ⁽³⁾	5,6	5,8
EBITDA Marge (in %)	16,8%	12,1%
Ergebnis nach Steuern	3,3	2,2
Cashflow aus laufender Geschäftstätigkeit	(11,4)	(9,0)
Cashflow aus der Investitionstätigkeit.....	(2,0)	(0,1)
Cashflow aus der Finanzierungstätigkeit.....	7,8	40,4
Veränderung im Kapitalfluss	(5,6)	31,3
Gesamtkapital	152,4	122,2
<i>davon</i> Forderungen aus Lieferungen und Leistungen – Mikrodarlehen (netto).....	121,8	71,1
Langfristige Verbindlichkeiten	49,1	29,2
Kurzfristige Verbindlichkeiten	22,8	23,5
Eigenkapital (gesamt)	80,5	69,6

(1) Ergebnisse vor Steuern (EBT).

(2) Ergebnisse vor Zinsen und Steuern (EBIT) ist in der Konzern-Gewinn- und Verlustrechnung als Betriebsergebnis bezeichnet.

(3) EBITDA ist Ergebnisse vor Zinsen, Steuern und Abschreibungen ist kalkuliert als EBIT plus Abschreibungen und Amortisierungen.

**Keine wesentlichen
nachteiligen
Veränderungen**

Seit dem Datum des letzten veröffentlichten geprüften Konzernabschlusses zum 31. Dezember 2015 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der Garantin eingetreten.

**Wesentliche
Veränderungen in
der Finanzlage
oder der
Handelsposition**

Entfällt; seit dem Datum des veröffentlichten geprüften Zwischenkonzernabschlusses zum 31. März 2016 sind keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Garantin eingetreten.

**B.19 Letzte
B.13 Entwicklungen**

Im Januar 2016 hat die Gruppe den Erwerb der FCB Firmen-Credit Bank GmbH ("FCB") bekannt gegeben. Die FCB ist eine in Deutschland agierende Bank, welche als Kern für den weiteren Aufbau des Produktbereichs Ferratum Business fungieren soll. Die Gruppe hat ihre Einlagenstrategie konsequent weiter verfolgt, und begann zu Beginn von 2016

mit Einlagengeschäft in Deutschland.

Ferratum hat außerdem die Produktverbreitung in neue Regionen vorangetrieben, in dem das Credit Limit Produkt in Polen eingeführt wurde und Ferratum Business in Dänemark im ersten Quartal von 2016 gestartet wurde. Zusätzlich hat Ferratum Bank plc ihre Geschäftstätigkeit in Spanien zu Beginn 2016 aufgenommen; in Spanien hat Ferratum zuvor über eine lokale Lizenz operiert und verwendet jetzt die EU Banklizenz der Gruppe für ihre Geschäftstätigkeit. Die Gruppe hat sich außerdem zu Beginn von 2016 auf ihre Mobile Banking Strategie in Europa konzentriert, welche die Gruppe als wichtigstes strategisches Ziel für 2016 ansieht.

Im April 2016 hat die Gruppe ihre Kreditlinie mit Nordea von €15 Mio. auf €35 Mio. erhöht. Die Kreditlinie soll für das weitere Wachstum der Gruppe in der nicht über die EU-Banklizenz operierenden Sphäre des Geschäfts verwendet werden.

Im Mai 2016 wurde Ferratum Business in den Niederlanden gestartet.

B.19 **Angabe zur**
B.14 **Abhängigkeit der**
 Garantin von
 anderen
 Unternehmen
 innerhalb der
 Gruppe

Bitte Punkt B.19 B.5 zusammen mit der unten aufgeführten Information lesen.

Entfällt; die Garantin ist die Muttergesellschaft innerhalb der Ferratum Gruppe und ist nicht von anderen Unternehmen der Gruppe abhängig.

B.19 **Beschreibung der**
B.15 **Haupttätigkeiten**
 der Garantin

Die Gruppe ist ein führender, internationaler Anbieter von unbesicherten mobilen Verbraucherkrediten und kleinen Unternehmenskrediten. Als ein Vorreiter bei mobilen kurzfristigen Verbraucherkrediten, hat sie ihre Geschäfte seit 2005 auf 23 Länder ausgeweitet und hatte zum Stichtag 31. März 2016 1,3 Millionen aktive Kunden bzw. vormalige Kunden, welche einen oder mehrere Kredite in der Vergangenheit erhalten haben, sowie insgesamt 3,9 Millionen User-Accounts in ihrer Datenbank. Das Geschäft der Gruppe ist auf schnelle, einfache und vertrauliche Kredite an Kunden ausgelegt, die über das Internet abgeschlossen werden können, insbesondere über mobile Geräte, wobei gewöhnlich nach einer Vielzahl von Überprüfungen des finanziellen Hintergrunds des möglichen Kunden eine Kreditentscheidung/-vergabe binnen Minuten erfolgt.

Die Gruppe ist überwiegend in West- und Osteuropa tätig sowie in ausgewählten Ländern der Asien Pazifik-Region (Australien und Neuseeland) und in Nordamerika (Mexiko und Kanada). In vielen osteuropäischen Ländern, in Mexiko und anderen Schwellen- und Entwicklungsländern beziehen sich die kurzfristigen Verbraucherkredite auf die Finanzdienstleistungen an Haushalte mit mangelhaftem Zugang zu Bankdiensten und gelten generell als Verbesserung des Lebensunterhalts, Reduzierung der Anfälligkeit zu wirtschaftlichen, sozialen und politischen Risiken und

Förderung der sozialen und wirtschaftlichen Entfaltungsmöglichkeiten. In Westeuropa, Australien, Neuseeland, Kanada und anderen Industrienationen dienen Verbraucherkredite der gleichen Funktion wie in Schwellenländern, sind aber auch ein schnelles und wirtschaftliches Mittel Kleinkonsumentenkredite anzubieten, die den Kundenbedarf nach kurzfristiger Finanzierung ansprechen, wobei keine formalen, papiergestützten Verfahren, die bei traditionellen Banken üblich sind, notwendig sind.

Das Kernprodukt der Gruppe sind mobile Mikrokredite. Mikrokredite bieten den Verbrauchern einen schnellen und unkomplizierten Zugriff auf kleine Geldbeträge. Ferratum ist ein Pionier im Bereich mobiler Mikrokredite für europäische Konsumenten. Das Mikrokreditgeschäft basiert auf Mobilfunktechnologie und elektronischer Bankkontenabbuchung. Kunden können in den meisten Fällen mit Hilfe ihrer mobilen Endgeräte innerhalb von Minuten einen Mikrokredit erhalten. Mikrokredite werden im Bereich von € 50 bis zu € 1.000 mit einer Laufzeit von sieben bis zu 90 Tagen angeboten, abhängig von der jeweiligen Darlehenssumme und dem Rechtsrahmen des Standorts.

Die Gruppe bietet auch ein Kreditlimit-Produkt an, welches wie ein revolving Kreditrahmen funktioniert. Dabei handelt es sich um eine Darlehensart, die im Gegensatz zu den Tilgungskrediten (PLUS Darlehen/Mikrokredite) keine bestimmte Anzahl an Zahlungen vorsieht. Bei dem Kreditlimit-Produkt handelt es sich um eine Vereinbarung, welche es erlaubt, dass der Darlehensbetrag abgehoben, zurückgezahlt oder wieder ausgezahlt wird, und zwar auf jede Art und beliebig oft bis zur Beendigung der Vereinbarungsdauer, wie ein Überziehungskredit.

Bei dem Produkt PLUS Darlehen handelt es sich um ein noch flexibleres Kreditprodukt, welches außerhalb der typischen Palette der Mikrokredite liegt. Die Produkte PLUS Darlehen werden zu höheren Beträgen (typischerweise zwischen € 300 und € 3.000) und längeren Laufzeiten (von zwei bis zu 36 Monaten) angeboten. Die Rückzahlung der Tilgungsraten wird normalerweise gleichmäßig auf die gesamte Laufzeit des PLUS Darlehens verteilt. Dies ermöglicht den Kunden, ihre Finanzen während der Rückzahlung zu steuern. Die PLUS Darlehen sind Ratenkredite, wodurch sie sich von unserem traditionellen Mikrokredit-Produkt unterscheiden.

Die Gruppe hat zudem FerBuy entwickelt, eine sichere und flexible Lösung für Online-Händler für eCommerce Zahlungen von Kunden. FerBuy bietet Online-Händlern ein sicheres Zahlungsportal ohne finanzielle Risiken. FerBuy erlaubt die Verbraucherkreditvergabe mittels der Nutzung von etablierten Kredit-Ratingverfahren. Verbraucher können Onlinegüter oder -dienstleistungen über das Internet kaufen und empfangen, aber sich dafür entscheiden Zahlungen über einen zwei- bis sechsmonatigen Zahlungsplan zu verzögern.

In 2015 hat die Gruppe begonnen etablierten

Kleinunternehmen, die einen erfolgreichen Track Record von mindestens zwei Jahren haben, im Rahmen von Ferratum Business Darlehen zur Finanzierung ihres Working Capitals mit einer Laufzeit von sechs bis zwölf Monaten in Finnland und Schweden anzubieten. Diese Darlehen können in Höhe von € 2.000 bis € 50.000 beantragt werden. Ferratum Business wird derzeit in fünf Ländern angeboten.

Die Gruppe bietet Spareinlagenprodukte in Deutschland und Schweden an.

Aus der Finanzperspektive unterteilt die Gruppe ihre Haupttätigkeiten in zwei Geschäftssphären:

- In der ersten Sphäre sind alle Geschäfte aus den Ländern konzentriert, in denen die Gruppe über ihre EU-Banklizenz der Ferratum Bank plc operiert: Slowakei, Polen, Estland, Lettland, Deutschland, Bulgarien, Tschechische Republik, Norwegen, Frankreich, Schweden und Spanien. Dieser erste Geschäftsbereich wird derzeit insbesondere durch eine €20 Mio. Anleihe, die im Juli 2015 durch die Ferratum Bank plc im Rahmen eines €30 Mio. Anleiheemissionsprogramms begeben wurde, finanziert. Unter dem Anleiheemissionsprogramm können bis zum Juli 2016 noch weitere €10 Millionen emittiert werden. Die Gruppe beabsichtigt außerdem die Spareinlageprodukte, die in Schweden bereits erfolgt ist und in Deutschland neulich gestartet wurde, als Hauptfinanzierungsquelle für diese Sphäre zu verwenden.
- In der zweiten Sphäre sind alle Geschäften aus den Ländern konzentriert, in denen die Gruppe nicht über die EU-Banklizenz der Ferratum Bank plc operiert, insbesondere alle Jurisdiktionen außerhalb des Europäischen Wirtschaftsraums – wie Neuseeland, Australien, Russland, Kanada und Mexico - und in bestimmten europäischen Ländern, wo die Gruppe nicht unter Verwendung der Banklizenz der Ferratum Bank plc operiert. Zurzeit gehören zu diesen Ländern Finnland, Dänemark, das Vereinigte Königreich, die Niederlande, Litauen und Kroatien. Ferratum analysiert derzeit ob einige Jurisdiktionen in Zukunft von der zweiten Sphäre in die erste Sphäre transferiert werden. Ferratum Business operiert derzeit über die zweite Sphäre, soll aber nach der vollständigen Übernahme der FCB in die erste Sphäre übertragen werden. Die Einnahmen aus der Veräußerung der mit diesem Prospekt angebotenen Schuldverschreibungen sollen hauptsächlich für die Finanzierung der Geschäfte in dieser zweiten Sphäre verwendet werden.

B.19 **Kontrolle über die**
B.16 **Garantin**

Jorma Jokela (CEO und Gründer von Ferratum) hält 57.32 % der Anteile an der Garantin und übt direkt und indirekt einen beherrschenden Einfluss aus.

B.19 B.17	Kreditratings der Garantin oder ihrer Schuldtitel	Die Garantin hat derzeit ein Rating von BBB+ von der Creditreform Rating AG erhalten.
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C. – Wertpapiere

C.1	Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere, einschließlich Wertpapierkennungs	<p>Art und Gattung</p> <p>Schuldverschreibungen mit einem Nennbetrag von €1.000 pro Schuldverschreibung und einem Gesamtnennbetrag von €50.000.000 und einer Fälligkeit in 2019. Die Schuldverschreibungen werden als Inhaberpapiere begeben.</p> <p>Wertpapierkennnummer</p> <p>ISIN: DE000A2AAR27 WKN: A2AAR2</p>
C.2	Währung der Wertpapieremission	<p>Euro</p>
C.5	Beschränkungen der freien Übertragbarkeit	<p>Entfällt. Die Schuldverschreibungen sind frei übertragbar.</p>
C.8	Rechte, die mit den Schuldverschreibungen verbunden sind, Rangfolge der Schuldverschreibungen und Einschränkungen der mit den Schuldverschreibungen verbundenen Rechte	<p>Mit den Schuldverschreibungen verbundene Rechte</p> <p>Jeder Gläubiger hat das Recht, von der Emittentin die gemäß den Emissionsbedingungen fälligen Zahlungen von Zinsen und Kapital zu verlangen.</p> <p>Rang der Schuldverschreibungen</p> <p>Die Schuldverschreibungen stellen ungesicherte, nicht nachrangige Verbindlichkeiten der Emittentin dar, die untereinander und mit allen anderen ungesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.</p> <p>Rückzahlung</p> <p>Soweit nicht zuvor bereits zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am 22. Juni 2019 zurückgezahlt.</p> <p>Rückzahlung aus Steuergründen</p> <p>Außer in dem oben beschriebenen Fall der "Rückzahlung" ist eine vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen nur zulässig, falls die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen als Folge einer Änderung der deutschen Steuergesetze verpflichtet ist.</p> <p>Vorzeitige Rückzahlung nach Wahl der Emittentin</p> <p>Schuldverschreibungen können nach Wahl der Emittentin, früher zurückgezahlt werden, und zwar am oder nach dem 21.</p>

Oktober 2018 zu 100.75 % des Nennbetrags.

Negativklärung

Die Bedingungen der Schuldverschreibungen enthalten eine Negativverpflichtung.

Kündigungsgründe

Die Anleihebedingungen der Schuldverschreibungen sehen Kündigungsgründe vor, die die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldverschreibungen zu verlangen.

Cross-Default

Die Anleihebedingungen der Schuldverschreibungen enthalten eine Cross-Default-Bestimmung.

Kontrollwechsel

Die Anleihebedingungen enthalten eine Kontrollwechselbestimmung.

Gläubigerversammlung

Die Anleihebedingungen enthalten Bestimmungen zu Gläubigerbeschlüssen.

Anwendbares Recht

Die Schuldverschreibungen unterliegen deutschem Recht.

Beschränkungen der mit den Schuldverschreibungen verbundenen Rechte

Die Vorlegungsfrist wird für Kapital auf zehn Jahre und für Zinsen auf fünf Jahre verkürzt.

C.9 **Zinssatz /
Verzinsungsbeginn
/ Fälligkeitstag / Re
ndite / Vertreter
der Inhaber der
Schuldverschreibu
ngen**

Bitte siehe Punkt C.8

Zinssatz / Verzinsungsbeginn

Die Schuldverschreibungen sind vom 22. Juni 2016 an, zu einem festen Zinssatz von 4,875% *per annum* fest verzinslich. Die Zinsen sind nachträglich am 22. Juni eines jeden Jahres zahlbar.

Fälligkeitstag

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 22. Juni 2019 zurückgezahlt.

Rendite

Die Rendite entspricht 4,875% *per annum*. Die Rendite wird von der Emittentin errechnet.

Name des Vertreters der Inhaber der Schuldverschreibungen

Entfällt. In den Anleihebedingungen wurde kein gemeinsamer Vertreter bestimmt.

C.10 **Erläuterung wie
der Wert der**

Entfällt. Die Zinszahlung weist keine derivative Komponente

Anlage beeinflusst wird, falls die Schuldverschreibungen eine derivative Komponente bei der Zinszahlung aufweisen

auf.

C.11 Zulassung zur Börsennotierung und Einführung in einen regulierten Markt oder einem gleichwertigen Markt

Entfällt. Für die Schuldverschreibungen ist ein Antrag auf Notierung im Entry Standard der Frankfurter Wertpapierbörse gestellt worden.

D. – Risiken

D.2 Zentrale Angaben zu den zentralen Risiken, die dem Emittenten eigen sind

Der Gegenstand der Geschäftstätigkeit der Emittentin ist die Finanzierung der Ferratum Gruppe. Wichtigster Bestandteil des Vermögens der Emittentin sind die, an Gesellschaften der Gruppe ausgereichte Darlehen. Der wirtschaftliche Bestand der Emittentin ist davon abhängig, dass die Gesellschaften dieser Gruppe ihre Verpflichtungen aus diesen Darlehen erfüllen können.

D.3 Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind

Die Schuldverschreibungen können unter Umständen kein geeignetes Investment für jeden Anleger sein

Die Schuldverschreibungen sind unter Umständen nicht für jeden Anleger eine geeignete Kapitalanlage. Jeder potentielle Anleger in Schuldverschreibungen muss die Geeignetheit dieser Investition unter Berücksichtigung seiner eigenen Lebensverhältnisse einschätzen.

Es bestehen Liquiditätsrisiken

Es besteht keine Gewissheit, dass ein liquider Sekundärmarkt für Schuldverschreibungen entstehen wird, oder sofern er entsteht, dass er fortbestehen wird. In einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann. Die Möglichkeit, Schuldverschreibungen zu veräußern, kann darüber hinaus aus landesspezifischen Gründen eingeschränkt sein.

Es besteht das Risiko der vorzeitigen Rückzahlung

Falls die Schuldverschreibungen auf Grund eines Ereignisses, wie sie in den Anleihebedingungen ausgeführt sind, oder nach dem 21. Oktober 2018 nach Wahl der Emittentin vorzeitig getilgt werden, trägt der Gläubiger dieser Schuldverschreibungen das Risiko, dass infolge der vorzeitigen Rückzahlung seine Kapitalanlage eine geringere Rendite als erwartet aufweisen könnte und im Vergleich zur

ursprünglichen Kapitalanlage nicht zu denselben Konditionen reinvestiert werden könnte.

Marktpreisrisiko

Der Gläubiger von Schuldverschreibungen ist dem Risiko nachteiliger Entwicklungen der Marktpreise seiner Schuldverschreibungen ausgesetzt, welches sich verwirklichen kann, wenn dieser Gläubiger seine Schuldverschreibungen vor Endfälligkeit veräußert.

Bonität der Garantin

Der Marktpreis der Schuldverschreibungen könnte sinken, wenn sich die Bonität der Garantin verschlechtert.

Änderungen der Anleihebedingungen durch Gläubigerbeschluss; Gemeinsame Vertretung

Ein Gläubiger ist dem Risiko ausgesetzt überstimmt zu werden und seine Rechte gegen die Emittentin für den Fall zu verlieren, dass andere Gläubiger durch Mehrheitsbeschluss gemäß dem Gesetz über Schuldverschreibungen aus Gesamtemission ("**SchVG**") beschließen, die Anleihebedingungen gemäß den Anleihebedingungen zu ändern. Für den Fall der Bestellung eines gemeinsamen Vertreters für alle Gläubiger, kann ein einzelner Gläubiger die Möglichkeit verlieren seine Rechte, im Ganzen oder zum Teil, gegen die Emittentin geltend zu machen oder durchzusetzen.

Währungsrisiko

Der Gläubiger von Schuldverschreibungen, die auf eine fremde Währung lauten ist dem Risiko ausgesetzt, dass Wechselkursschwankungen die Rendite solcher Schuldverschreibungen beeinflussen können. Außerdem könnten Regierungen und zuständige Behörden in Zukunft Wechselkurskontrollen einführen.

Festverzinsliche Schuldverschreibungen

Der Gläubiger von festverzinslichen Schuldverschreibungen ist dem Risiko ausgesetzt, dass der Kurs einer solchen Schuldverschreibung infolge von Veränderungen des aktuellen Marktzinssatzes fällt.

Zentrale Angaben zu den zentralen Risiken für die Garantin und die Gruppe

Die Garantin und damit die Gruppe sind folgenden Schlüsselrisiken ausgesetzt:

Risiken mit Bezug auf die Haupttätigkeiten und die Branche der Gruppe

- Eine Abschwächung der Konjunktur könnte sich negativ auf die Nachfrage nach mobilen Verbraucherdarlehen der Gruppe auswirken, ihre Kreditverluste erhöhen und ihr Wachstum mindern.
- Die Gruppe könnte nicht in der Lage sein die

Kreditwürdigkeit ihrer Kunden richtig zu bewerten, sie könnte die Preise für Produkte im Bereich der Verbraucherkredite nicht richtig berechnen und könnte nicht in der Lage sein ihr Kreditportfolio ausreichend zu diversifizieren.

- Sollten die Risiko- und Scoringmodelle der Gruppe in Bezug auf Kreditverluste nicht ausreichend sein, könnte dies die Finanz- und Ertragslage der Gruppe negativ beeinflussen.
- Sollte die Gruppe einen größeren Betrag an Schäden im Zusammenhang mit Betrugsfällen erleiden, könnte dies negative Auswirkungen auf die Finanz- und Ertragslage der Gruppe haben.
- Sollte das Geschäft der Gruppe über ihr operatives Geschäft keine hinreichende Liquidität generieren, könnte die Gruppe aufgrund von Liquiditätsengpässen ihr Geschäft nicht weiter ausbauen können.
- Sollte die Gruppe keinen Zugang zu einer ausreichenden Finanzierung haben, könnte sie nicht in der Lage sein ihr Geschäft zu expandieren und ihre bestehende oder zukünftige Verschuldung zu refinanzieren.
- Die Gruppe ist dem Risiko in Bezug auf den variablen Zinssatz ausgesetzt.
- Sollte die Gruppe nicht in der Lage sein ihr Wachstum effektiv zu lenken, könnte dies negative Auswirkungen auf die Geschäfts- und Ertragslage der Gruppe haben.
- Jede Störung in den IT-Systemen der Gruppe oder der weltweiten externen Telekommunikationsinfrastruktur könnte die Tätigkeit der Gruppe negativ beeinflussen.
- Sollte die Gruppe es versäumen ihre Tätigkeit und ihren Kundenstamm geografisch zu diversifizieren und zu expandieren, könnte ihr Geschäft Schaden nehmen.
- Negative öffentliche Wahrnehmung und Berichterstattung in den Medien über kurzfristige, unbesicherte Verbraucherdarlehen könnten die Einkünfte und die Ertragslage der Gruppe negativ beeinflussen.
- Konkurrenz im Markt für kurzfristige Kredite könnte dazu führen, dass die Gruppe ihre Marktanteile und Einkünfte verliert.
- Eine sinkende Nachfrage nach den Produkten der Gruppe und ein Versäumnis der Gruppe innovative und attraktive Produkte zu entwickeln, könnte die Geschäfts- und Ertragslage der Gruppe negativ beeinflussen.
- Die Tätigkeit der Gruppe ist Wechselkursrisiken ausgesetzt.
- Die Gruppe ist Bilanzierungs- und Managementrisiken ausgesetzt.
- Bestimmte Steuerpositionen, welche die Gruppe einnimmt,

erfordern eine Beurteilung durch das Management und könnten sich als ineffizient erweisen oder durch die Steuerbehörden angefochten werden.

- Sollte die Gruppe ihren gegenwärtigen Geschäftsführer oder Schlüsselpositionen im Management verlieren oder nicht in der Lage sein die für ihr Geschäft benötigten Personen anzuwerben und zu halten, könnte die Ertragslage der Gruppe Schaden nehmen.
- Die Gruppe könnte Vermögens-, Unfall- und andere Verluste erleiden, die nicht von einer Versicherung abgedeckt sind.

Regulatorische und rechtliche Risiken

- Die Gruppe unterliegt diversen Verbraucherschutzvorschriften, anderen lokalen rechtlichen und regulatorischen Anforderungen und Europäischem Recht, deren Änderungen oder Neu-Interpretation durch Aufsichtsbehörden erhebliche Auswirkungen auf das Geschäft der Gruppe haben könnten.
- Die Gruppe könnte es versäumen diverse regulatorische Anforderungen zu bewältigen, denen sie derzeit unterliegt und könnte beim Eintritt in neue Märkte regulatorischen Problemen begegnen.
- Das Geschäft der Gruppe könnte durch Verbraucher, Verbraucherschutzorganisationen, Gerichte oder regulatorische Agenturen in Bezug auf die Einhaltung der Verbraucherkreditrichtlinie der EU und der nationalen Vorschriften, welche die Richtlinie umsetzen, angefochten werden.
- Die Natur des Geschäfts der Gruppe könnte von Verbrauchern, Verbraucherschutzorganisationen und anderen Personen missverstanden werden, was eine negative Auswirkung auf die Reputation der Gruppe haben könnte.
- Die Gruppe könnte die für ihr Verbraucherkreditgeschäft erforderlichen Genehmigungen verlieren oder Schwierigkeiten bei der Erneuerung solcher Genehmigungen begegnen.
- Die Maltesische und die deutsche Banktochter der Gruppe könnten es versäumen allen Vorschriften, denen sie unterliegen, zu genügen. Dies könnte ihre Geschäftstätigkeit und Strategie erheblich beeinträchtigen.
- Die Gruppe unterliegt einer Reihe von unterschiedlichen Steuervorschriften in den Jurisdiktionen, in denen sie tätig ist, und Änderungen in solchen Steuervorschriften könnten ihre Geschäfts- Finanz- oder Ertragslage erheblich beeinflussen.

E. – Angebot

E.2b Gründe für das Die Nettoeinnahmen, die durch das Angebot der

Angebot und Zweckbestimmung der Erlöse

Schuldverschreibungen erzielt werden, sollen wie folgt verwendet werden: (i) vorwiegend für die Finanzierung des zweiten Sphäre der Gruppe verwendet werden, d.h. für Geschäfte auf den Märkten, wo die Gruppe nicht mit ihrer Banklizenz der Ferratum Bank plc operiert, zu welchen alle Jurisdiktionen außerhalb des Europäischen Wirtschaftsraums sowie bestimmte europäische Länder gehören, in denen die Gruppe bereits lange Operationen hat: Finnland, Dänemark, das Vereinigte Königreich, die Niederlande, Litauen, Kroatien, Neuseeland, Australien, Russland, Kanada und Mexico, und (ii) für allgemeine Unternehmenszwecke, einschließlich zur temporären Verwendung in der ersten Sphäre des Geschäfts der Gruppe.

E.3 Beschreibung der Angebotskonditionen

Die Schuldverschreibungen werden während eines Angebotszeitraums, der am 9. Juni 2016 beginnt und am 20. Juni 2016 endet zu einem Preis von 100 % ("**Ausgabepreis**") in Deutschland und Luxemburg öffentlich angeboten. Der Mindestnennwert der Schuldverschreibung beträgt € 1,000. Das Angebot unterliegt keinen Bedingungen. Orders können gegenüber ICF BANK AG oder anderen Finanzintermediären sowie online über die Xetra Zeichnungsfunktionalität abgegeben werden. Investoren werden über übliche Informationssysteme über etwaige Zuteilungen informiert. Die Lieferung zugeteilter Schuldverschreibungen erfolgt durch Buchung Zug-um-Zug gegen Zahlung des Emissionspreises.

E.4 Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen

Entfällt; nach Kenntnis der Emittentin bestehen keine wesentlichen Interessen von beteiligten Personen am Angebot.

E.7 Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden

Entfällt; die Emittentin wird keine Gebühren oder Steuern erheben. Jeder Investor muss sich aber selbst über Steuern oder Gebühren informieren, denen er unterliegen kann, wie zum Beispiel Depotgebühren.

RISK FACTORS

Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors. Should one or more of the risks described below materialise, this may have a material adverse effect on the cash flows, results of operations and financial condition of the Issuer or the Guarantor. Moreover, if any of these risks materialises, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes, may decrease, in which case the Noteholders could lose all or part of their investments. Additional risks and uncertainties, which are currently not known to the Issuer or which the Issuer currently believes are immaterial, could also impair the business operations of the Issuer or the Guarantor and have a material adverse effect on their business, cash flows, results of operations and their financial condition. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the cash flows, results of operations and financial condition of the Issuer or the Guarantor. In addition, investors should be aware that the risks described might combine and thus intensify one another.

The Issuer is a finance subsidiary of the Guarantor and its operations are focused on raising financing for the Group. As such and because the Notes are guaranteed by the Guarantor, the risks described below for the Group are equally relevant for the Guarantor and the Issuer.

Risks Related to the Group's Operations and Industry

An economic slowdown could adversely affect the demand for the Group's mobile consumer loans, increase its credit losses and decrease its growth.

Because the Group's business is dependent to consumer spending trends in the countries it operates in, any period of economic slowdown or recession in these countries could make it more difficult for the Group to retain or expand its customer base. For example, high levels of unemployment in the markets in which the Group operates will likely reduce the number of customers who qualify for the Group consumer loan products, which in turn may reduce its revenues. Similarly, reduced consumer confidence and spending may decrease the demand for its products. In addition, during periods of economic slowdown or recession, the Group could experience an increase in defaults, credit extension requests as well as a higher frequency and severity of credit losses even if the Group adjusts its credit scoring models to adjust to such new economic conditions. As a result, adverse changes in economic conditions in countries in which the Group's customers are located could materially adversely affect the business prospects, results of operations and financial condition of the Group.

The Group may not be able to successfully evaluate the creditworthiness of its customers, may not price its consumer loan products correctly and may not be able to adequately diversify its consumer loan portfolio.

The Group is exposed to the creditworthiness of its customers. The Group's customers generally have a higher frequency of delinquencies, higher risk of non-payment and, ultimately higher credit losses than consumers who are served by more traditional providers of consumer credit. The Group's customer base includes consumers who are not qualifying for general purpose credit cards and consumers who are expanding their existing credits. The Group prices its consumer loan products taking into account the estimated risk level of its customers. If its estimates are incorrect, customer default rates will be higher, which will result in an increase in the Group's operating expenses relating to loan impairments, and in turn the Group will experience reduced levels of net income.

To mitigate the credit risk, the Group operates according to its established credit risk policies, uses computer-aided loan approval algorithms and follows a set of self-imposed ethical and responsible lending principles which were put in place by the Company and are regularly reviewed. The Group performs due diligence of its customers based on information provided by individual customers, reviews provided by external consumer credit scoring agencies and various other available information on the consumer. In addition, the Group uses its own software-based scoring procedure to rate the creditworthiness of new and existing customers. The software-based scoring procedure combines the Group's historical data from all markets it operates in with current information regarding the specific

market and the customer. Although the Group's credit policies and software-based scoring procedure are refined and updated on an on-going basis, they may prove insufficient. This may be caused by an internal failure of the Group's risk management procedures or an external change of conditions beyond the Group's control. Credit loss risks may further increase if the Group's consumer loan portfolio is not adequately diversified (country and social status diversification). In such a situation, a deterioration of economic conditions or an economic slowdown may additionally exacerbate the credit risk associated with insufficient diversification. An increase in the ratio of impairments on losses to revenues could significantly adversely affect the Group's financial, economic and liquidity condition.

If the Group's risk provisions in relation to credit losses are not sufficient, the Group's results of operations and financial condition may be adversely affected.

The Group maintains risk provisions for anticipated credit losses. To estimate the appropriate level of such provisions, the Group considers known and relevant external factors that affect loan collectability, including the amount of outstanding loans, current collection patterns and current economic trends. As of 31 December 2015, the Group's provisions for anticipated credit losses were €49.1 million. Since the provisions necessary to cover credit losses can only be estimated, there is a risk that actual credit losses are materially greater than the provisions accounted for to cover such losses. This could have a material adverse effect on the Group's business prospects, financial condition, or results of operations.

If the Group incurs a large amount of fraud-related losses, the Group's results of operations and financial condition may be adversely affected.

The Group is exposed to the fraud risk associated with information provided by its (potential) customers. The most common fraud risk is identity theft. Despite procedures put in place by the Group, it cannot be ruled out that the Group could suffer losses due to the criminal behaviour of its customers. This could have a material adverse effect on the Group's business prospects, financial condition or results of operations.

If the Group does not generate a sufficient amount of cash to satisfy its liquidity needs and may not be able to grow its business as a result of cash shortages.

The Group's growth depends on cash flow efficiency and cash collection. Considering the Group's business model and the contemplated expansion in new markets, the Group is exposed to liquidity risk. Although the Group's cash inflows and capital resources are sufficient to fund its debt service obligations and to satisfy its working capital and other liquidity needs as of the date hereof, the Group cannot assure you that it will be able to satisfy its liquidity needs in the future. Lack of liquidity may occur in numerous scenarios. The Group, for instance, may experience a lack of liquidity due to an unexpected increase in rates of delinquencies or defaults on provided consumer loans. If the Group is unable to meet such cash requirements, its growth in new markets may be adversely affected. As a result, decreasing cash inflows from existing operations and/or increasing cash outflows associated with new operations may result in a material adverse effect on the Group's business prospects, financial condition or results of operations.

If the Group does not have access to financing under affordable terms, it may not be able to expand its business and refinance its existing or future indebtedness.

In order to support its growth and geographical expansion, the Group depends on external funds from credit and capital markets. If such external funds are not available under affordable terms, the Group may be required to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding necessary to cover the Group's business needs becomes available under affordable terms. Such measures could include deferring capital expenditures, including acquisitions, and reducing or eliminating use of cash for financing of further growth of the Group's business. Therefore, a limited availability of funds on the market combined with rising lending costs, especially when larger refinancing are required, may adversely affect the Group's growth in existing and new markets. If the Group could not refinance itself for a prolonged period of time or if the Group, due to adverse business developments, were to breach financial covenants in its financing instruments, the

Group may be unable to service its debt with the liquidity provided from operating cashflows. This could have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group is subject to floating rate interest rate risks.

The Group is subject to cash flow interest rate risk which is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk entails the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's main interest rate risk arises from long-term borrowings that are issued at fixed and variable rates such as a fixed rate, most principally the €25 million bond issued by the Issuer at a fixed interest of 8.00% in 2013, a €20 million bond issued by the Group's Maltese banking subsidiary in 2015 at a fixed interest of 4.90% as well as one smaller bond issued in Poland. These borrowings expose the Group to a cash flow interest rate risk that is partially offset by having a short-term loan portfolio as the main asset in the Group. Increasing refinancing costs can potentially be covered by according price changes in new lending whereby the spread between lending interest and borrowing interest is comparably high. As of 31 December 2015, the Group's borrowings at variable rates were denominated in Polish Zloty and Euro.

The Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking refinancing, the renewal of existing positions, alternative financing and hedging into consideration. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate fluctuation. The same interest rate fluctuation is applied to all currencies in each simulation. The scenarios are only run for liabilities that represent the major interest-bearing positions. Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps on occasion. As of 31 December 2015, part of the interest rate risk arising from the €35 million credit line from Nordea was hedged using a floating-to-fixed interest rate swap. This interest rate swap has the economic effect of converting borrowings from floating rates to fixed rates.

Should the measures put in place to manage cash flow interest rate risk not be managed correctly by the Group in the future, the Group, this could have a material adverse effect on the Group's business, financial condition, or results of operations

The Group's business and results of operations may be adversely affected if the Group is unable to manage its growth effectively.

The Group's expansion strategy, which in part contemplates the fast growth in mobile consumer loan volumes in current markets and the establishment of operations in new markets such as Norway, France, Mexico and Canada in which the Group entered in 2015 or Germany and Romania which the Group entered in 2014, is subject to significant risks. The Group's continued growth in this manner is dependent upon a number of factors, including the ability to develop efficient internal monitoring and control systems, the ability to implement high-quality business and management processes and standards, the ability to develop and implement "best practices" in response to day-to-day business challenges, the ability to secure adequate financing to successfully establish operations in new markets, the ability to turn new operations profitable within the expected time after the market entry, the ability to correctly assess legal requirements in targeted markets and monitor on-going changes in existing markets, the ability to obtain any government permits and licenses that may be required, the ability to develop adequate and secured IT-platforms, the ability to successfully integrate any operations which may be acquired in the future, the ability to identify and overcome cultural and linguistic differences which may impact market practices within a given geographic region, and other factors, some of which are beyond the Group's control. Therefore, there can be no assurance that the Group will be able to effectively manage the expansion of its operations or that the Group's current personnel, systems, procedures, and controls will be adequate to support the Group's operations. Any

failure of management to effectively manage the Group's growth and development could have a material adverse effect on the Group's business, financial condition, or results of operations.

In some countries, certain consumer loan products of the Group may not be offered in the same manner as in other countries due to more restrictive bank and consumer regulation. For instance, there are countries in which consumers cannot instantly access the Group's mobile consumer loan products. Under these circumstances, the business success of the Group depends on its ability to offer consumers alternative and equally attractive products. Failure to offer such alternative products may result in lower revenues of the Group in respective markets.

In the past, the Group has expanded its product portfolio, which now consists of traditional microloans, instalment loans (so called PLUS Loans), a Credit Limit product, a merchant focussed product (FerBuy) as well as small business loans (Ferratum Business) and invested in further development of scoring capabilities by founding a dedicated company (Personal Big Data Oy) and acquiring software that enables the analysis of a broad set of customer data. Product variations provide the Group with a diversified product portfolio. Nonetheless, the launch of new products – even when based on the same processes, systems, and scoring as the existing products – involves additional investments and carries the risk of product failure or implementation delays. Intensified investment costs and product introduction failure or delays may have a material adverse effect on the Group's business, financial condition, or results of operations.

In addition, in 2015 the Group started its drive to become a leading mobile bank. In this regard, the Group has already and is further making significant investments into its internal operational structure and production offerings, including a mobile banking platform, its deposit taking operations, as well as investments, enhancements and modifications to its anti-money laundering risk, foreign exchange risk, liquidity risk, operational risk and fraud risk systems and processes. Should the Group be unsuccessful to establish itself as a mobile bank or if this strategy is delayed or more costly than expected, this could jeopardize return on investments, reduce profitability, lead to lost investments and thus could have a material adverse effect on the Group's business, financial condition, or results of operations.

Organic growth, product variations, and geographical expansion are core components of the Group's growth strategy. However, growth through acquisitions (through the acquisition of a competing business or a loan portfolio or customer database) may also comprise part of the Group's strategy. Such acquisitions are accompanied by respective transactional risks. Any future acquisition may require significant financial resources (including cash). If the Group experiences any difficulties in integrating acquired operations into its business, the Group may incur higher than expected costs and may not realize all the benefits of such acquisitions. This could lead to adverse accounting and financial consequences, such as the need to write down acquired assets, which may have a material adverse effect on the Group's business prospects, financial condition or results of operations.

Any disruption in the Group's information systems or external telecommunication infrastructure worldwide could adversely affect the Group's operations.

IT systems are an essential component of the Group's business due to the diverse use of automated processes and controls. The Group has improved its current systems continuously, developed new systems, and introduced comprehensive maintenance schemes for its existing software. The Group utilizes a proprietary in-house loan handling system, which provides control and automation of day-to-day business. However, due to the open nature of the internet and the increasing sophistication of online criminality, all web-based services are inherently subject to risks such as online theft through fraudulent transactions and inappropriate use of access codes, user IDs, usernames, PINs, and passwords. In addition, despite the comprehensive maintenance efforts and careful development of the IT systems, they might fail and significantly impact the Group's operations. Damage to the Group's IT systems and software or failure to protect its data against a cyber-attack may have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group relies on telecommunications, the internet, as well as mobile and online banking services worldwide in order to conduct its operations and offer its services to customers. To access the Group's

online consumer loan portals, the Group's customers need to have an internet access or a mobile data connection. Disruption of such or similar telecommunications and internet services in the respective countries of operation due to equipment or infrastructure failures, strikes, piracy, terrorism, weather-related problems, or other events, could temporarily impair the Group's ability to supply its product portfolio to its customers, which in turn could have a material adverse effect on the Group's business, financial condition, or results of operations.

If the Group fails to geographically diversify and expand its operations and customer base, its business may be harmed.

Several countries that the Group operates in such as the Netherlands, the United Kingdom, Australia, Poland, the Czech Republic, Denmark, Finland and Sweden generate a significant share of the Group's revenues. As a result, the Group is exposed to country-specific risks with respect to such national markets. In such markets, a dissatisfaction with the Group's products, a decrease in customer demand, the failure of the Group to successfully market new and existing products, or the failure to further expand its customer base and retain its existing customer base in these mature markets may have a material adverse effect on the Group's business prospects, financial condition or results of operations.

Negative public perception and press coverage of short-term unsecured consumer loans could negatively affect the Group's revenues and results of operations.

Consumer protection bodies, consumer advocacy groups, certain media reports, and a number of regulators and elected officials in national markets in which the Group conducts business have from time to time advocated government action to prohibit or severely restrict certain types of short-term consumer lending. These efforts have often focused on lenders that target customers who have short term liquidity needs while having low levels of personal savings and in many cases low incomes and that charge consumers imputed interest rates and fees that, on an annualised basis, are higher than those charged by credit cards issuers or banks to more creditworthy consumers.

Due to its engagement in the market for small consumer loans, the Group is exposed to the risk of unfavourable media coverage or measures taken by consumer protection bodies. As a result, the Group's operations and products may become subject of an advanced public scrutiny and tightening regulatory and transparency requirements. In addition, the Group may experience a decrease in demand for its products if consumers accept the characterization of such products as unreasonably expensive or abusive toward customers. Furthermore, media coverage and public statements that allege some form of corporate wrongdoing may make it more difficult for the Group to attract and retain qualified employees and management, as well as divert management attention and increase hiring expenses. A negative perception of the behaviour of individual employees, the Group itself or the entire industry may severely damage the Group's reputation and thus may have a material adverse effect on the Group's business prospects, financial condition or results of operations.

Competition in the short-term lending industry could cause the Group to lose its market share and revenues.

The Group faces competition in all the countries it operates. In some countries, such as the UK, there are particularly many competitors. There is a wide range of companies targeting the market for small consumer loans, including various smaller locally operating consumer loan companies as well as larger companies operating in several markets and traditional consumer banks. While the Group's key consumer loan segment relates to loans of €1,000 and below with the average loan amounts being between €300 and €500 per loan at the moment and the Group typically does not provide loans above €3,000, most of the Group's competitors do not restrict the size of loans available through their companies and thus the Group is competing with a variety of local and international companies. In addition, the Group also competes with traditional banks with small business loans providing working capital loans.

The highest risk of competition is experienced particularly in mature markets with high saturation, such as Western and Northern Europe. In the past, intensive competition has pushed prices downward in some markets, which, if competition further intensifies, could erode profit margins and the Group's

net income. The Group believes that the consumer loan market may become even more competitive as the industry consolidates. Some of the Group's competitors may have larger and more established customer base and substantially greater financial, marketing and other resources than the Group has. As a result, the Group could lose market share and its revenues could decline, thereby affecting the Group's ability to generate sufficient cash flow to fund expansion of its operations and to service its indebtedness. This could have a material adverse effect on the Group's business prospects, financial condition or results of operations.

A reduction in demand for the Group's products, and failure by the Group to develop innovative and attractive products, could adversely affect the Group's business and results of operations.

About half of the Group's revenues are generated through its core mobile microloan product, while the remainder is generated by the Group's more recently introduced products such the Credit Limit product. The demand for a particular product the Group offers may be reduced due to a variety of factors, such as regulatory restrictions that decrease customer access to particular products, the availability of competing products, changes in customers' preferences or financial conditions. Furthermore, any changes in economic factors that adversely affect consumer purchase behaviour and employment could reduce the volume or type of loan products the Group provides and have an adverse effect on the Group's revenues and result of operations. Should the Group fail to adapt to significant changes in consumers' demand for, or access to, the microloan products, the Group's revenues could decrease significantly and operations could be harmed. Each modification, new products and alternative method of conducting business is subject to risk and uncertainty and requires significant investment in time and capital, including additional marketing expenses, legal costs and other incremental start-up costs. Even if the Group does make changes to existing products or introduce new products to meet customer demand, customers may resist or may reject such products.

A significant part of the Group's revenues stems from new customers as well as from new products introduced in recent years to complement the Group's core microloan product such as its PLUS Loans, its Credit Limit product and the small business loans. Additionally, the Group's strategy is to continue to evolve its product offerings to other bank products and to further establish itself as a mobile bank. If the Group is not able to further diversify and expand its product portfolio or if it fails to establish itself as a mobile bank, expand its customer base or reach enough deposits volume from customers and operate its planned common mobile bank application, this could have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group's future growth may depend on its ability to foresee the direction of the commercial and technological development of production processes and technologies in all of its key markets. Future growth and the Group's ability to reach its innovation targets will also depend upon the Group's ability to successfully develop new and improved consumer loan products and services, using its existing or new technological and servicing capabilities, and to successfully market the products in changing economic environments.

There is no assurance that the Group will be successful in continuing to meet its customers' needs through innovation or in developing new products and/or technologies, or that, if developed, any such new products will be accepted by the Group's customers. The Group may not be able to recover investments that it has made in order to develop these new products or processes, and may not have sufficient resources to keep pace with technological developments. The failure of the Group to keep pace with the evolving technological innovations in its markets and adequately predict customer preferences could have a material adverse effect on the Group's business, product portfolio, financial condition, or results of operations.

The Group's operations are subject to exchange rate risk.

The Group operates internationally and is therefore subject to unexpected changes in foreign currency exchange rates among various currencies. Foreign exchange risk arises in connection with current and future commercial transactions, recognized assets and liabilities, and net investments in foreign operations. According to the Group's internal policies, Group's companies are required to manage their

foreign exchange risk against their own functional currency. Despite all precautions, adverse foreign exchange fluctuations against the Euro (the Group's reporting currency), especially in the Swedish, Polish, British, Australian, New Zealand, Russian, Danish and Czech currencies could have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group is subject to accounting and management risk.

Preparation of the Group's financial statements requires the Group's management to make estimates, assumptions, and forecasts regarding the future. These estimates, assumptions, and forecasts may be inaccurate and are inherently subject to uncertainties. Future developments may deviate significantly from the assumptions made if changes occur in the business environment and/or business operations. Furthermore, the Group's management is required to use its judgement in the application of the accounting principles in the preparation of the financial statements. Group companies and subsidiaries vary by their size and they are located in different parts of the world. The nature of the Group's global operations involves arrangements that often require the judgement of the Group's management in the application of accounting policies. Inadvertent errors in accounting and/or management decisions could have a material adverse effect on the Group's business, financial condition, or results of operations.

Due to the size of the Group and its global presence in 23 countries, IFRS accounting may put significant further strain on the Group's internal resources, especially due to the Group's further international expansion.

Certain tax positions taken by the Group requires the judgment of management and could turn to be inefficient or challenged by tax authorities.

The Group's main tax risks are related to changes to or possible erroneous interpretations of tax legislation. Such changes or erroneous interpretations could lead to tax increases or other financial losses. Realization of such risks might have a material adverse effect on the Group's business, financial condition, or results of operations.

It is possible that the Group has made interpretations on the tax provisions that differ from those of the tax authorities in the various countries in which the Group operates, and that as a result, the tax authorities will impose taxes, tax rate increases, administrative penalties, or other consequences on the Group's companies. This could have a material adverse effect on the Group's business, financial condition, or results of operations.

If the Group loses its current CEO or key management or is unable to attract and retain the talent required for its business, the Group's operating results may suffer.

The Group's success depends on its employees, which as of 31 December 2015 totalled 473 persons (full-time equivalent). Familiarity with internal processes and operational expertise of the Group's employees are critical factors in the efficiency of the Group's business operations. The Group applies a variety of approaches to mitigate the risk of losing this expertise and to increase employee loyalty, including attractive compensation schemes, challenging jobs, and international career options. However, these measures may not be sufficient to retain key employees which may have a significant impact on the Group's business operations.

The Group is especially dependent on the expert knowledge of its CEO and majority shareholder Jorma Jokela as well as key management members in IT, legal, operational, financial as well as risk and analysis positions. If any of the key managers or other critical employees were to leave the Group or join a competitor, the Group may be unable to attract and retain suitable replacements. As a result, the Group may be unable to pursue its business operations as planned and this may have a material adverse effect on the Group's business, financial condition, or result of operations.

The Group may incur property, casualty or other losses not covered by insurance.

The Group considers its insurance coverage to conform to market practice for companies in the mobile consumer loan market. However, insurance fully covering political risks and many other risks relating to the Group's business is not generally available to the Group or to other companies in the industry. No assurance can be given that any insurance policies will continue to be available, or that they will be available at economically feasible premiums.

The actual losses suffered by the Group may exceed the Group's insurance coverage and would be subject to limitations and excesses, which could be material. The realization of one or more damaging event for which the Group has no or insufficient insurance coverage may have a material adverse effect on the Group's business, financial condition, or results of operations.

Regulatory and Legal Risks

The Group is subject to various consumer protection laws, other local legal and regulatory requirements and European law, changes of which or interpretations of which by authorities could significantly impact the Group's business.

Changes to local legislation require the Group's respective local subsidiaries to adapt operations to ensure compliance with such changes. Failure to timely implement procedures that comply with new rules may have a material adverse effect on the Group's business, financial condition, or results of operations. While the Group takes comprehensive measures to comply with the legal framework and specific local regulatory requirements of each jurisdiction, it remains possible that local courts, regulatory agencies and financial supervisory authorities, including the Company's home country regulator FIN-FSA, issue new regulations or interpretations or find the Group's services to be in violation of local or EU-wide legal requirements such as license requirements, maximum interest rate provisions, transparency requirements or other regulatory requirements. For instance, there is no assurance that the FIN-FSA would not in the future be of the view that or issue an interpretation to the effect that the Group's operations would be considered to require an authorisation or licence in Finland which the Group does not currently hold. In such case, the Company or the Group would need either to apply for such authorisation or license or to restructure the business in such manner that it is in compliance with the new requirements. Adverse judgments based on such findings or new regulations or interpretations could result in legal claims, administrative sanctions and reputational damage against the Group, need for restructuring or new licensing of the Group or alterations to the business carried out by the Group. Further, existing loan agreements might be held null and void by local courts. As a consequence, the Group may be restricted in successfully offering its services in certain jurisdictions or may be forced to terminate its business in certain jurisdictions. This could have material adverse impacts on the financial and market position of the Group.

In the past, the Group has adapted its business model and product offerings in several countries as a result of regulatory changes. Although the Group strives to adapt its business model and products to all changes in the regulatory requirements in the various countries it operates in, future regulatory changes may be too burdensome to comply with or may result in its business model in a particular jurisdiction becoming unprofitable. Such developments could have a material adverse impact on the financial and market position of the Group.

The Group may fail to successfully manage the diverse sets of regulatory requirements the Group currently is subject to and may face regulatory problems entering into new markets.

Business operations in a wide set of different jurisdictions with diverse statutory requirements necessitates careful management of the legal and regulatory challenges of many fields, including but not limited to: (i) license requirements, (ii) maximum interest rate regulations, (iii) distance contracts regulations, and (iv) consumer protection legislation. These diverse legal frameworks implicate various legal and regulatory risks, including but not limited to the risks of market entry in new jurisdictions.

The legal requirements for launching the Group's business in new jurisdictions vary significantly with some jurisdictions having no registration/license requirements, while some jurisdictions requiring licenses, e.g., a banking license. Entering new jurisdictions implicates challenging legal requirements on a local level. Failure to comply with local legal requirements may have a material adverse effect on the Group's business, reputational standing, financial condition, or results of operations. In addition, the diversification of the group also increases its legal costs and continued compliance costs with local laws and regulations.

The Group's business may be challenged by consumers, consumer protection organizations, courts, or regulatory agencies in connection with compliance with the EU Consumer Credit Directive and the national laws implementing the Directive.

The EU Consumer Credit Directive (2008/48/EC) was adopted in April 2008 and entered into force in May 2008. The Member States were obliged to harmonize their legislation by May 12, 2010. Most EU Member States have implemented the directive. To serve the purposes of consumer protection and credit transparency, the EU Consumer Credit Directive mandates disclosure of a standardized annual percentage rate (APR) figure for all consumer credit products. Due to the nature of the Group's business model, whereby in most countries where the Group operates, small loan amounts are offered for very short periods of time, the extrapolated APRs may appear to be far higher than standard market APRs offered by other consumer credit companies and may therefore create an incorrect impression of the actual business relationship between the Group and its customers. The disclosure of high APRs may thus mislead consumers, consumer protection organizations, courts, or regulatory agencies in the belief that the Group is in violation of EU or local consumer protection and consumer credit regulations, specifically regarding interest rate caps. It is thus possible that legal or regulatory challenges may be brought against the Group regarding noncompliance with existing, amended, or new consumer protection or consumer credit laws. Adverse judgments based on such findings could result in legal claims and reputational damage against the Group. In addition, regulatory authorities have in recent times increased their inquiries as to compliance with European and local consumer protection laws, which, if this intensifies, could further increase the burden on the Group's compliance, legal and business departments managing communication with authorities.

While the Group takes comprehensive measures to ensure that its business activities comply with the requirements of the EU Consumer Credit Directive and the national laws implementing the Directive, it is possible that new or amended statutory requirements would require the Group to further adapt its practices and procedures. Such statutory changes and/or additions may negatively impact the Group's financial position and may require changes to the Group's business model. It is additionally possible that consumers, consumer protection organizations, courts, or regulatory agencies challenge the Group's compliance with existing, amended, or new consumer protection laws or initiate related investigative or judicial proceedings. Adverse judgments based on such findings could result in legal claims and reputational damage against the Group.

The nature of the Group's business as a provider of mobile consumer loans may be misunderstood by customers, consumer protection organizations and other people, which may have an adverse effect on our reputation.

The Group cannot rule out the possibility that consumers, consumer protection organizations, or journalists misunderstand the nature or scope of the Group's products, which may result in reviews, articles, or complaints regarding the Group, the Group's products, or the industry. Such legal claims and negative publicity may have a material adverse effect on the Group's business, reputational standing, financial condition, or results of operation.

The Group may lose required licences to operate the Group's mobile consumer loan business or face challenges to renew such licences.

The local financial authorities of some jurisdictions additionally require licenses to operate a consumer loan business. There can be no assurance that, where a license is required, the Group will in all scenarios be able to maintain its licenses on commercially favourable terms or at all. Accordingly,

there is a risk of delay in obtaining the required licenses, which may lead to operational delays. The loss of a license or such operational delays may in turn have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group's Maltese banking subsidiary and its German banking subsidiary may fail to comply with all regulations it is subject to and such failures could materially impact its operations and strategy.

The Group operates in several markets making use of Ferratum Bank plc's EU credit institution license issued in September 2012 by the Malta Financial Services Authority, namely Slovakia, Poland, Estonia, Latvia, Germany, Bulgaria, the Czech Republic, Norway, France, Sweden and Spain. This EU banking licence is required or may be required to conduct business in a number of existing and potential future markets. Ferratum Bank plc's banking license also provides the Group with the benefits of increased levels of trustworthiness vis-à-vis its customers, access to pertinent databases to further enhance scoring models, and funding options linked to accepting deposits to support profit growth. However, under Maltese law, the credit institution license may be revoked or restricted at any time by the Malta Financial Services Authority ("MFSA") for a variety of reasons including, but not limited to, the Group's non-compliance with existing or new regulatory requirements. Such a restriction or revocation of the credit institution license would require the Group to comply with the existing or new regulatory requirements of the MFSA or obtain a banking license from the relevant regulatory authority of another EU Member State.

The MFSA will have to be informed in case a new shareholder accumulates a shareholding of 5% or more; whilst a new shareholder attaining a shareholding level of 10% or more will have to be approved by the MFSA so that the Group's Maltese banking subsidiary remains in compliance with Maltese laws and regulations.

Additionally, in early 2016, the Group announced the acquisition of FCB Firmen-Credit Bank GmbH ("FCB"), a bank operating in Germany, for a single digit million purchase price. The completion of this acquisition is expected to take place within the second half of 2016 following any remaining approvals by authorities. It is possible that regulatory authorities deny approval for the acquisition. If we receive the necessary regulatory approvals and complete the acquisition, we aim that FCB's activity within and from Germany should form the centre of Ferratum Business, which is our small business loan division within the Ferratum Group. As a result, the Group will have to comply with banking regulations for a further bank. Should FCB not comply with banking regulations in Germany or in any other jurisdiction in which it operates, its credit institution license may be revoked or restricted.

These factors could impair the Group's swift entry into new European markets and/or result in operational delays that could have a material adverse effect on the Group's business, financial condition, or results of operations.

The Group is subject to a diverse set of tax regimes in the jurisdictions it operates in and changes in such tax regimes could materially impact its business, financial condition, or results of operations.

The Group operates in 23 different countries with diverse sets of tax regimes and operates its banking subsidiary in Malta subject to Maltese tax law. Corporate income tax, value added tax or sales taxes and other taxes levied upon on the Group's business are subject to change and can be increased, changed or completely restructured at any time. While the Group monitors tax changes consistently and is from time to time subject to tax audits, the Group has not faced any significant tax challenges or tax disputes with tax authorities in the past three years. Changes to local tax regimes or challenges to the current tax structures of the Group's business could have a material adverse effect on the Group's business, financial condition, or results of operations.

Risks relating to the Notes

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Noteholders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

Notes may not be a suitable investment for all investors.

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including cases in which the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and the content of this Prospectus; and
- (v) be able to evaluate, either alone or with the help of a financial adviser, possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Liquidity risk

Application has been made to the Frankfurt Stock Exchange for the Notes to be admitted to listing on the Entry Standard. Even though the shares of the Guarantor are listed in the regulated market (Prime Standard) of the Frankfurt Stock Exchange, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes are listed does not necessarily lead to greater liquidity as compared to unlisted notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time or at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons. Further, the Frankfurt Stock Exchange may suspend the listing of the Notes or de-list the Notes. In such scenario investors may not be able to sell their Notes.

Risk of early redemption

The Notes may be redeemed at the option of the Issuer (in whole, but not in part) at the Redemption Price (as defined in the Terms and Conditions) plus accrued interest to the date fixed for redemption, (i) for reasons of taxation, as more fully described in the Terms and Conditions or (ii) if 80 per cent or more of the aggregate principal amount of the Notes then outstanding has been redeemed following a change of control or has been repurchased and cancelled, as more fully described in the Terms and Conditions.

Additionally, the Notes can be redeemed early, at the option of the Issuer, on or after 21 October 2018 at 100.75% of the principal amount.

In the event that the Issuer exercises the option to redeem the Notes, the Noteholders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

Market price risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Note. The Noteholders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialise if the Noteholders sell the Notes prior to the final maturity. If a Noteholder decides to hold the Notes until final maturity, the Notes will be redeemed at the principal amount of the Notes.

Creditworthiness of the Guarantor

If, e.g., because of the materialisation of any of the risks regarding the Guarantor, the likelihood that the Guarantor will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that the Guarantor will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group could adversely change.

Further, a downgrade of the Guarantor's rating may – irrespective of the actual creditworthiness of the Guarantor – lead to a decrease of the exchange price of the Notes.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of said risk. Under these circumstances, the market value of the Notes will decrease.

Currency risk

The Notes are denominated in Euro. If such currency represents a foreign currency to a Noteholder, such Noteholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes in the currency of the Noteholder. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Fixed rate notes

The Notes bear interest at a fixed rate. A Noteholder of fixed rate Notes is particularly exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of a fixed rate Note as specified in the Terms and Conditions is fixed during the life of the Notes, the current interest rate on the capital market typically changes on a daily basis. As the market interest rate changes, the price of fixed rate Notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate Notes typically falls, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate Notes typically increases, until the yield of such Notes is approximately equal to the market interest rate of comparable issues. If a Noteholder holds its Notes until maturity, changes in the market interest rate are without relevance to such Noteholder as the Notes will be redeemed at the principal amount of the Notes.

Resolutions of Noteholders

Since the Notes provide for meetings of Noteholders or the taking of votes without a meeting, a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. As such majority resolution is binding on all Noteholders, certain rights of such Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

Noteholders' Representative

Since the Notes provide for the appointment of a Noteholders' representative (*gemeinsamer Vertreter*), it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

No restriction on the amount of debt which the Issuer may incur in the future

There is no restriction on the amount of debt which the Issuer may issue which ranks equal to the Notes. Such issuance of further debt may reduce the amount recoverable by the Noteholders upon winding-up or insolvency of the Issuer or may increase the likelihood that the Issuer may or shall defer payments of interest under the Notes.

RESPONSIBILITY STATEMENT

Each of Ferratum Capital Germany GmbH with its corporate domicile in Berlin, Germany (the "**Issuer**" or "**Ferratum Capital**") and Ferratum Oyj having its corporate domicile in Helsinki, Finland (the "**Guarantor**" and, together with its subsidiaries, the "**Group**"), accepts responsibility for the information contained in and incorporated by reference into this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Each of the Issuer and the Guarantor further confirms that (i) this Prospectus contains all information with respect to the Issuer as well as to the Guarantor and their respective subsidiaries and affiliates and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer, the Guarantor and the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Guarantor and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Guarantor and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Guarantor or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

As per Article 7(7) of the Prospectus Law, the CSSF gives no undertaking as to the economic and financial soundness of the issue of the Notes and the quality or solvency of the Issuer.

CONSENT TO USE THE PROSPECTUS

ICF BANK AG and each financial intermediary subsequently reselling or finally placing Notes is entitled to use the Prospectus in Luxembourg and Germany, for the subsequent resale or final placement of the Notes during the offer period commencing on 9 June 2016 and ending on 20 June 2016, provided however, that the Prospectus is still valid in accordance with Article 11 of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) which implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010). The Issuer accepts responsibility for the information given in the Prospectus also with respect to such subsequent resale or final placement of the relevant Notes.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to the Prospectus is available for viewing in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

When using the Prospectus, ICF BANK AG and each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

In the event of an offer being made by ICF BANK AG or a financial intermediary, ICF BANK AG or such financial intermediary shall provide information to investors on the Terms and Conditions of the offer.

Any financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with this consent and the conditions attached thereto.

NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Guarantor (as defined in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES"). Neither the delivery of this Prospectus nor any offering or sale of any Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor or any of its affiliates since the date of this Prospectus, or that the information herein is correct at any time since its date.

This Prospectus contains certain forward-looking statements, in particular statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "GENERAL INFORMATION ON THE ISSUER – Business" and under the caption "GENERAL INFORMATION ON THE GUARANTOR - Business" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer and the Guarantor, as the case may be. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer and the Guarantor, as the case may be, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Guarantor do assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and of the Guarantor. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Guarantor to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Guarantor to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States of America ("**United States**") or to U.S. persons. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "SUBSCRIPTION, SALE AND OFFER OF THE NOTES – Selling Restrictions."

In this Prospectus all references to "€", or "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

USE OF PROCEEDS

The net proceeds derived from the offer of the Notes shall (i) mainly be used to finance the operations of sphere two of the Group's operations, i.e. for operations in markets where the Group does not operate under the credit licence of Ferratum Bank plc, which includes all jurisdictions outside the European Economic Area and certain European countries where the Group has a long-standing history, and (ii) for general corporate purposes, including for temporary use in sphere one of the Group's operations.

The total expenses of the issue of the Notes are expected to amount to between approximately €1.3 million to € 1.7 million.

INFORMATION ON THE GUARANTOR AND THE GROUP

Formation, registered office and duration

The registered name of the Guarantor is Ferratum Oyj. The company is a public limited company incorporated on 1 January 2005 in Finland, and is organized under the laws of Finland. The Guarantor uses the commercial name "Ferratum". The Guarantor is registered in the Finnish Trade Register under the business identity code 1950969-1. The Guarantor's business address is at Ratamestarinkatu 11A, FI-00520, Helsinki, Finland and the contact telephone number of the Guarantor is +358 20 7411611.

Fiscal year

The fiscal year of the Guarantor is the calendar year (1 January to 31 December).

Corporate object of Ferratum Oyj

According to Article 2 to the Articles of Association of the Guarantor, the line of business of the Guarantor is to provide financing services, such as the provision of consumer credit, microloans and other loans as well as other financing. The Guarantor may conduct its business directly on its own or through subsidiaries or associated companies. The Guarantor may, as the parent company of the Group, offer its subsidiaries and affiliate companies financing services and administrative services.

Auditors

PricewaterhouseCoopers Oy Helsinki independent auditors, have audited the consolidated financial statements of the Guarantor for the fiscal years ended with 31 December 2014 and 31 December 2015 in accordance with accounting principles generally accepted in Finland and have issued an unqualified auditors' report. PricewaterhouseCoopers Oy is a member of the Finnish Institute of Authorised Public Accountants (KHT-yhdistys).

Information on the Markets the Group operates in

The Group operates in the mobile consumer credit market, in particular the segment for smaller credits, as well as starting in 2015 in the small business loan market. Apart from small mobile consumer loans, other common forms of consumer credit include payday-loans, unsecured consumer loans, pawn loans, overdrafts, credit cards, retail finance, invoice financing, home lending, microfinance/social lending, car financing and peer-to-peer lending. Each of these products has specific characteristics that differ in regards to distribution channel (e.g., credit obtained via the internet, mobile phone, or visiting "bricks and mortar" locations) and attributes of consumer credit (e.g., secured versus unsecured credit or loan duration). Additional characteristics differentiating consumer credit sub-markets are the loan recipient's credit record, loan duration, loan amount, interest rate, duration of loan application, retailer dependency, or product and sales channel.

Based on these characteristics, companies operating in the consumer credit market and small business loan market have created a variety of products in response to market demand that reflect the financial solvency, needs, and creditworthiness of customers. Customer needs and preferences are the most important market drivers as customers may prefer to use one or several credit products at one time.

We segment our business into operations into a Western Region (principally Western Europe) and an Eastern Region (principally Eastern Europe). The Western Region includes 13 countries: Australia, Canada, Denmark, France, Finland, Germany, Mexico, New Zealand, the Netherlands, Norway, Spain, Sweden and the United Kingdom. The Eastern Region includes 10 countries: Bulgaria, Croatia, the Czech Republic, Estonia, Lithuania, Latvia, Poland, Slovakia, Romania and Russia. In certain parts of Eastern Europe and other emerging and developing countries, consumer loans are often provided to under banked households and are generally regarded as improving livelihoods, reducing vulnerability to economic, social, and political risks, and improving social and economic developing. In Western Europe, Australia, New Zealand, and other developed countries as well as certain Eastern European countries such as Poland or the Baltic countries, consumer loans serve a similar function as in Eastern

Europe, but are also a fast and economical means to deliver small consumer credit amounts to meet customers' short-term financial needs, while avoiding the formal often burdensome procedures of traditional banks.

Mobile consumer loans are the newest consumer credit market segment. Mobile lending is a modern way of granting small loans by utilizing mobile telecommunications and online technology to enable fast, easy, and confidential loan services.

Geographic Overview of the Small Consumer Loan Market

Nordic Countries

We first launched operations in Finland in 2005 and were one of the first companies entering the small consumer loan market, especially focusing on offering such loans via mobile devices. We have experienced an expanded demand for short-term mobile consumer loans in Nordic countries since our launch more than ten years ago. Only a few competitors in Nordic countries are currently operating internationally. Current market saturation requires competitors to differentiate themselves for customers. For instance, responsible lending principles have lately, in our estimate, become a differentiating factor among countries operating in the small consumer loan market, because consumers take the reputation and stated principles of companies into account before taking out consumer loans. Despite the mature status of the Nordic market, mobile lending continues to grow steadily, mainly through new product innovations and variations. Starting in Finland in June 2013, a few companies in the small consumer loan industry, have introduced highly sophisticated digital revolving credit lines. We were one of the first companies which introduced such revolving credit lines and management.

Baltic States

We were the first mobile consumer loan company entering the Baltic countries Estonia, Latvia, and Lithuania in 2006 and 2007. Since then, competition in these markets has increased and the product offerings have adapted to a changing environment. We believe that the most notable difference between the Nordic and Baltic markets is the Baltic customers' frequent use of loan extension features. Despite the small Baltic population, these markets are an important testing ground for new products and market strategies.

Eastern Europe

Eastern European countries have fast growing online markets. Certain Eastern European countries, such as Poland or the Czech Republic, have well developed banking systems and high mobile phone penetration with a fast growing smartphone growth rate. In other Eastern European countries with a lower GDP, the banking system is still dynamically changing and the smartphone penetration growing fast from a lower level than in Western Europe. This dynamic has created opportunities to establish mobile lending as a compelling choice for consumers' needs for short-term financing in these countries.

Western Europe

Although Western European countries are highly-developed with high online usage, they have fairly underdeveloped consumer credit markets. Many small loan providers operate in the Western European markets, but most restrict their operations to single countries and we believe that no other Western European small consumer loan provider has a pan-European presence comparable to that of our Group. For example, the UK market is home to many online microloan providers with an active competitive landscape consisting of several dozen market participants. The market potential remains significant in the UK and we expect further consolidation in this market. Following our 2014 entry into the German market, we additionally launched our operations in 2015 in France and Norway. Entry barriers to these markets are very high, e.g., in Germany due to regulatory requirements (bank license) and the number of competitors is thus comparatively low.

Asia Pacific

In 2011, we expanded our business to New Zealand and Australia. These markets are highly-developed with high mobile and online usage. However, they have a fairly underdeveloped mobile consumer credit markets. Competitors in the Asia-Pacific region primarily offer loan amounts above the average microloan amounts that we provide to our European customers and thus there exists high potential for further market penetration.

Americas

In 2015, we launched our business in Canada and Mexico offering our microloans. The Canadian consumer finance market is a developed market which has similarities to the Western European market. There are several local as well as international consumer financing companies located in Canada which we compete with. In Mexico, the market is more comparable to Eastern Europe and is expanding rapidly although with generally lower amounts borrowed and higher default rates.

The Small Business Loan Market

In 2015, we started to offer small business loans in Sweden and have extended this product (Ferratum Business) to Finland and Lithuania and in 2016 to Denmark and the Netherlands. In the small business loan market we principally compete with traditional banks which provide liquidity and working capital facilities for small companies as well as with certain FinTech companies which are also starting to approach this market. Ferratum seeks to differentiate from traditional lenders by offering innovative, fast and easy lending processes like it already does successfully for many years in consumer lending. In this area of innovative lending the competition is still moderate.

Competition

The EU consumer credit market is highly fragmented with many new suppliers entering the small consumer loan market. Our key competitors are small local microloan companies with a limited customer database and limited international activities (i.e., operations in only 1–3 countries). We also face multi-segment competition from larger consumer credit companies, i.e., companies offering loans above €1,000 that often operate internationally. Such companies often offer a broad product portfolio, such as payday loans as well as pawn broking. The upper segment of the market is controlled by the consumer finance divisions of global banks, which offer loans in excess of €2,000 or often €5,000.

Competition in the mobile consumer loan market has increased steadily as mobile loan products have become established as a reliable source of consumer financing. We believe that our principal competitors in Europe are Enova Finance, 4 Finance / Vivus, DFC Global, Kreditech, Wonga and Klarna.

While we do not focus on larger loans above €3000, in this segment competitors are many of the larger consumer banks such as Santander, Swedbank, Citibank or Sberbank.

We recently started to take deposits in Germany. Deposit taking is principally a source of additional financing for us in countries where we operate under our banking license. In Sweden we have taken deposits for several years and have recently brought such deposits under the umbrella of our banking license. Generally, we compete with the traditional consumer banks in deposit taking, but even more so with direct banks which offer deposit rates above traditional consumer banks such as ING DIBA, VW Bank, Consors, Comdirect and others. This market is highly liquid and very sensitive to interest rate changes.

Additionally, there are a wide range of smaller competitors which operate locally in Europe and Asia Pacific. Some markets such as the UK have dozens of small competitors while countries such as Germany, which have higher regulatory requirements and require a banking licence for a consumer loan business, have much fewer direct competitors which operate locally.

Business Description

Introduction

We are an international provider of unsecured mobile consumer loans and small business loans headquartered in Helsinki, Finland. We have expanded our operations since 2005 to 23 countries and as of 31 March 2016 had 1.3 million active customers and former customers who have been granted one or more loans in the past and 3.9 million total user accounts in our database. Our business is designed for easy and transparent loans to consumers and small businesses and can be accessed through the internet or mobile devices with loan approval within minutes after a multitude of financial background checks and profiling.

The Company was originally incorporated in 2005 as a private limited liability company under Finnish law and was converted to a Finnish public limited liability company shortly. Our founder and CEO Jorma Jokela, who still holds directly and indirectly, 57% of the shares in the Guarantor initially focused the Group's business on Finland, Sweden, and the Baltic countries. In 2007 and 2008 we expanded into Central and Eastern Europe as well as certain Western countries where entry in the microlending market was possible without a banking license. In 2011 the Group decided to expand internationally and enter the markets in New Zealand and Australia as well as Russia to 2012. With the banking license being granted to Ferratum Bank plc in 2012 and the start of operations of such bank in 2013, we enabled our expansion into countries where a banking license is required for consumer lending activities.

At the beginning of 2015, we successfully completed an initial public offering and listing of the shares of the Guarantor on the regulatory market (Prime Standard) of the Frankfurt Stock Exchange and used the proceeds from the offering to further expand the business and enter Canada, France, Norway and Mexico as well as diversify the product portfolio to small business loans.

Our annual revenues in 2015 amounted to €111.0 million, and our operating profit totalled €16.5 million with a pre-tax profit of €12.4 million (pre-tax profit margin of 11.2%). We categorize our business into two geographical regions, West (including New Zealand, Australia and Canada) with €66.9 million in revenue in 2015 and East (including Mexico) with €44.1 million in revenue in 2015.

Our revenues in the first quarter of 2016 amounted to €33.2 million (up from €23.0 million in the first quarter of 2015), and our operating profit totalled €5.2 million (up from €2.6 million in the first quarter of 2016) with a pre-tax profit of €3.3 million (up from €2.2 million in the first quarter of 2016). As of 31 March 2016, we had cash and cash equivalents of €11.2 million and loans and current receivables of €121.8 million outstanding on our balance sheet and employed 589 employees.

Management of Ferratum Oyj

The following table sets forth the current senior management team members of the Guarantor:

<u>Members of Senior Management Team</u>	<u>Age</u>	<u>Employed since</u>	<u>Responsibility</u>
Jorma Jokela	36	2005	CEO
Lea Liigus	44	2006	Head of legal and compliance, CEO of Ferratum Bank plc.
Marko Tuominen	34	2005	Head of Analysis
Saku Timonen	43	2009	Regional Director, Western Europe
Caj Sjöman	49	2013	Head of Operations (IT and Projects)
Clemens Krause	53	2012	Head of Finance
Sari Kauppi	47	2010	Regional Director Eastern Europe
Air Tiukkanen	52	2015	Head of Commercial and Operations

The members of the management of the Guarantor may be reached at the business address of the Guarantor.

The Guarantor's Board of Directors

The following table sets forth the current members of the Board of Directors of the Guarantor:

Members of the Board of Directors	Age	Member since	Responsibility
Pieter van Groos	55	2015	Chairman
Erik Ferm	50	2012	Member
Jorma Jokela	36	2005	Member
Lea Liigus	44	2006	Member
Juhani Vanhala	62	2005	Member
Jouni Hakanen	57	2016	Member

None of the members of Board of Directors performs any activities outside the Group that are significantly relevant for the Group.

The members of the Board of Directors may be reached at the business address of the Guarantor.

Conflict of Interest

None of the members of the board of directors and the management board have declared that they have any interests outside the Guarantor which would conflict with the interests of the Guarantor.

Share Capital

The share capital of the Guarantor amounts to € 10,133,560 and consists of 21,723,960 shares and is fully paid up. All the shares hold equal voting rights and equal rights to the distribution of profit. None of the shares issued have additional shareholder rights attached.

Major Shareholders

Approximately 57.32% of the shares in the Guarantor are held, directly and indirectly, by Jorma Jokela. The rest of the shares are either in the freefloat or are held by shareholders with less than 10% shareholdings.

Jorma Jokela through his shareholding controls the Guarantor as majority owner. He further exercises control over the Group through his function as Chief Executive Officer of the Guarantor and as a member of the Board of Directors and thus directly influences the business of the Guarantor.

Selected Financial Information

The financial information for the financial years and as of 31 December 2014 and 31 December 2015 was taken from the Guarantor's audited annual reports for the financial years ending 31 December 2014 and 31 December 2015. All reports were prepared in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland.

As of and for the financial year ended 31 December

	2015	2014
	<i>(in € million)</i>	
Revenue	111.0	70.5
EBT ⁽¹⁾	12.9	7.7
EBT margin (in %).....	11.6%	10.9%
EBIT ⁽²⁾	17.0	11.8
EBIT margin (in %).....	15.3%	16.7%
EBITDA ⁽³⁾	18.3	12.4
EBITDA margin (in %).....	16.5%	17.6%
Profit after tax	11.4	6.8
Net cash from operating activities	(32.7)	(9.9)
Net cash used in investing activities.....	(5.5)	(1.9)
Net cash used in financing activities	47.6	2.7
Change in net cash flow	9.5	(9.1)
Total assets.....	140.1	79.8
<i>thereof</i> accounts receivables – consumer loans (net)	106.8	61.5
Non-current liabilities	48.9	28.9
Current liabilities	13.6	29.5
Total Equity	77.6	21.4

(1) Earnings before tax (EBT).

(2) Earnings before interest and tax (EBIT) is shown in the consolidated income statement as "Operating profit".

(3) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by adding depreciation and amortization to operating profit.

The financial information for the first quarter of 2016 and as of 31 March 2016 was taken from the Guarantor's interim financial statement for the first quarter ending 31 March 2016.

As of and for the three months ended 31 March

	2016	2015
	<i>(in € million)</i>	
Revenue	33.2	23.0
EBT ⁽¹⁾	3.8	2.6
EBT margin (in %).....	11.4%	11.1%
EBIT ⁽²⁾	5.2	2.6
EBIT margin (in %).....	15.6%	11.2%
EBITDA ⁽³⁾	5.6	5.8
EBITDA margin (in %).....	16.8%	12.1%
Profit after tax	3.3	2.2
Net cash from operating activities	(11.4)	(9.0)
Net cash used in investing activities.....	(2.0)	(0.1)
Net cash used in financing activities	7.8	40.4
Change in net cash flow	(5.6)	31.3
Total assets.....	152.4	122.2
<i>thereof</i> accounts receivables – consumer loans (net)	121.8	71.1
Non-current liabilities	49.1	29.2
Current liabilities	22.8	23.5
Total Equity	80.5	69.6

(1) Earnings before tax (EBT).

(2) Earnings before interest and tax (EBIT) is shown in the consolidated income statement as "Operating profit".

(3) Earnings before interest, tax, depreciation and amortization (EBITDA) is calculated by adding depreciation and amortization to operating profit.

Historical Financial Information

The Guarantor's Consolidated Financial Statements for the financial years ending on 31 December 2014 and 31 December 2015 and the respective audit opinion thereon as well as the interim financial statements for the first quarter of 2016 are incorporated by reference into this Prospectus.

The aforementioned Consolidated Financial Statements for the fiscal years 2014 and 2015 and for the first quarter of 2016 have been prepared in accordance with IFRS.

Strategy

Our strategy is fundamentally based on the aim to focus on organic growth, further geographic expansion, product portfolio expansion and our vision to establish a leading mobile bank.

Further Growth through geographical expansion.

We have rapidly expanded our business to 23 countries since we started operating in 2005. Most recently, in 2015, we expanded to France, Norway, Canada and Mexico. Our mid-term goal is to expand our operations to a total of 30 countries. This expansion strategy which is at the core of our business strategy involves a diversification of our geographic presence by expanding to further countries in Europe and internationally. We aim to continue our goal to add approximately one new country to our geographic business portfolio every three to six months. We believe our EU banking license which we were granted in Malta in 2012 and the acquisition of FCB Firmen-Credit Bank GmbH in Germany, which is expected to be completed in the second half of 2016, will also help us to expand to further European countries and become a leading mobile bank.

Expansion and diversification of our product portfolio as well as the geographic rollout of our existing products in most or all of the countries where we operate.

The majority of our revenues is generated by our mobile microloans with a principal amount per customer of below €1,000 with typical loans between €300 and €500. In the last several years we started to diversify our product portfolio by introducing our Credit Limit product, our PLUS Loan product and Ferratum Business. We also offer a merchant focussed product, FerBuy. All these products are only available in select countries at the moment, Credit Limit is available in seven countries, PLUS Loans are available in 11 countries, Ferratum Business is available in five countries and FerBuy has only been launched in two countries. We aim to further roll out our existing products to countries where we have operations, thus significantly further diversifying our revenue sources.

Provision of banking services as a mobile bank

Initially, we principally viewed our Group as a provider of mobile microloans. In 2014, we expanded our strategic focus and established our vision to grow into a leading mobile bank. Our mobile banking application has been launched in Sweden in the fourth quarter of 2015 and is currently available for a selected number of customers. This mobile banking application shall be accessible in all countries where we operate which will unify our current mobile offerings. This new multi-banking application is planned to eventually offer all the same functions and products offered in all the countries we operate in with only slight regional variations.

As part of our strategy to become a leading mobile bank, we added deposit taking services for our customers in Germany in January 2016. Deposit taking in Germany and in the future other countries in the European Union will allow us to further grow our business at favourable interest rates.

Through the new banking application, we also aim to provide new products in addition to our current product portfolio. For instance, we aim to offer our mobile banking services also as part of Ferratum Business and offer mid-term current accounts, deposit products also to businesses. Furthermore we intend to offer third party services and products accessible over our new multi-banking application which we target to introduce across all jurisdictions in which we operate in.

Further refining our financing structure based on our internal two spheres structure

In 2015, we introduced a new financing strategy of our Group, dividing it into two spheres. In sphere one, we pool all operations in countries in which we operate with our EU credit institution license held by Ferratum Bank plc: Slovakia, Poland, Estonia, Latvia, Germany, Bulgaria, the Czech Republic, Norway, France, Sweden and Spain. This first sphere is currently principally financed via a €20 million bond issued in the July 2015 by Ferratum Bank plc under a €30 million debt programme. Furthermore, we aim that the deposits which we currently are taking in Sweden and have recently started to take in Germany. Deposit products shall be offered in other countries as well as part of the mobile bank strategy. These deposits provide the principle source of financing for our operations in this sphere one.

In sphere two, we pool all operations in countries where we do not use Ferratum Bank plc's EU credit license, most notably all operations outside of the European Economic Area – such as New Zealand, Australia, Russia, Canada and Mexico – and in certain European jurisdictions where we currently do not operate under Ferratum Bank plc's banking credit license. Currently, these countries include Finland, Denmark, the UK, the Netherlands, Lithuania and Croatia. Ferratum is considering to shift some of the jurisdictions for sphere two to sphere one over time. Ferratum Business is currently within sphere two, but shall be brought under sphere one, following the completion of the FCB acquisition. In April 2016 we expanded our Nordea credit line from €15 million to €35 million which is principally used to finance growth in sphere two. The proceeds from the sale of the Notes shall be principally used to finance operations in sphere two. We aim to continue to refine this financing strategy.

Products

Microloans

Short-term microloans with a nominal value below €1,000 have been our core product since we started operations in 2005 and contributed 52% to our revenues in the financial year 2015. We currently offer microloans in the range of typically €50–1,000 with maturity periods of typically 7–90 days, depending on the loan amount and the regulatory framework of the customer's country. In 2015, the average loan amount totalled €255 and the average loan maturity period was 29 days. The microloans are unsecured, but under our guarantee model may be guaranteed.

Our microloan business model is based on mobile phone technology and electronic bank account debiting, whereby customers are able to obtain microloans in most cases within minutes through the use of our mobile phone application. The markets in which we operate are highly diverse in terms of operational and financial circumstances, regulatory requirements, payment cultures, and credit risks. This broad spectrum of country-specific operational, financial, and legal circumstances necessitates the use of customized microloan interest rates, fee structures, and terms and conditions of the microloans depending on each respective market's unique features, advantages, challenges, and risks. Accordingly the specific provisions for customer default, loan modification, technical repayment processes, and additional customer obligations differ from country to country.

In a few countries that we operate in the customers are required to provide an additional security – a guarantee. They can do so by choosing a personal guarantor, for instance another individual who guarantees the performance of the debtor's obligations under the loan agreement. Alternatively, the customers can choose to use a guarantee service provided by an external guarantor. At the moment the guarantee model is only in use for the microloans. However, due to higher amounts of loans in Credit Limit product, we also under consider to demand additional security from customers for this product in certain markets.

Credit Limit

In June 2013, we launched a credit limit product in Finland. We currently offer our Credit Limit product in seven countries, Finland, Denmark, Sweden, Estonia, Latvia, Poland and the Czech Republic and have seen strong growth revenues from this product. The Credit Limit product contributed 36% to our revenues as of 31 December 2015. As of 31 December 2015, the average

revenue per customer per annum for the twelve months period preceding 31 December 2014 for our Credit Limit product was approximately €750. A credit limit works like a flexible revolving overdraft facility by which our customers can withdraw money within a certain limit over a one month's period. Customer can flexibly choose which amount to pay back at the end of each month. Customers can flexibly choose the end of a month, which does not necessarily have to be a calendar month.

PLUS Loans

PLUS Loans were introduced several years ago to complement our core microloan business to offer certain customers a more flexible loan product outside the typical range of microloans. Our PLUS Loan products are offered in larger amounts (typically €300–3,000) with longer maturity periods (typically 2–36 months). Plus Loans contributed 12% to our revenues in the financial year 2015. As of 31 December 2015, the average revenue per customer per annum for the twelve months period preceding 31 December 2015 for our Plus Loan product was approximately €475 and the average loan maturity was 303 days. PLUS Loans involve instalment repayment plans, which further distinguish them from our traditional microloan product.

PLUS Loans are offered only to select customer groups, who must apply separately using a simple online application. The PLUS Loans are currently in development, testing, and roll-out phases in several key markets.

FerBuy

FerBuy is a secure and flexible e-commerce payment solution for online merchants and consumers. FerBuy offers online merchants a secure payment portal with no financial risk. FerBuy allows customer credit approvals to be conducted by using our established credit scoring processes. Customers can buy and receive online goods or services immediately, but choose to postpone payment on credit with a 2–6 month instalment plan. Fees can be charged to both the merchant or the merchant's customer. So far, FerBuy has been launched in Poland and the Czech Republic.

Small Business Loans (Ferratum Business)

In 2015, the Group introduced Ferratum Business in Finland and Sweden and then further expanded it to Lithuania. In February 2016, it was also launched in Denmark and in May 2016 in the Netherlands. Ferratum Business offers established small businesses with a strong track record of at least two years loans to finance working capital with a term of six to twelve months. E.g. in Finland these loans can be applied in the amount of EUR 3,000 to EUR 50,000 by means of a simple and short application process, which usually only takes minutes to complete.

Overview of the Process Credit Scoring, Delivery and Collection of Consumer Loans

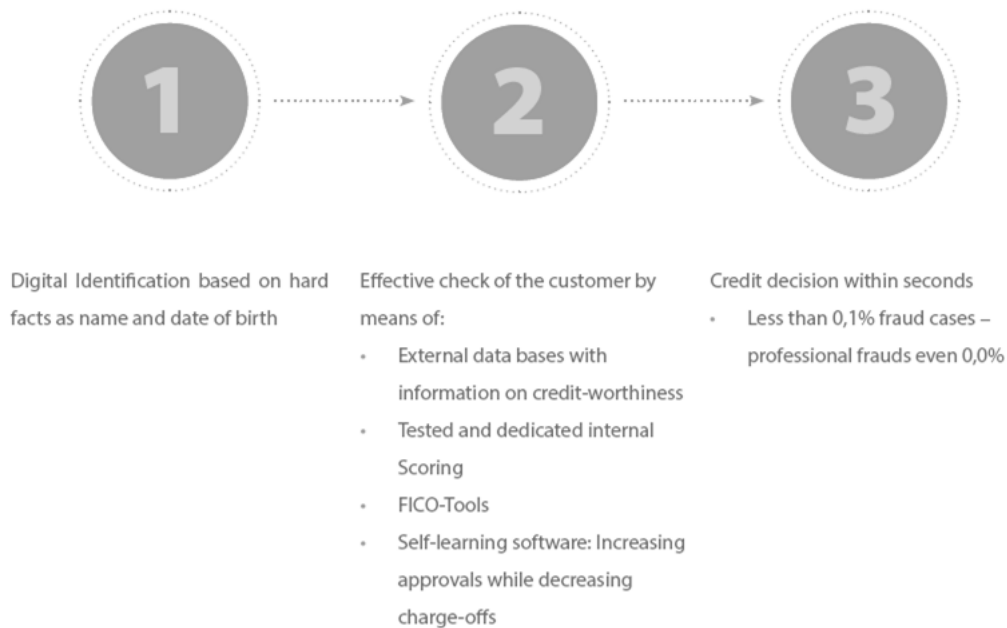
The following provides an overview of the total customer's view of the process from the first loan application to loan repayment:



* A large number of loans is not approved and the process is stopped after such credit decision; ** Subject to local characteristics

Identification and credit scoring

The following provides an overview of the steps from digital identification of the customer to our credit decision.



Our approach to identification and credit scoring balances the evaluation of credit risk from our perspective with market acceptability from the customer's perspective. Our identification process is primarily based on (i) mobile technology, (ii) online banking, and (iii) face-to-face ID verification. The identification process required in some countries can result in an initial delay of several days to receive a loan as the identity check process is completed.

To support our credit scoring system, i.e., the process of assessing the creditworthiness of a potential customer, we founded our own dedicated technology company, Personal Big Data Oy, for the purposes of further researching and developing our credit scoring technology. Our internal credit scoring model ranks potential and existing customers based on their respective credit risk. The IT software for credit scorecard building and customer evaluation, Model Builder 7.1, was purchased from FICO Company (USA), a global leader of scoring software. As from 2014, we started to use a software company's scoring engine for more sophisticated models.

Scoring and credit policies are centrally steered by our risk team. We measure and monitor the performance of each credit portfolio's actual risk key performance indicators on different aggregation

levels at daily, weekly, and monthly cycles. Our risk team considers the following principles as part of our operations:

- Credit risk is managed and controlled on the basis of established credit processes, and within the framework of a clearly established Group credit policy.
- Credit decisions are based on the ethical principles set by the central risk team, the business credit policy, as well as the scoring. Every loan dispersal requires a specific individualized decision. To assess a potential customer's creditworthiness, the credit score is calculated for each new application received. An application scorecard is used to assess new customers and a behaviour scorecard is used to assess repeated customers. Based on this credit score, customers are grouped into risk classes that ultimately affect the credit decision.
- Individualized credit decisions are also combined with an assessment and estimation of credit losses at the Group's global level.
- Credit scoring and monitoring systems are in place to accommodate the early identification and management of deterioration in loan quality, once loans have been provided to customers.

The access to third-party banking scoring databases allowed us to increase our scoring and analytic in-house software as availability of relevant parameters increased drastically in recent times from about 400 to 10,000.

For consumer loans, we operate with a relatively high rejection rate for loan applications (more than 50% as of the end of 2015). The reasons for the relatively high rejection rate are scoring and optimized risk guidelines in order to minimize the rate of loans that customers cannot pay back. Minimizing this so-called "credit loss rate" allows us to optimize the process of further building up our customer base, as it is not only important for us to reduce our operating expenses, of which credit losses are a large portion, but also to retain repeat customers. This can only be achieved if we reject applications that indicate a high chance of eventual loan default. In some instances we also initially deny a loan application for a certain amount of money, but approve a loan application for the same customer for a lower amount.

Credit scoring models allow us to create a customer default and risk profile for every single customer any time they request a loan. In order to strengthen credit scorecards, we use our own customer database, collection companies' databases, and access to public databases, national credit losses registers, statistics databases, and public tax databases if available.

To mitigate credit risks, we also use the following methods:

- **Tightening.** Credit risk is mitigated by reducing the amount of credit extended, either in total or to certain customers, and by reducing maturity periods, e.g., from 45 days to 30 days.
- **Diversification.** If we face a high degree of unsystematic credit risk related to certain customer groups (concentration risk), credit risks can be mitigated by diversifying the customer pools.

We calculate reserve requirements for Group accounting purposes centrally and we support our subsidiaries in calculating their local reserve requirements. These are calculated based on certain models, which measure the probability of delinquency based on payment behaviour and calculate the required risk provisions for impairment of loan receivables (reserves) accordingly. The need for a provision based on the reserve model may be adjusted, by taking into account the market value of impaired receivables, i.e. expected or recent sales prices for overdue loans.

Delivery

We deliver consumer loans to our customers through a variety of distribution channels, primarily via bank account money transfer within minutes of loan approval. We operate more than 180 bank accounts with a large number of banks and distributed capital among these accounts through an

automated algorithm. While this is costly and accounts for approximately 6-7% of sales, this allows us to pay out loans in a very short period of time. For existing customers, the mobile channel is the main distribution channel, whereby consumer loan amounts are paid directly into the customer's bank account. The specific distribution channels employed depend on the regulatory, operational, and logistical characteristics of each country of operations. In the majority of cases, customers will already see the money which was applied for on the customer's bank account within minutes, except for some cases when it the money appears on the account on the next banking day.

Collection and disposal

Collection processes vary by country depending on local legislation, customer database size, and payment culture. We primarily conduct collection ourselves by employing a series of text messages, letters, and phone calls to encourage customer payment. The collection method, number of communication attempts and frequency are country-specific. When economically feasible, we also cooperate with external debt collection partners and outsourced collection services. External collection practices also differ across markets, e.g., external collection may start as early as one day after maturity, but usually starts later on up to sixty days after maturity - depending on the country we are also performing collection internally or later than sixty days after maturity. Impaired loans may also be sold to third parties. These process decisions are based on a cost-benefit analysis and are country-specific. Collection practices include default risks that some customers may not repay their loans. The key indicator of this risk is the credit loss ratio, expressed as a percentage of credit losses to gross receivables.

EU Banking Licenses in Malta and Germany and Additional Deposit License in Sweden

In 2012, we decided to broaden the types of lending products we can offer to our customers and to enter EU markets, such as Germany, where a banking license is required to operate a consumer loan business. Engaging in regulated banking activities in any EU member state requires a credit institution license from a regulatory authority in one EU member state. Our subsidiary in Malta applied for the credit institution license in 2011 and was granted an EU Credit Institution license in September 2012 by the Malta Financial Services Authority. After obtaining the credit institution license, we began providing consumer loan products in certain EU Member States via the cross-border model, including the Czech Republic, Bulgaria, Germany, Slovakia, Poland, Latvia, Estonia, France, Sweden and Spain.

In January 2016, the Group announced the acquisition of FCB Firmen-Credit Bank GmbH, a German bank. The acquisition is subject to regulatory approval and thus is not completed yet. After the completion of the acquisition, the Group will also need to report to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*).

Both our Malta credit license and, after the completion of the acquisition of FCB Firmen-Credit Bank GmbH, its German credit license allow us to take deposits guaranteed by national deposit schemes up to €100,000 per account. We take deposits in Sweden and have recently also started to take deposits in Germany.

Information Technology and Research & Development

Operating an international mobile consumer loan business requires sophisticated software and a stable and robust IT infrastructure. We have developed IT systems internally, but also in cooperation with global finance scoring software leaders FICO (USA) and Microsoft. The technologies used are standard, modern, and common for the financial services industry. The following is an overview of our core IT software systems:

- **Customer Service Platform ("CSP").** Our CSP provides an automated processing of all loan applications, but also allows manual intervention when needed. The first process step is customer verification, e.g., via banking e-Identification. After customer verification and the scoring calculation, our system automatically (or customer service manually) approves the loan and transfers funds to the customer's bank account. Customer communications are online and/or via text messages and email. The system is fully integrated in our data warehouse with

access to extensive data and our decision-making software for loan applications is able to use state-of-the-art decision models for credit scoring, pricing of loans, and customer-relationship management ("CRM") messaging.

- **Collection and CRM.** We have developed centralized scalable collection and CRM tools to increase the efficiency of in-house collections of outstanding debt from customers and to retain existing customers. These automated tools are tightly integrated with our CSP and AX/Ledger systems, replacing manual data entry. The system utilizes collection scoring for customer accounts where payments are most likely to be increased through specific actions. Within our CRM system, we also use customized messaging tools to reach our customers and optimized offers to individual customers, especially if they have received loans in the past, but have not continued to apply for loans, to increase our customers' lifetime value. These tools automatically send all collection and CRM related communications and documents to customers (e.g., invoices, discount vouchers, etc.). The tools are integrated with an automated dialler system capable of learning the optimal calling patterns amongst customers and customer service personnel to maximize collections.
- **Microsoft Dynamics AX – Ledger and Accounting platform.** Microsoft Dynamics AX is used as the general ledger system enabling real-time monitoring and follow-up of company finances. AX implementation started in January 2012 and the Group-wide roll-out is being used meanwhile in all the major subsidiaries of the group. The other financial software (Basware E-office, Basware Business Planning and Basware Group Consolidation) being used group wide are integrated with AX.
- **Hosting and Operations.** COLT Switzerland ("COLT") serves as our primary software hosting partner for all critical operational systems. COLT fulfils strict banking sector security requirements (PMI compliant and ISO 9000). Banking applications run in the environment on both the consumer side and the server side (code that runs in the background, e.g., credit scoring). The physical servers are located in two redundant, highly secure data centres in the Swiss mountains near Zurich. These systems host all our business critical databases and applications in a highly reliable and secure environment. COLT and personnel from the Group's IT Department operate these systems. Our hosting providers also provide full back-up and recovery services in case of an IT system disruption.

Commitment to Responsible Lending

Beyond our compliance with the legal and regulatory frameworks governing microlending on the EU and national levels, we are committed to our ethical principles of responsible lending. We exercise this commitment by providing transparent contractual terms, ensuring maximum customer data security, and treating all borrowers fairly and reasonably. We consider this commitment to be an obligation to our shareholders, our customers, and the overall industry.

We base our lending decisions on a careful assessment of (i) the borrower's financial position, (ii) the borrower's capacity to repay loans, and (iii) whether the borrower's requirements and objectives will be met by the loan. We only issue loans when we believe, on the information available to us, that the borrower can reasonably afford to repay the loan. For PLUS Loans we also independently check the information provided by customers within the scope of a formal loan application. When processing the application, we are committed to the highest standards of disclosure and procedural fairness, including complete transparency of all interest, fees, and charges as well as information regarding repayment.

Customers

As of 31 March 2016, we had a total of 1.3 million active customers and former customers who have received one or more loans in the past. Our customer base comprises a wide cross-section of our markets' populations. In the past our customers were nearly equally divided between men and women.

Employees

As of 31 March 2016, we had 589 employees (full-time equivalents; 383 as of 31 December 2014 and 310 as of 31 December 2013). The cost of salaries and wages in 2015 amounted to €12.5 million. While we are headquartered in Helsinki, Finland, most of our employees (89% as of 31 December 2015) are based outside of Finland. Our success is built on the technical, business, legal, finance, IT and risk & data analysis expertise of our colleagues.

The employees of the Group are not unionized. There have been no strikes or threatened strikes or other labour disputes in the last three years.

Sales and Marketing

Selling and marketing expenses are the second largest class of expense within administrative expenses with €16.2 million expensed in 2015. The Group principally uses online marketing tools similar to those employed by other mobile and internet companies, such as search engine marketing (SEM), search engine optimization (SEO), paid online advertisements and social media optimization (SMO). SEM principally involves paid search engine or pay-per-click advertisements, where we for instance use AdWords, Google's marketing tool for advertisers. In line with our SEO activities, we also optimize our online presence. Additionally, we also work with affiliate online partners to attract customers, usually through paid advertisements (pay-per-click). Lastly, our social media optimization involves our activities on Facebook and other social media tools commonly used by our customers. All our online marketing efforts are based on our statistical analysis of the data we accumulate which allows us to make real-time changes to our marketing strategy to optimize the funds used to attract new customers in the different markets we operate in.

In addition to our online marketing efforts, to a lesser extent, we also engage in offline marketing through television, radio and newspaper advertisements. We have, particularly in Eastern Europe, also engaged local credit point partners to attract new customers and to increase our brand awareness.

Subsidiaries

The following table provides an overview of the Group's subsidiaries, their country of incorporation, and the ownership percentage:

Name	Country of incorporation	Group share of holding	Parent company share of holding
Ferratum Finland Oy.....	Finland	100%	100%
Ferratum Estonia OÜ.....	Estonia	100%	0%
Ferratum Latvia SIA.....	Latvia	100%	100%
UAB Ferratum.....	Lithuania	100%	100%
Ferratum Sweden AB.....	Sweden	100%	100%
Ferratum Czech s.r.o.	Czech Republic	100%	100%
Ferbuy Poland Sp. Z.o.o.	Poland	100%	100%
Ferratum Spain SL.....	Spain	100%	100%
Ferratum Bulgaria EOOD.....	Bulgaria	100%	100%
Ferratum Slovakia s.r.o.	Slovakia	100%	100%
Ferratum Denmark ApS.....	Denmark	100%	100%
Ferratum UK Ltd.....	Great Britain	100%	100%
Ferratum Capital Oy.....	Finland	100%	100%
Global Guarantee OÜ.....	Estonia	100%	100%
Ferratum d.o.o.	Croatia	100%	100%
Ferratum Capital Poland S.A.	Poland	100%	100%
Ferratum New Zealand Ltd.	New Zealand	100%	100%
Ferratum Finance B.V.	Netherlands	100%	100%
Ferratum Australia Pty Ltd.....	Australia	100%	100%
Numeratum d.o.o.	Croatia	100%	100%
OOO Ferratum Russia.....	Russia	100%	100%
Rus-Kredit Ltd.....	Russia	100%	100%
Ferratum Bank p.l.c.	Malta	100%	0.00001%
Ferratum (Malta) Holding Limited.....	Malta	100%	99.99999%
Ferbuy Singapore Pte. Ltd. (2).....	Singapore	90%	90%
Swespar AB.....	Sweden	100%	100%
Nereida Spain S.L.	Spain	100%	100%
Ferratum Capital Germany GmbH.....	Germany	100%	100%
Ferratum Germany GmbH.....	Germany	100%	100%
Ferratum Romania I.F.N.S.A. (2).....	Romania	99%	99%
Personal Big Data Oy.....	Finland	100%	100%
Sideways Sp z.o.o.	Poland	100%	0%
Highways Sp z.o.o.	Poland	100%	0%
Highways Sp. Kom.....	Poland	100%	0%
Pelegrat B.V. (1).....	Netherlands	100%	100%
Ferratum Canada Inc.....	Canada	100%	100%
Ferratum Kredi Finansmani A.S.	Turkey	100%	100%
Ferratum Georgia LLC.....	Georgia	100%	100%
Ferratum Mexico S.de R.L. de C.V.	Mexico	100%	99%
UAB Inkasso Plus.....	Lithuania	100%	100%

(1) Pelegrat B.V. is an existing Group company, however, the liquidation processes of this company will start in the near future after which this entity will cease to exist. The liquidation process for Pelegrat B.V. was commenced because business in the Netherlands is conducted through the Group's UK entity.

(2) Jorma Jokela holds 10% in Ferbuy Singapore Pte. Ltd and 1% in Ferratum Romania I.F.N.S.A.

The Guarantor is the ultimate parent company of the Ferratum Group. The Issuer is a direct subsidiary of the Guarantor.

Investments

Since 31 December 2015, the Guarantor's management has decided to acquire new office premises for its use in Finland of which a price of €1.2 million was paid in January 2016. This investment has been approved by the Board of Directors and is sourced by free funds.

Recent Developments and Outlook

In January 2016, the Group announced the acquisition of FCB Firmen-Credit Bank GmbH, a bank operating in Germany, which shall function as the core of its Ferratum Business product offering. The Group also further rolled out its deposit strategy, taking deposits in Germany starting in early 2016.

Ferratum also continued its product roll out into new geographies by introducing the Credit Limit product in Poland and introducing Ferratum Business in Denmark in the first quarter of 2016. Additionally, Ferratum Bank plc also took over the operations in Spain in early 2016, which had previously been working under local licenses and are now operating under the Group's EU credit

license. The Group further focused on the introduction of the Group's mobile bank into the European market in 2016, which the Group considers the most important strategic goal for 2016.

In April 2016, the Group's credit line with Nordea was increased from €15 million to €35 million to use as a refinancing facility for the Group's further growth of its non bank operational sphere.

In May 2016, Ferratum launched Ferratum Business in the Netherlands.

Material Contracts

Other than the financing contracts and our bonds which are currently outstanding, there are no contracts we have entered into that would result in any obligation or entitlement that is material to our business, financial standing, or results of operation.

Insurance

We maintain customary insurance policies for our offices as well as D&O insurance policies. At the Group-level we are insured against banking risks, asset losses, professional indemnity, and directors' and officers' claims at a level of cover that we believe is adequate. We assess insurable risks and purchase insurance coverage from appropriate insurance companies. Review of new insurance policies and annual review of existing policies is conducted by the finance department.

Properties

The Group does not own any real property, but leases office space for customer service throughout Europe and in Australia and New Zealand. The Group also leases its headquarters in Helsinki and its IT Headquarters in Bratislava, which are its main premises. In total, the Group, due to its international presence, leases properties in a large number of countries.

Litigation and Arbitration

As of the date of this Prospectus, we are not and have not been in the past year, party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which may have, or have had in the recent past, significant effect on our financial position or profitability.

In the ordinary course of our business we have been involved in disputes in the past years that have not and in our view will not have a significant effect on our financial position or profitability. These cases which we were involved in relate to certain ordinary course disputes with customers and ordinary course dealings with governmental authorities.

Corporate Governance

Shortly before the initial public offering in 2015, the Board of Directors resolved that the Company shall voluntarily apply the Finnish Corporate Governance Code (2010) (the "**Corporate Governance Code 2010**") published by the Finnish Securities Market Association. While the Corporate Governance Code 2010 was aimed at companies listed on the Helsinki Stock Exchange (the "**Helsinki Stock Exchange**") maintained by Nasdaq Helsinki Ltd, the Company considered the Corporate Governance Code 2010 to provide a corporate governance framework that is most suitable to the Company, as a company incorporated under the Finnish Companies Act. The German Corporate Governance Code is not applicable, because the Company is not a German company and the Company does not intend to adhere to the German Corporate Governance Code. The Corporate Governance Code 2010 was replaced by a new Finnish Corporate Governance Code (the "**New Corporate Governance Code**") on 1 January 2016.

The Corporate Governance Code 2010 was and the New Corporate Governance Code is based on the "comply or explain" principle. This entails that while the Company should, in general, comply with the code, it may depart from the recommendations of the code if it discloses such departures and explains the reasons of such departures. Several recommendations in the Corporate Governance Code

2010 were based on mandatory Finnish legislation, and such recommendations could not be departed from to the extent such departure would have constituted a breach of mandatory legislation. According to the New Corporate Governance Code, a company may depart from the recommendations of the New Corporate Governance Code, but no departures from the reporting requirements concerning e.g. corporate governance matters and remuneration are allowed.

As at the date of this Prospectus, the Company has informed that complies with the Corporate Governance Code 2010, with the exception of the following recommendations:

- Recommendation 34 (*Managing director's service contract*), Recommendation 40 (*Decision-making process*), Recommendation 41 (*Remuneration and other benefits of the directors*), Recommendation 44 (*Information on share and share-based remuneration of directors*), Recommendation 45 (*Principles for the remuneration schemes of the managing director and other executives*), Recommendation 46 (*Information on the service contract of the managing director*), Recommendation 47 (*Remuneration statement*), and Recommendation 50 (*Internal audit*) as such recommendations of the Corporate Governance Code 2010 recommend disclosures which, in the opinion of the Board of Directors, are not customary in the German securities markets and would therefore not be in the best interests of the Company for the time being.
- Recommendation 51 of the Corporate Governance Code 2010 provides that companies shall comply with the Guidelines for Insiders issued by the Helsinki Stock Exchange and disclose their essential insider administration procedures. The Company does not apply Recommendation 51 because it is not listed on the Helsinki Stock Exchange and therefore the rules of the Helsinki Stock Exchange (including the Guidelines for Issuers) do not apply to it. Instead, Ferratum Oyj complies with mandatorily applicable Finnish and German legislation and the listing rules and regulations of the regulated market of the Frankfurt Stock Exchange and the additional requirements of the Prime Standard of the Frankfurt Stock Exchange.

As at the date of this Prospectus, the Company has not defined the recommendations of the New Corporate Governance Code from which the Company shall possibly depart. The departures from the recommendations of the New Corporate Governance Code shall be reported at the latest in spring 2017 in connection with the publication of the corporate governance statement from the financial year 2016 required by the New Corporate Governance Code.

Regulatory Environment

The Group operates in 23 jurisdictions worldwide, which requires managing diverse regulatory environments. As a result, the Group has set up a dedicated team of in-house lawyers with relevant geographical and country specific knowledge. Monitoring of legislative developments in the countries the Group operates in, including through the support of local legal counsels, is part of the Group's compliance monitoring process. While the management of the Company believes the majority of the jurisdictions the Group operates in offers stable regulatory environments for the development and administration of a functioning consumer credit market, especially the consumer loan segment, there have been instances where legislative changes have had a restrictive effect. The Group's in-house legal department has in the past identified any such legal changes and has assisted senior management and the business development department of the Group in identifying new opportunities or alternative channels for the provision of the Group's core products. Consequently, changes of laws and regulations that were restrictive in many cases were a driver for innovation within the Group and added to its revenue growth. For instance, in several jurisdictions legal changes have prompted competitors to stop offering their products in such jurisdiction because they were unable or unwilling to modify their existing structures to the new conditions. As a result, the Group could expand its activity with an adapted product portfolio in a less competitive environment.

Our business in the European Union is affected by EU legislation, principally the EU Consumer Credit Directive (2008/48/EC). Each EU Member State was required to enact harmonized legislation their respective legislation as a result of the Consumer Credit Directive. The legislation which was

implemented has been very different in each EU Member State. Each EU Member State has decided independently which kind of reporting and licensing requirements are applicable to companies providing micro-loans. For instance, Germany requires a full banking licence to engage in the micro-loan segment, which is the reason why the Group only entered this market after receiving a EU Credit Institution licence in Malta.

In each jurisdiction in Europe where we start operations, we complete an analysis of which licences, memberships and registrations are required for our business. Those requirements range from three required memberships and one certificate in Australia to only a simple registry entry in countries such as Finland or Lithuania.

On 12 September 2012, Ferratum Bank plc was granted a credit institution licence by the MFSA. As a result, the Group holds an EU banking licence that can be passported to all EU countries. In addition to being regulated by and reporting to the MFSA, our Maltese bank also reports to the Central Bank of Malta ("**CBM**").

In January 2016, the Group announced the acquisition of FCB Firmen-Credit Bank GmbH, a German bank. The acquisition is subject to regulatory approval and thus is not completed yet. After the completion of the acquisition, the Group will also need to report to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*).

INFORMATION ON THE ISSUER

Formation, registered office and duration

Ferratum Capital Germany GmbH ("**Ferratum**" or the "**Issuer**") was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany by notarial deed on 16 August 2013 for an unlimited period of time. On 24 September 2013 Ferratum Capital Germany GmbH was entered into the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) in Berlin under HRB 152968. The business address of the Issuer is Kurfürstendamm 44, 10719 Berlin, Federal Republic of Germany its phone number is +49 30 88715307.

Fiscal Year

The Issuer's fiscal year is the calendar year.

Corporate object of the Issuer

Pursuant to section 2 of the Issuer's Articles of Association the corporate purpose of the Issuer is the raising of debt capital through the issuance of bearer bonds and the granting of loans to other entities within the Ferratum Group.

Auditors

Dr. Krumbholz GmbH Wirtschaftsprüfungsgesellschaft, independent auditors, have audited in accordance with Section 317 of the German Commercial Code (*Handelsgesetzbuch*, HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*) the financial statements for the fiscal years 2014 and 2015 of the Issuer. Dr. Krumbholz GmbH Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

Business Description

Overview

The Issuer was founded to provide liquid funds to finance the operations of the Group through, among others, the issuing of bonds and has currently no other business operations.

Organisational Structure

The Issuer is a wholly-owned subsidiary of Ferratum Oyj and has no subsidiaries itself.

Recent Developments and Outlook

There have been no recent developments with regard to the Issuer.

Investments

There is no firm decision of the Issuer's management board with regards to material investments.

Legal and Arbitration Proceedings

As of the date of this Prospectus, the Issuer is not and has not been since the date of its incorporation, party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on its financial position or profitability.

Material Contracts

There are no material contracts that are entered into outside the ordinary course of business of the Issuer that would result in any obligation or entitlement that is material to the Issuer's ability to meet its obligations with respect to the Noteholders.

Executive Bodies

The Issuer's executive bodies are its directors (*Geschäftsführer*), its general shareholders' meeting and its supervisory board. The management of the Issuer is performed by one or more directors, section 5 paragraph 2 of its Articles of Association. The general shareholders' meeting (*Gesellschafterversammlung*), *inter alia*, approves the annual accounts and the use of the earnings. The tasks of the supervisory board are, *inter alia*, to audit the Issuer's annual accounts and to advise and supervise the board of directors.

Board of Directors

The Issuer is currently represented by one director who is Dr. Clemens Krause. Dr. Krause can be reached at the Issuer's business address. He is CFO of the Guarantor and performs no principal activities outside the Ferratum Group which are relevant for the Issuer.

Supervisory Board

The Issuer's Articles of Association provide in § 6 for the establishment of a supervisory board consisting of three members. The tasks of the supervisory board are, *inter alia*, to audit the Issuer's annual accounts and to advise and supervise the board of directors.

Current members of the Issuer's supervisory board are:

- Erik Ferm
- Lea Liigus
- Jorma Jokela

The members of the Issuer's supervisory board can be reached at the business address of the Issuer. The members of the Issuer's supervisory board do not perform any principal activities outside the Ferratum Group which are relevant for the Issuer.

Conflict of Interest

None of the members of the board of directors and the supervisory board have declared that they have any interests outside the Issuer which would conflict with the interests of the Issuer.

Board Practices

As of the date of the Prospectus, the Issuer has not established any committees or supervisory bodies.

Corporate Governance Code

The Issuer, as a privately held company, is not subject to public corporate governance standards.

Share Capital

The registered and fully paid up share capital of the Company is € 25,000.

Major Shareholders

The Issuer is a wholly-owned subsidiary of Ferratum Oyj. Ferratum Oyj directly holds all shares in the Issuer.

Selected Financial Information

The following table shows the key balance sheet items of the Issuer:

	31 December	
	2015	2014
	<i>(in € thousand)</i>	
Total Assets.....	25,567	25,501
Subscribed capital	25	25
Provisions	161	99
Total Liabilities.....	25,406	25,402
<i>thereof</i> bonds.....	25,395	25,395

The Issuer is not required to and has not published quarterly financial statements.

Historical Financial Information

The Issuer's financial statements for the financial years ending on 31 December 2014 and 31 December 2015 and the respective audit opinion thereon are incorporated by reference into this Prospectus.

The aforementioned financial statements for the fiscal years 2014 and 2015 have been prepared in accordance with accounting principles generally accepted in Germany.

TERMS AND CONDITIONS

Anleihebedingungen

Terms and Conditions

§ 1

WÄHRUNG, NENNBETRAG, FORM, BESTIMMTE DEFINITIONEN

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Währung; Nennbetrag; Übertragung.* Diese Anleihe der Ferratum Capital Germany GmbH (die "**Emittentin**"), begeben am 22. Juni 2016 (der "**Begebungstag**") im Gesamtnennbetrag bis zu € 50.000.000 ist eingeteilt in bis zu 50.000 unter sich gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen (die "**Schuldverschreibungen**") im Nennbetrag von je € 1.000 (die "**festgelegte Stückelung**").

(1) *Currency; Principal Amount; Transfer.* This issue by Ferratum Capital Germany GmbH (the "**Issuer**") issued on 22 June 2016 (the "**Issue Date**") in the aggregate principal amount of up to € 50,000,000 is divided into up to 50,000 notes in the principal amount of € 1,000 (the "**Specified Denomination**") each payable to bearer and ranking *pari passu* with each other (the "**Notes**").

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(2) *Form.* The Notes are being issued in bearer form.

(3) *Dauerglobalurkunde.*

(3) *Permanent Global Note.*

Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft. Die Dauerglobalurkunde trägt die Unterschrift(en) von einem oder mehreren ordnungsgemäß bevollmächtigten Vertreter(n) der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

The Notes are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note shall be signed by one or more authorized signatories of the Issuer and shall be authenticated by or on behalf of the Fiscal Agent. Definitive notes and interest coupons will not be issued.

(4) *Clearing System.* Die Globalurkunde, die die Schuldverschreibung verbrieft, wird von dem oder für das Clearing Systems verwahrt. "**Clearing System**" bedeutet folgendes: Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn. Deutschland sowie jeder Funktionsnachfolger.

(4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means the following: Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany and any successor in such capacity.

(5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Schuldverschreibungen.

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

§ 2

STATUS, NEGATIVVERPFLICHTUNG, Garantie und Negativverpflichtung der Garantin

§ 2

STATUS, NEGATIVE PLEDGE, GUARANTEE AND NEGATIVE PLEDGE OF THE GUARANTOR

(1) *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen

(1) *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the

Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen, die gemäß den Schuldverschreibungen zu zahlen sind, der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder sonstige dingliche Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Besicherung von Kapitalmarktverbindlichkeiten (wie unten definiert) zu gewähren ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht oder an einer solchen Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren. Diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Eine nach diesem Absatz (2) zu leistende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.

"**Kapitalmarktverbindlichkeit**" bezeichnet jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, sofern sie an einer Börse oder einem anderen anerkannten und regulierten Wertpapiermarkt notiert sind oder gehandelt werden oder werden können oder Schuldscheindarlehen nach deutschem Recht mit einer Laufzeit von mehr als einem Jahr, sofern der zurückzuzahlende Betrag € 2.000.000 übersteigt. Von der Definition Kapitalmarktverbindlichkeiten sind solche Verbindlichkeiten ausgenommen, die aus der Verbriefung von Forderungen der Garantin aus Verbraucher- und Unternehmenskrediten stammen.

Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Negative Pledge.* The Issuer undertakes, as long as any Notes are outstanding, but only up to the time all amounts of principal and interest payable under the Notes have been placed at the disposal of the Principal Paying Agent, not to provide or maintain any mortgage, charge, pledge, lien or other form of encumbrance or *in rem* security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) without at the same time letting the Holders share *pari passu* in such Security Interest or guarantee or giving to the Holders an equivalent Security Interest or guarantee. This undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

Any security which is to be provided pursuant to this subsection (2) may also be provided to a person acting as trustee for the Holders.

"**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or other recognized and regulated securities market or certificates of indebtedness (*Schuldscheindarlehen*) governed by German law, with an original maturity of more than one year, where the repayable amount exceeds € 2,000,000, provided that obligations resulting from securitization of claims deriving from consumer loans and business loans rendered by the Guarantor shall not qualify as Capital Market Indebtedness.

(3) *Garantie und Negativverpflichtung der Garantin.* Ferratum Oyj (die "**Garantin**") hat die unbedingte und unwiderrufliche Garantie (die "**Garantie**") für die ordnungsgemäße und pünktliche Zahlung von Kapital und Zinsen und sonstiger auf die Schuldverschreibungen zahlbarer Beträge übernommen. Die Garantin hat sich außerdem in einer Negativverpflichtung (die "**Garantennegativverpflichtung**") verpflichtet, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Sicherungsrechte in Bezug auf ihr gesamtes Vermögen oder Teile davon bzw. Garantien zur Sicherung von Kapitalmarktverbindlichkeiten zu gewähren und ihre Wesentliche Tochtergesellschaften (wie unten definiert) zu veranlassen (es sei denn, dies ist rechtlich nicht möglich oder unzulässig), keine solchen Sicherungsrechte bzw. Garantien für Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht bzw. einer Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Die Garantie und die Garantennegativverpflichtung stellen einen Vertrag zugunsten jedes Gläubigers als begünstigtem Dritten gemäß § 328 BGB dar, welcher das Recht jedes Gläubigers begründet, Erfüllung aus der Garantie und Garantennegativverpflichtung unmittelbar von der Garantin zu verlangen und die Garantie und Garantennegativverpflichtung unmittelbar gegen die Garantin durchzusetzen.

"**Wesentliche Tochtergesellschaften**" bezeichnet die folgenden Gesellschaften: Ferratum Finland Oy, Helsinki, Ferratum Sweden AB, Sweden, Ferratum Denmark ApS, Denmark, Ferratum UK Ltd, Great Britain, Global Guarantee OÜ, Estonia, Ferratum Bank plc, Malta, Swespar AB,

(3) *Guarantee and Negative Pledge of the Guarantor.* Ferratum Oyj (the "**Guarantor**") has given an unconditional and irrevocable guarantee (the "**Guarantee**") for the due and punctual payment of principal of, and interest on, and any other amounts payable under any Note. The Guarantor has further undertaken in a negative pledge (the "**Guarantor Negative Pledge**"), so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any Security Interest over the whole or any part of their assets or grant guarantees to secure any Capital Markets Indebtedness and to procure (unless this is legally impossible or illegal) that its Material Subsidiaries (as defined below) will provide Security Interests over their assets or grant guarantees to secure Capital Markets Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest or guarantee, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantor, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

The Guarantee and Guarantor Negative Pledge constitutes a contract for the benefit of the Holders from time to time as third party beneficiaries in accordance with § 328 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*), giving rise to the right of each Holder to require performance of the Guarantee and Guarantor Negative Pledge directly from the Guarantor and to enforce the Guarantee and Guarantor Negative Pledge directly against the Guarantor.

"**Material Subsidiaries**" means the following entities: Ferratum Finland Oy, Helsinki, Ferratum Sweden AB, Sweden, Ferratum Denmark ApS, Denmark, Ferratum UK Ltd, Great Britain, Global Guarantee OÜ, Estonia,

Sweden.

Ferratum Bank plc, Malta, Swespar AB, Sweden.

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihre festgelegte Stückelung verzinst, und zwar vom 22. Juni 2016 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit jährlich 4,875%. Die Zinsen sind nachträglich am 22. Juni eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Der erste Zinszahlungstag ist der 22. Juni 2017.

(2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen.

Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem von der Deutsche Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

"**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.

§ 4 ZAHLUNGEN

(1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

(2) *Zahlungsweise.* Vorbehaltlich geltender

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their Specified Denomination at the rate of 4.875 per cent. *per annum* from (and including) 22 June 2017 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on 22 June in each year (each such date, an "**Interest Payment Date**"). The first Interest Payment Date shall be 22 June 2017.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law.¹

The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; §§ 288(1), 247(1) German Civil Code (*Bürgerliches Gesetzbuch*, BGB).

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

"**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.

§ 4 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal and interest in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) *Manner of Payment.* Subject to applicable

steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in euro.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day and shall not be entitled to further interest or other payment in respect of such delay.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) ("**TARGET**") betriebsbereit sind, um die betreffende Zahlung weiterzuleiten.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) ("**TARGET**") are operational to forward the relevant payment.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen, den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen sowie jeden Aufschlag und sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes, the Early Redemption Amount of the Notes and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 5 RÜCKZAHLUNG

§ 5 REDEMPTION

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht

(1) *Final Redemption.* Unless previously

zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 22. Juni 2019 (der "Fälligkeitstag") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht der festgelegten Stückelung der Schuldverschreibungen zuzüglich aller bis zum Fälligkeitstag aufgelaufener und noch nicht gezahlter Zinsen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Hauptzahlstelle und gegenüber den Gläubigern vorzeitig gekündigt und zum Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin oder eine Garantin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die Schuldverschreibungen begeben werden, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Bedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin oder einer Garantin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin oder die Garantin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin

redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on 22 June 2019 (the "Maturity Date"). The Final Redemption Amount in respect of each Note shall be its Specified Denomination and any unpaid interest, accrued until the Maturity Date.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the Notes were issued, the Issuer or a Guarantor is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer or a Guarantor, as the case may be, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Principal Paying Agent and to the Holders, at the principal amount together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so

begründenden Umständen darlegt.

(3) Vorzeitige Rückzahlung im Ermessen der Emittentin.

Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Hauptzahlstelle und gegenüber den Gläubigern vorzeitig gekündigt und zu den folgenden Rückzahlungsbeträgen (ausgedrückt als Prozent des Nennbetrags) zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden: am oder nach 21. Oktober 2018 zu 100,75% des Nennbetrags der Schuldverschreibungen. Eine solche Kündigung hat gemäß § 13 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen.

(4) Vorzeitige Rückzahlung bei Kontrollwechsel.

Tritt ein Kontrollwechsel (wie nachstehend definiert) ein (ein "**Rückzahlungsereignis**"), hat jeder Gläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittelung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 5 Absatz 2 oder Absatz 3 angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag, zuzüglich aufgelaufener Zinsen bis zum Wahl-Rückzahlungstag (ausschließlich), zu verlangen.

Für Zwecke dieses Wahlrechts:

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn (i) Jorma Jokela, direkt oder indirekt, weniger als 35% plus eine Stimme in der Hauptversammlung der Garantin hält, oder (ii) die Garantin die direkte oder indirekte Kontrolle über die Emittentin verliert oder weniger als 50,1 % des Stammkapitals hält.

Ist der "**Wahl-Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsereignis Kenntnis erlangt, wird die Emittentin den Gläubigern gemäß § 13 Mitteilung vom Rückzahlungsereignis machen (eine "**Rückzahlungsmittelung**"), in der die

to redeem.

(3) Early Redemption at the Option of the Issuer.

The Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Principal Paying Agent and to the Holders, at the following redemption amounts (expressed as a percentage of principal amount) with interest accrued to the date fixed for redemption: on or after 21 October 2018 at 100.75% of the principal amount of the Notes redeemed. Any such notice shall be given in accordance with § 13. It shall be irrevocable, must specify the date fixed for redemption.

(4) Early Redemption upon occurrence of a Change of Control.

If there occurs a Change of Control (as defined below) (a "**Put Event**"), each Holder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 5(2) or (3)) to require the Issuer to redeem the Notes held by him on the Optional Redemption Date at its principal amount together with interest accrued to but excluding the Optional Redemption Date.

For purposes of this option:

A "**Change of Control**" shall be deemed to have occurred at each time that (i) Jorma Jokela, directly or indirectly, holds less than 35% of the Guarantor's share capital, meaning the right to less than 35% plus one vote at the Guarantor's General Assembly; or (ii) the Guarantor loses direct or indirect control over the Issuer or holds less than 50.1% of the Issuer's ordinary capital (*Stammkapital*).

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with § 13 specifying the nature of the Put Event and the circumstances giving rise to it

Umstände des Rückzahlungsereignisses sowie das Verfahren für die Ausübung des in diesem § 5 Absatz 4 genannten Wahlrechts angegeben sind

Zur Ausübung dieses Wahlrechts muss der Gläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen nach Veröffentlichung der Rückzahlungsmitteilung eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Emissionsstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Emissionsstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden.

Wenn 80% oder mehr des Nennbetrags der dann ausstehenden Schuldverschreibungen gemäß diesem § 5 Absatz 4 zurückgezahlt oder zurückerworben wurde, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung, die innerhalb von 30 Tagen nach dem Wahl-Rückzahlungstag erfolgen muss, gegenüber den Gläubigern mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl alle ausstehenden Schuldverschreibungen zum Nennbetrag zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurück zu zahlen.

§ 6 DIE HAUPTZAHLSTELLE UND DIE ZAHLSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle und deren bezeichnete Geschäftsstellen lauten wie folgt:

biw Bank für Investments und Wertpapiere AG
Hausbroicher Straße 222
47877 Willich

Die Hauptzahlstelle behält sich das Recht vor, jederzeit ihre bezeichnete Geschäftsstelle durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen. Eine solche Änderung ist den Gläubigern unverzüglich nach § 13 anzuzeigen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche Zahlstellen zu bestellen. Die Emittentin wird eine

and the procedure for exercising the option set out in this § 5 (4).

In order to exercise such option, the Holder must submit during normal business hours at the specified office of the Fiscal Agent a duly completed option exercise notice (the "**Exercise Notice**") in the form available from the specified office of the Fiscal Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to the provisions of this § 5(4), the Issuer may, on not less than 30 or more than 60 days' notice to the Holders given within 30 days after the Optional Redemption Date, redeem, at its option, the remaining Notes as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption.

§ 6 THE PRINCIPAL PAYING AGENT AND THE PAYING AGENT

(1) *Appointment; Specified Office.* The initial Principal Paying Agent and its initial specified offices shall be:

biw Bank für Investments und Wertpapiere AG
Hausbroicher Straße 222
47877 Willich

The Principal Paying Agent reserves the right at any time to change its specified office to some other office in the same city. Notice of such change shall be given to the Holders in accordance with § 13 without undue delay.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint another Principal Paying Agent or additional Paying Agents. The Issuer shall for so long as the Notes are

Hauptzahlstelle unterhalten solange die Schuldverschreibungen ausstehen. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 13 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle handelt ausschließlich als Erfüllungsgehilfe der Emittentin und übernimmt keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den Gläubigern begründet.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

(a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder

(b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu

outstanding maintain a Principal Paying Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 13.

(3) *Agent of the Issuer.* The Principal Paying Agent acts solely as the agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for any Holder.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

(a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or

(b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of

zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder

(c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

(d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird; oder

(e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.

§ 8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 9 KÜNDIGUNG

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

(a) *Nichtzahlung:* die Emittentin auf die Schuldverschreibungen zahlbares Kapital oder Zinsen nicht innerhalb von 15 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder

(b) *Verletzung einer sonstigen Verpflichtung:* die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den

Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or

(c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

(d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 13, whichever occurs later, or

(e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.

§ 8 PRESENTATION PERIOD

The presentation period provided in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*) is reduced to ten years for the Notes.

§ 9 EVENTS OF DEFAULT

(1) *Events of default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that

(a) *Non-Payment:* the Issuer fails to pay principal or interest due on the Notes within 15 days after the relevant due date, or

(b) *Breach of other Obligation:* the Issuer fails to duly perform any other obligation arising from the Notes or the Guarantor fails to perform

Schuldverschreibungen oder die Garantin die Erfüllung einer Verpflichtung aus der Garantie unterlässt und diese Unterlassung länger als 45 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder

(c) *Drittverzugs Klausel:* (i) eine andere Kapitalmarktverbindlichkeit der Emittentin, der Garantin oder der Wesentlichen Tochtergesellschaft bei Fälligkeit bzw. nicht innerhalb von 20 Tagen, oder, falls länger, nach Ablauf einer etwaigen Nachfrist nicht bezahlt wird, oder (ii) eine Kapitalmarktverbindlichkeit der Emittentin, der Garantin oder der Wesentlichen Tochtergesellschaft aus einem anderen Grund vor dem vorgesehenen Fälligkeitstermin aufgrund des Vorliegens einer Nichterfüllung oder eines Verzuges (unabhängig davon, wie eine solche bzw. ein solcher definiert ist) vorzeitig fällig gestellt oder anderweitig vorzeitig fällig wird, oder (iii) die Emittentin, die Garantin oder die Wesentliche Tochtergesellschaft einen Betrag, der unter einer bestehenden oder zukünftigen Garantie oder Gewährleistung im Zusammenhang mit einer Kapitalmarktverbindlichkeit zu zahlen ist, bei Fälligkeit oder innerhalb von 20 Tagen oder, falls länger, der zutreffenden Nachfrist nicht zahlt, jeweils vorausgesetzt, dass der Gesamtbetrag der betreffenden Kapitalmarktverbindlichkeit, bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, mindestens dem Betrag von € 5.000.000 (oder dessen entsprechenden Gegenwert in einer oder mehreren anderen Währung(en)) entspricht oder diesen übersteigt;

(d) *Zahlungseinstellung:* die Emittentin, die Garantin oder eine ihrer Wesentlichen Tochtergesellschaften ihre Zahlungsunfähigkeit bekannt gibt oder ihre Zahlungen allgemein einstellt; oder

(e) *Insolvenz u.ä.:* ein Gericht ein Insolvenzverfahren gegen die Emittentin, die Garantin oder ihre Wesentliche Tochtergesellschaft eröffnet, oder die Emittentin, die Garantin oder ihre Wesentliche Tochtergesellschaft ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft, oder ein Dritter ein Insolvenzverfahren gegen die Emittentin, die Garantin oder ihre Wesentliche Tochtergesellschaft beantragt und ein solches

any obligation arising from the Guarantee and such failure continues unremedied for more than 45 days after the Principal Paying Agent has received notice thereof from a Holder, or

(c) *Cross-Default:* (i) any other Capital Market Indebtedness of the Issuer, the Guarantor or the Material Subsidiary is not paid when due or, as the case may be, within 20 days or, if longer, any originally applicable grace period or (ii) any Capital Market Indebtedness of the Issuer, the Guarantor or the Material Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity for reason of the occurrence of an event of default (howsoever defined), or (iii) the Issuer, the Guarantor or the Material Subsidiary fails to pay when due or, as the case may be, within 20 days or, if longer, any applicable grace period any amount payable by it under any present or future guarantee or indemnity for any Capital Market Indebtedness when due or, provided in each case that the relevant aggregate amount of all such Capital Market Indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) has or have occurred equals or exceeds € 5,000,000 or its equivalent in any other currency;

(d) *Cessation of Payment:* the Issuer, the Guarantor or its Material Subsidiary announces its inability to meet its financial obligations or ceases its payments generally; or

(e) *Insolvency etc.:* a court opens insolvency proceedings against the Issuer, the Guarantor or its Material Subsidiary or the Issuer, the Guarantor or its Material Subsidiary applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or a third party applies for insolvency proceedings against the Issuer, the Guarantor or its Material Subsidiary and such proceedings are not discharged or stayed within 60 days, or

Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist; oder

(f) *Liquidation*: die Emittentin, die Garantin oder ihre Wesentliche Tochtergesellschaft in Liquidation tritt (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin, der Garantin oder ihrer Wesentlichen Tochtergesellschaft übernimmt oder übernehmen); oder

(g) *Abberufung von Jorma Jokela*: Jorma Jokela wird während der Laufzeit der Schuldverschreibungen als Managing Director der Garantin abberufen oder tritt zurück; oder

(h) *Dividendenzahlung*: die Garantin schüttet vor Fälligkeit der Schuldverschreibungen Dividenden in einer Höhe von mehr als 40% ihres jährlichen Nettogewinns aus; oder

(i) *Veräußerung von Vermögenswerten*: die Emittentin oder die Garantin oder jedwede andere Gesellschaft der Ferratum Group führen Transaktionen aus, bei denen im Wege einer einzelnen Transaktion oder mehrerer Transaktionen ein Vermögensgegenstand oder mehrere Vermögensgegenstände mit einem Marktwert von € 2 Millionen oder mehr veräußert und nicht durch Vermögensgegenstände in einem vergleichbaren Wert ersetzt werden; oder

(j) *Erlöschen der Garantie*: die Garantie nicht länger rechtswirksam und bindend ist (ausgenommen als Folge einer Verschmelzung der Garantin mit der Emittentin) oder die Garantin ihre Verpflichtungen aus der Garantie nicht erfüllt.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) *Benachrichtigung*. Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1) ist schriftlich in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären

(f) *Liquidation*: the Issuer, the Guarantor or its Material Subsidiary enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer, the Guarantor or its Material Subsidiary), or

(g) *Dismissal of Jorma Jokela*: Jorma Jokela is dismissed or resigns as Managing Director of the Guarantor within the Bond maturity period; or

(h) *Dividend payment*: the Guarantor pays out a dividend in an amount exceeding 40% of its annual net profit until redemption of all Bonds; or

(i) *Disposal of Assets*: the Issuer, the Guarantor or any other member of the Ferratum Group execute transactions, where under a single transaction or several transactions they sell a part of their assets and the total amount for which a given element of assets is sold varies from market value by an amount of at least € 2 million and the asset(s) sold are not replaced with another asset (other assets) of the same or similar market value; or

(j) *Expiration of the Guarantee*: the Guarantee cease to be legally valid and binding (other than as a result of a merger of the Guarantor with the Issuer) or the Guarantor fails to fulfil its obligations under the Guarantee.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) *Notice*. Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be made by means of a written declaration in the German or English language delivered by hand or registered mail to

zusammen mit dem Nachweis durch eine Bescheinigung der Depotbank (wie in § 14 Absatz (3) definiert) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung ein Gläubiger der betreffenden Schuldverschreibung ist und persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln.

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit der Emittentin verbundenes Unternehmen (wie unten definiert), an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

(a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;

(b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;

(c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;

(d) die Garantin eine Garantie zugunsten der Anleihegläubiger für Verbindlichkeiten der Nachfolgeschuldnerin unter den Schuldverschreibungen abgegeben hat; und

(e) der Hauptzahlstelle jeweils eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten vorgelegt wird, dass die

the specified office of the Principal Paying Agent together with a proof that such notifying Holder at the time of such notice is a holder of the relevant Notes by means of a statement of his Custodian (as defined in § 14(3)) or any other appropriate manner.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal or of interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of the Issuer as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") provided that:

(a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;

(b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;

(c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;

(d) the Guarantor has granted a guarantee for the benefit of the Noteholders guaranteeing the obligations of the Substitute Debtor under the Notes; and

(e) there shall have been delivered to the Principal Paying Agent one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b),

Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 13 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung Folgendes:

In § 7 und § 5 Absatz (2) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat).

§ 11 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.

(c) and (d) above have been satisfied.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of § 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 13.

(3) *Change of References.* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

In § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor.

§ 11 FURTHER ISSUES AND PURCHASES

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases.* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

§ 12
ÄNDERUNG DER
ANLEIHEBEDINGUNGEN, GEMEINSAMER
VERTRETER, ÄNDERUNG DER GARANTIE

(1) *Änderung der Anleihebedingungen.* Die Gläubiger können entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*Schuldverschreibungsgesetz – "SchVG"*) durch einen Beschluss mit der in Absatz 2 bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand eine Änderung der Anleihebedingungen mit der Emittentin vereinbaren. Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75 % der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand der § 5 Absatz 3, Nr. 1 bis Nr. 8 des SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.

(3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4, Satz 2 SchVG statt.

(4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten in- oder ausländischen Notar oder, falls der gemeinsame Vertreter zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.

(5) *Stimmrecht.* An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil. Gläubiger müssen den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung zum Zeitpunkt der Stimmabgabe durch eine Bescheinigung der Depotbank, wie in §

§ 12
AMENDMENT OF THE TERMS AND
CONDITIONS, HOLDERS'
REPRESENTATIVE, AMENDMENT OF
THE GUARANTEE

(1) *Amendment of the Terms and Conditions.* In accordance with the Act on Debt Securities of 2009 (*Schuldverschreibungsgesetz aus Gesamtemissionen – "SchVG"*) the Holders may agree with the Issuer on amendments of the Terms and Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in subparagraph (2). Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(2) *Majority.* Resolutions shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments of the Terms and Conditions which are not material and which do not relate to the matters listed in § 5 paragraph 3, Nos. 1 to 8 of the SchVG require a simple majority of the votes cast.

(3) *Vote without a meeting.* All votes will be taken exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 paragraph 4, sentence 2 of the SchVG.

(4) *Chair of the vote.* The vote will be chaired by a German or foreign notary appointed by the Issuer or, if the Holders' Representative (as defined below) has convened the vote, by the Holders' Representative.

(5) *Voting rights.* Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. Holders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Custodian in accordance with § 14(3) hereof and by

14 (3) geregelt und die Vorlage einer Sperranweisung der Depotbank zugunsten der Zahlstelle als Hinterlegungsstelle für den Zeitraum der Stimmabgabe nachweisen.

(6) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen (der "**Gemeinsame Vertreter**"). Der Gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Gläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Gläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Gläubiger ermächtigt ist, sind die einzelnen Gläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Gläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des Gemeinsamen Vertreters gelten die Vorschriften des SchVG.

(7) *Änderung der Garantien.* Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen finden sinngemäß auf die Bestimmungen der Garantien Anwendung.

§ 13 MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen im Bundesanzeiger und durch elektronische Publikation auf der Internetseite der Emittentin. Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt. Jede Mitteilung welche aufgrund des öffentlichen Angebots der Schuldverschreibungen in Luxembourg zu veröffentlichen ist, wird im Einklang mit geltenden Luxemburger Recht erfolgen.

(2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der Frankfurter Börse notiert sind, findet Absatz (1) Anwendung. Soweit die Regeln der Frankfurter Börse dies sonst zulassen oder die gesetzlichen Bestimmungen nichts anderes vorsehen, kann die Emittentin eine Veröffentlichung nach Absatz (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den

submission of a blocking instruction by the Custodian for the benefit of the Paying Agent as depository (*Hinterlegungsstelle*) for the voting period.

(6) *Holder's Representative.* The Holders may by majority resolution appoint a common representative (the "**Holder's Representative**") to exercise the Holders' rights on behalf of each Holder. The Holder's Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Holder's Representative shall comply with the instructions of the Holders. To the extent that the Holder's Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Holder's Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the Holder's Representative.

(7) *Amendment of the Guarantees.* The provisions set out above applicable to the Notes shall apply *mutatis mutandis* to the Guarantees.

§ 13 NOTICES

(1) *Publication.* All notices concerning the Notes will be made in the Federal Gazette (*Bundesanzeiger*) and by means of electronic publication on the internet website of the Issuer. Any notice so given will be deemed to have been validly given on the third day following the date of such publication. Any publication required to be made in connection with the public offering of the Notes in Luxembourg will be made in accordance with Luxembourg law.

(2) *Notification to Clearing System.* So long as any Notes are listed on the Frankfurt Stock Exchange, subparagraph (1) shall apply. If the Rules of the Frankfurt Stock Exchange otherwise so permit or statutory provisions do not stipulate differently, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1) above; any such notice shall be deemed to have been validly given on the

Gläubigern mitgeteilt.

(3) *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibung(en) per Kurier oder per Einschreiben an die Hauptzahlstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Hauptzahlstelle über das Clearing System in der von der Hauptzahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

§ 14

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ("**Rechtsstreitigkeit**") ist das Landgericht Frankfurt am Main. Das Amtsgericht Berlin ist gemäß § 9 Abs. 3 SchVG zuständig für alle Verfahren nach §§ 9 Abs. 2, 13 Abs. 3 und 18 Abs. 2 SchVG. Das Landgericht Berlin ist gemäß § 20 Abs. 3 SchVG ausschließlich zuständig für Klagen im Zusammenhang mit der Anfechtung von Beschlüssen der Gläubiger.

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jeder Rechtsstreitigkeit gegen die Emittentin oder in jeder Rechtsstreitigkeit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem

seventh day after the day on which the said notice was given to the Clearing System.

(3) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered by hand or registered mail together with the relevant Note or Notes to the Principal Paying Agent. So long as any of the Notes are represented by a global note, such notice may be given by any Holder of a Note to the Principal Paying Agent through the Clearing System in such manner as the Principal Paying Agent and the Clearing System may approve for such purpose.

§ 14

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Submission to Jurisdiction.* The District Court (*Landgericht*) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes. The local court (*Amtsgericht*) in Berlin shall, pursuant to section 9 para. 3 of the SchVG, have jurisdiction for all judgements in accordance with sections 9 para. 2, 13 para. 3 and 18 para. 2 of the SchVG. The district court (*Landgericht*) in Berlin shall have exclusive jurisdiction for all judgments over contested resolutions by Noteholders SchVG in accordance with section 20 para. 3 of the SchVG.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a

Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

§ 15 SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

§ 15 LANGUAGE

These Terms and Conditions are written in the German language. The German text shall be controlling and binding. The English language translation is provided for convenience only.

COPY OF GUARANTEE

Die deutsche Version dieser Garantie ist bindend: Die englische Übersetzung dient nur Informationszwecken.

The German text of this Guarantee is binding. The English translation is for information purposes only.

GARANTIE

der

Ferratum Oyj

(die "**Garantin**")

zugunsten der Gläubiger der bis zu
€ 50.000.000 4,875 Prozent
Schuldverschreibungen fällig 2019 der

Ferratum Capital Germany GmbH

(die "**Emittentin**")

ISIN DE000A2AAR27

(die "**Schuldverschreibungen**").

1. Definitionen
Die in dieser Garantie verwendeten und nicht anders definierten Begriffe haben die ihnen in den Anleihebedingungen der Schuldverschreibungen (die "**Anleihebedingungen**") zugewiesene Bedeutung.
2. Garantie
 - (a) Die Garantin übernimmt gegenüber jedem Inhaber einer Schuldverschreibung (jeweils ein "**Gläubiger**") die unbedingte und unwiderrufliche Garantie für die ordnungsgemäße und pünktliche Zahlung aller nach Maßgabe der Anleihebedingungen von der Emittentin oder einer Nachfolgeschuldnerin auf die Schuldverschreibungen zu zahlenden Beträge. Diese Garantie begründet eine selbständige Verpflichtung der Garantin, deren Bestand unabhängig von der rechtlichen Beziehung zwischen der Emittentin und den Gläubigern ist, und die insbesondere nicht von der Wirksamkeit oder der Durchsetzbarkeit der Ansprüche gegen die Emittentin aus den Schuldverschreibungen abhängt.
 - (b) Diese Garantie begründet unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Garantin, die mindestens im gleichen

GUARANTEE

of

Ferratum Oyj

(the "**Guarantor**")

for the benefit of the holders of the up to
€ 50,000,000 4.875 per cent Notes due 2019
issued by

Ferratum Capital Germany GmbH

(the "**Issuer**")

ISIN DE000A2AAR27

(the "**Notes**").

1. Definitions
Terms used in this Guarantee and not otherwise defined herein shall have the meaning attributed to them in the Terms and Conditions of the Notes (the "**Terms and Conditions**").
2. Guarantee
 - (a) The Guarantor unconditionally and irrevocably assumes towards each holder of a Note (each a "**Holder**"), the unconditional and irrevocable guarantee for the due and punctual payment of any amounts payable by the Issuer or any Substitute Debtor in respect of the Notes pursuant to the Terms and Conditions. This Guarantee constitutes an independent obligation of the Guarantor, which is independent from the legal relationship between the Issuer and the Holders, and which is in particular independent from the validity or the enforceability of the claims against the Issuer under the Notes.
 - (b) This Guarantee constitutes direct, unconditional and unsubordinated obligations of the Guarantor ranking at least *pari passu* with all other

Rang mit allen anderen gegenwärtigen und zukünftigen nicht nachrangigen und nicht besicherten Verbindlichkeiten der Garantin stehen mit Ausnahme von Verbindlichkeiten, die aufgrund zwingenden Rechts vorrangig sind und im Fall einer Insolvenz der Garantin, insoweit das für die Gläubigerrechte anwendbare Recht dies vorgibt. Zugleich mit der Erfüllung einer Zahlungsverpflichtung der Garantin zugunsten eines Gläubigers aus der Garantie erlischt das jeweilige garantierte Recht eines Gläubigers aus den Anleihebedingungen.

3. Negativverpflichtung

Die Garantin verpflichtet sich, solange Schuldverschreibungen ausstehen jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder sonstige dingliche Sicherheiten (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon bzw. Garantien zur Sicherung von Kapitalmarktverbindlichkeiten zu gewähren und ihre Wesentliche Tochtergesellschaften (wie unten definiert) zu veranlassen (es sei denn, dies ist rechtlich nicht möglich oder unzulässig), keine solchen Sicherungsrechte bzw. Garantien für Kapitalmarktverbindlichkeiten zu gewähren, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht bzw. einer Garantie zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht oder eine gleichwertige Garantie zu gewähren; diese Verpflichtung gilt jedoch nicht für zum Zeitpunkt des Erwerbs von Vermögenswerten durch die Garantin bereits an solchen Vermögenswerten bestehende Sicherungsrechte, soweit solche Sicherungsrechte nicht im Zusammenhang mit dem Erwerb oder in Erwartung des Erwerbs des jeweiligen Vermögenswerts bestellt

unsubordinated obligations of the Guarantor, present and future save for such obligations which may be preferred by applicable mandatory law and in the event of insolvency of the Guarantor, only to the extent permitted by applicable laws relating to creditors' rights. Upon discharge of any payment obligation of the Guarantor subsisting under the Guarantee in favour of any Holder, the relevant guaranteed right of such Holder under the Terms and Conditions will cease to exist.

3. Negative Pledge

The Guarantor undertakes, for so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, not to provide any mortgage, charge, pledge, lien or other form of *in rem* encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets or grant guarantees to secure any Capital Markets Indebtedness and to procure (unless this is legally impossible or illegal) that its Material Subsidiaries (as defined below) will not provide Security Interests over their assets or grant guarantees to secure Capital Markets Indebtedness without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest or guarantee, provided, however, that this undertaking shall not apply with respect to any Security Interest existing on property at the time of the acquisition thereof by the Guarantor, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

wurden und der durch das Sicherungsrecht besicherte Betrag nicht nach Erwerb des betreffenden Vermögenswertes erhöht wird.

Eine nach dieser Ziffer 3 zu leistende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Gläubiger bestellt werden.

"Kapitalmarktverbindlichkeit" bezeichnet jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, sofern sie an einer Börse oder einem anderen anerkannten und regulierten Wertpapiermarkt notiert sind oder gehandelt werden oder werden können oder Schuldscheindarlehen nach deutschem Recht mit einer Laufzeit von mehr als einem Jahr, sofern der zurückzuzahlende Betrag € 2.000.000 übersteigt. Von der Definition Kapitalmarktverbindlichkeiten sind solche Verbindlichkeiten ausgenommen, die aus der Verbriefung von Forderungen der Garantin aus Verbraucher- und Unternehmensdarlehen stammen.

"Wesentliche Tochtergesellschaften" bezeichnet die folgenden Gesellschaften: Ferratum Finland Oy, Helsinki, Ferratum Sweden AB, Sweden, Ferratum Denmark ApS, Denmark, Ferratum UK Ltd, Great Britain, Global Guarantee OÜ, Estonia, Ferratum Bank plc, Malta, Swespar AB, Sweden.

4. Steuern
- (a) Sämtliche Zahlungen der Garantin aus der Garantie sind ohne Einbehalt oder Abzug aufgrund von oder wegen irgendwelchen gegenwärtigen oder zukünftigen Steuern, Abgaben gleich welcher Art, die von oder in der Bundesrepublik Deutschland oder Finnland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden ("**Quellensteuern**"), zu zahlen, es sei denn, eine solcher Abzug oder Einbehalt ist gesetzlich

Any security which is to be provided pursuant to this item 3 may also be provided to a person acting as trustee for the Holders.

"Capital Market Indebtedness" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are capable of being quoted, listed or traded on any stock exchange or other recognized and regulated securities market or certificates of indebtedness (*Schuldscheindarlehen*) governed by German law, with an original maturity of more than one year, where the repayable amount exceeds € 2,000,000, provided that obligations resulting from securitization of claims deriving from consumer loans and business loans rendered by the Guarantor shall not qualify as Capital Market Indebtedness.

"Material Subsidiaries" means the following entities: Ferratum Finland Oy, Helsinki, Ferratum Sweden AB, Sweden, Ferratum Denmark ApS, Denmark, Ferratum UK Ltd, Great Britain, Global Guarantee OÜ, Estonia, Ferratum Bank plc, Malta, Swespar AB, Sweden.

4. Taxes
- (a) All payments by the Guarantor in respect of the Guarantee will be made without with-holding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of Germany or Finland or any political sub-division or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such with-holding is required by law, the Guarantor will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in

- vorgeschrieben. In diesem Fall wird die Garantin, vorbehaltlich der Ausnahmen gemäß § 7 der Anleihebedingungen, diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die zu zahlen gewesen wären, wenn ein solcher Einbehalt oder Abzug nicht notwendig gewesen wäre.
- (b) Falls die Garantin ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in ein anderes Land als Finnland verlegt oder auf eine Gesellschaft verschmolzen wird, die ihren satzungsmäßigen Sitz oder ihren Verwaltungssitz in einem solchen anderen Land hat, gelten die Bestimmungen gemäß Ziffer 4(a) auch für Quellensteuern, die durch oder für dieses andere Land oder eine dort zur Steuererhebung ermächtigte Stelle auferlegt oder erhoben werden.
- (c) Soweit in dieser Garantie von Zinsen und Kapital die Rede ist, sind damit auch die gemäß dieser Ziffer 4 zu zahlenden Zusätzlichen Beträge gemeint.
5. Diese Garantie und alle darin enthaltenen Vereinbarungen stellen einen Vertrag zugunsten der jeweiligen Gläubiger als begünstigte Dritte gemäß § 328 Absatz 1 Bürgerliches Gesetzbuch (BGB) dar. Sie begründen das Recht eines jeden Gläubigers, die Erfüllung der hierin eingegangenen Verpflichtungen unmittelbar von der Garantin zu fordern und diese Verpflichtungen unmittelbar gegenüber der Garantin durchzusetzen. Gläubiger, die Verpflichtungen gegenüber der Garantin durchsetzen wollen, haben die Garantin von dieser Durchsetzung zu informieren (diese Information ist die "**Vollstreckungsanzeige**")
6. Verschiedene Bestimmungen
- (a) Diese Garantie unterliegt deutschem Recht unter Ausschluss des Kollisionsrechts.
- order that the net amounts received by the Holders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable by the Guarantor if the exemptions in § 7 of the Conditions of the Issue are applicable.
- (b) In the event that the Guarantor moves its domicile or residence or is merged into a company with domicile or residence in a country other than Finland, the provisions of Clause 4(a) above shall apply also to Taxes imposed or levied by or behalf of such other country or any taxing authority therein.
- (c) Any reference in this Guarantee to interest and principal shall be deemed also to refer to any Additional Amounts which may be payable under this Clause 4.
5. This Guarantee and all undertakings contained herein constitute a contract for the benefit of the Holders from time to time as third party beneficiaries pursuant to § 328(1) of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*). They give rise to the right of each such Holder to require performance of the obligations undertaken herein directly from the Guarantor, and to enforce such obligations directly against the Guarantor. Holders who want to enforce obligations have to notify the Guarantor of such enforcement (such notification the "**Enforcement Notice**").
6. Miscellaneous Provisions
- (a) This Guarantee shall be governed by, and construed in accordance with, German law without regard to principles of conflicts of law.

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|-----|---|-----|---|
| (b) | Erfüllungsort ist Frankfurt am Main. | (b) | Place of performance shall be Frankfurt am Main. |
| (c) | Nicht ausschließlich zuständig für sämtliche im Zusammenhang mit der Garantie entstehenden Klagen oder sonstige Verfahren ist das Landgericht Frankfurt am Main. | (c) | The District Court (<i>Landgericht</i>) in Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Guarantee. |
| (d) | Jeder Gläubiger kann in jedem Rechtsstreit gegen die Garantin und in jedem Rechtsstreit, in dem er und die Garantin Partei sind, seine Rechte aus dieser Garantie auf der Grundlage einer von einer vertretungsberechtigten Person der biw Bank für Investments und Wertpapiere AG beglaubigten Kopie dieser Garantie ohne Vorlage des Originals im eigenen Namen wahrnehmen und durchsetzen. | (d) | On the basis of a copy of this Guarantee certified as being a true copy by a duly authorised officer of biw Bank für Investments und Wertpapiere AG, each Holder may protect and enforce in its own name its rights arising under this Guarantee in any legal proceedings against the Guarantor or to which such Holder and the Guarantor are parties, without the need for presentation of this Guarantee in such proceedings. |
| (e) | Die biw Bank für Investments und Wertpapiere AG verpflichtet sich, das Original dieser Garantie bis zur Erfüllung sämtlicher Verpflichtungen aus den Schuldverschreibungen und dieser Garantie zu verwahren. | (e) | biw Bank für Investments und Wertpapiere AG agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled. |
| (f) | Die biw Bank für Investments und Wertpapiere AG handelt nicht als Treuhänder oder in einer ähnlichen Eigenschaft für die Gläubiger. | (f) | biw Bank für Investments und Wertpapiere AG does not act in a fiduciary or in any other similar capacity for the Holders. |
| 7. | Für Änderungen der Bedingungen der Garantie durch Beschluss der Gläubiger mit Zustimmung der Garantin gilt § 14 der Anleihebedingungen entsprechend. | 7. | In relation to amendments of the terms of the Guarantee by resolution of the Holders with the consent of the Guarantor, § 14 of the Terms and Conditions applies <i>mutatis mutandis</i> . |
| 8. | Die deutsche Version dieser Garantie ist bindend. Die englische Übersetzung dient nur Informationszwecken. | 8. | The German text of this Guarantee is binding. The English translation is for information purposes only. |

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS

The Terms and Conditions provide that the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting. Any such resolution duly adopted by resolution of the Noteholders shall be binding on each Noteholder, irrespective of whether such Noteholder took part in the vote and whether such Noteholder voted in favour or against such resolution.

The following is a brief summary of some of the statutory rules regarding the taking of votes without meetings, the passing and publication of resolutions as well as their implementation and challenge before German courts.

Specific Rules regarding Votes without Meeting

The voting shall be conducted by the person presiding over the taking of votes. Such person shall be (i) a notary public appointed by the Issuer, (ii) if the vote was solicited by the joint representative (*gemeinsamer Vertreter*) of the Noteholders (the "**Noteholders' Representative**"), the Noteholders' Representative, or (iii) a person appointed by the competent court.

The notice soliciting the Noteholders' votes shall set out the period within which votes may be cast. During such voting period, the Noteholders may cast their votes to the person presiding over the taking of votes. Such notice shall also set out in detail the conditions to be met for the votes to be valid.

The person presiding over the taking of votes shall ascertain each Noteholder's entitlement to cast a vote based on evidence provided by such Noteholder and shall prepare a list of the Noteholders entitled to vote. If it is established that no quorum exists, the person presiding over the taking of votes may convene a meeting of the Noteholders. Within one year following the end of the voting period, each Noteholder participating in the vote may request a copy of the minutes of such vote and any annexes thereto from the Issuer.

Each Noteholder participating in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the person presiding over the taking of votes. If he remedies the objection, the person presiding over the taking of votes shall promptly publish the result. If the person presiding over the taking of votes does not remedy the objection, he shall promptly inform the objecting Noteholder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting, also the costs of such proceedings.

Rules regarding Noteholders' Meetings applicable to Votes without Meeting

In addition, the statutory rules applicable to the convening and conduct of Noteholders' meetings will apply *mutatis mutandis* to any vote without a meeting. The following summarises some of such rules.

Meetings of Noteholders may be convened by the Issuer or the Noteholders' Representative. Meetings of Noteholders must be convened if one or more Noteholders holding five per cent or more of the outstanding Notes so require for specified reasons permitted by statute.

Meetings may be convened not less than 14 days prior to the date of the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Noteholders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting is the place of the Issuer's registered offices, provided, however, that where the Notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice shall be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each Noteholder may be represented by proxy. The Noteholders' meeting will have a quorum if the persons attending represent at least 50 per cent of the outstanding Notes by value. If the quorum is not reached, a second meeting may be convened at which no quorum will be required, provided that where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 per cent of the aggregate principal amount of outstanding Notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the Global Note.

In insolvency proceedings instituted in Germany against the Issuer, the Noteholders' Representative is obliged and exclusively entitled to assert the Noteholders' rights under the Notes. Any resolutions passed by the Noteholders are subject to the provisions of the Insolvency Code (*Insolvenzordnung*).

If a resolution constitutes a breach of the statute or the Terms and Conditions, Noteholders may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

TAXATION

The following is a general description of certain tax considerations relating to the Notes in Germany and Luxembourg. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this description does not consider any specific facts or circumstances that may apply to a particular purchaser. This description is based on the laws of the Federal Republic of Germany and Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE CONSEQUENCES, UNDER THE TAX LAWS OF THE COUNTRY IN WHICH THEY ARE RESIDENT FOR TAX PURPOSES AND UNDER THE TAX LAWS OF GERMANY AND LUXEMBOURG OF ACQUIRING, HOLDING AND DISPOSING OF NOTES AND RECEIVING PAYMENTS OF PRINCIPAL, INTEREST AND OTHER AMOUNTS UNDER THE NOTES. THE INFORMATION CONTAINED WITHIN THIS SECTION IS LIMITED TO TAXATION ISSUES, AND PROSPECTIVE INVESTORS SHOULD NOT APPLY ANY INFORMATION SET OUT BELOW TO OTHER AREAS; INCLUDING (BUT NOT LIMITED TO) THE LEGALITY OF TRANSACTIONS INVOLVING THE NOTES.

Federal Republic of Germany

Income tax – Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

Taxation if the Notes are held as private assets (Privatvermögen)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

- Income

The Notes qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ("**ITA**" – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 9 October 2012, as amended on, *inter alia*, 9 December 2014, a sale shall be disregarded where the transaction costs exceed the sales proceeds, which means that losses suffered from such "sale" shall not be tax-deductible. Similarly, a bad debt loss (*Forderungsausfall*), i.e. should the Issuer become insolvent, and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution,

shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. The same shall apply where, based on an agreement with the depository institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

- German withholding tax (*Kapitalertragsteuer*)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**") and such German Disbursing Agent credits or pays out the earnings.

The tax base is, in principle, equal to the taxable gross income as set out above (i.e. prior to withholding). However, in the case of capital gains, if the custodial account has changed since the time of acquisition of the Notes (e.g. if the Notes had been transferred from a non-EU custodial account prior to the sale) and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law, withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

German withholding tax will be levied by a German Disbursing Agent at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax. Church tax, if applicable, will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In the latter case, the investor has to include the savings income in the tax return and will then be assessed to church tax.

No German withholding tax will be levied if the investor has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is € 801 (€ 1,602 in the case of jointly assessed husband and wife or registered life partners). Similarly, no withholding tax will be levied if the investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent.

The Issuer is, as a rule, not obliged to levy German withholding tax in respect of payments on the Notes.

- Tax assessment

The taxation of savings income shall take place mainly by way of levying withholding tax (please see above). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. If the investor is subject to church tax and has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), the investor is also obliged to include the savings income in the tax return for church tax purposes.

However, also in the assessment procedure, savings income is principally taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*) being identical to the withholding tax rate (26.375 per cent. - including solidarity surcharge (*Solidaritätszuschlag*) plus, if applicable, church tax). In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife or registered life partners the application can only be filed for savings income of both spouses / life partners.

When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of € 801 (€ 1,602 in the case of jointly assessed husband and wife or registered life partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded. That holds true even if the investor applies to be assessed on the basis of its personal tax rate.

Taxation if the Notes are held as business assets (Betriebsvermögen)

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen*), interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent. or income tax at a rate of up to 45 per cent., as the case may be, (in each case plus 5.5 per cent. solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Business expenses that are connected with the Notes are deductible.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out above for private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Income tax – Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

If the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed.

The few existing double taxation treaties regarding inheritance and gift tax may lead to different results. Special rules apply to certain German citizens that are living in a foreign country and German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties are payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany. It is intended to introduce a financial transaction tax (FTT). However, it is unclear if and in what form such tax will be actually introduced (please see below).

Luxembourg

The following overview is of a general nature. It contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of April 29, 2004. Information exceeding this information requirement is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Withholding tax and self-applied tax for Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Withholding tax and self-applied tax for Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005 as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg or a foreign residual entity that secures interest payments on behalf of such individuals will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her/its private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Law as amended, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments made after December 31, 2007 by paying agents (defined in the same way as in the EU Savings Directive) located in an EU member state other than Luxembourg, a member state of the European Economic Area other than an EU member state or a State or territory which has concluded an agreement with Luxembourg in connection with the EU Savings Directive.

SUBSCRIPTION, SALE AND OFFER OF THE NOTES

General

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones, that are material to the issue.

Offer of the Notes

Offer Period and determination of Pricing Details

The Notes will be offered at a price of 100 per cent of their principal amount (the "**Issue Price**") to investors during an offer period which will commence not earlier than 9 June 2016 and will be open until 20 June 2016, subject to a shortening or extension of the offer period in the Issuer's discretion. During the offer period investors may submit orders to ICF BANK AG. The Issue Price, the rate of interest, the yield and the aggregate nominal amount of the issue will be determined in the sole discretion by the issuer taking into account general market conditions, investor feedback and the general perception of the Issuer's credit risk relative to risk free assets with comparable maturity. Should the Issuer determine any extension of the offer period, which also could be the result of changing market conditions, such extension will be notified in a supplement to the Prospectus which will be prepared and published in accordance with Article 13 of the Prospectus Law. On the day following the expiry of the offer period the issuer will publish the final results of the offer on its homepage.

Notification of the Prospectus approval

The issue of the Notes will be made to institutional investors and retail investors in compliance with the applicable public offer restrictions. A public offer to retail investors may be made in Luxembourg and Germany following the effectiveness of the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.

Conditions and technical details of the Offer

The following sets out details of the Offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the Offer is subject. Following the approval of the Prospectus offers to purchase Notes to investors will be made through one or more newspaper advertisements in at least one Newspaper having general distribution in Luxembourg. Such Newspaper is expected to be Luxemburger Wort. Further, the Notes may be offered to private and professional investors through banking institutions in Luxembourg, Germany, as the case may be. In addition, the Notes will be offered for purchase utilizing the online subscription tool of Deutsche Börse Xetra (*Xetra Zeichnungsfunktionalität*). Potential investors may place their orders via the Xetra Zeichnungsfunktionalität from 10 June 2016 to 20 June 2016. Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by booking of the Notes allotted to such investor on the account of the investor. Before an investor receives a confirmation that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount. Orders by investors may be accepted in full or in part based on the total order book.

Exchange trading in the Notes will begin on the date of the admission of the Notes to trading on the Entry Standard of the Frankfurt Stock Exchange which is expected to be the Issue Date. Exchange trading may thus begin before all investors have received booking of the Notes purchased by them.

Delivery of the Notes

Delivery and payment of the Notes will be made within seven business days after the receipt of an order by the Issuer or its agents. The Notes will be delivered via book-entry through the Clearing System and its accountholding banks against payment of the Issue Price.

Charges and costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Method of determination of the Issue Price and the Rate of Interest

The rate of interest, the yield and the Issue Price for the Notes will be determined by the issuer in its sole discretion taking into consideration market conditions and its credit risk.

Selling Restrictions

General

In addition to the specific restrictions set out below, all persons which offer the Notes have to comply with all applicable laws and regulations in each jurisdiction in or from which they may offer Notes or distribute any offering material relating to them.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and the Council (the "**Prospectus Directive**") and each of the aforementioned member states a "**Relevant Member State**") no communication will be made in any form and by any means of sufficient information on the terms of the offer and any Notes (an "**Offer to the public**") in that Relevant Member State other than the offers contemplated in the Prospectus in Germany and the Grand Duchy of Luxembourg, except that an offer to the public can be made by the Issuer and ICF BANK AG in that Relevant Member State of any Notes at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- a. to any qualified investor as defined in the Prospectus Directive,
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Coordinators for any such offer, or
- c. in any other circumstances falling within Article 3 (2) of the Prospectus Directive;

provided that no such offer (as described above under a. to c.) of Notes shall result in a requirement for the publication of a further prospectus or the notification of this Prospectus to another authority by the Issuer and ICF BANK AG pursuant to Article 3 of the Prospectus Directive.

United States of America and its Territories

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each person has to procure that it will not offer, sell or deliver the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom of Great Britain and Northern Ireland

Each person has to procure that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION / INCORPORATION BY REFERENCE

Authorisation and Issue Date

The creation and issue of the Notes has been authorised by the Issuer on 7 June 2016. The creation and issue of the Guarantee has been authorised by a resolution of the Board of Directors of the Guarantor dated 7 June 2016. The Issue Date of the Notes is expected to be 22 June 2016.

Clearing and Settlement

The Notes have been accepted for clearing by Clearstream Banking AG, Mergenthalerallee 61 65760 Eschborn, Germany. The Notes have been assigned the following securities codes: ISIN DE000A2AAR27, WKN A2AAR2.

Yield

The yield of the Notes is 4.875 per cent. Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) method. The ICMA method determines the effective interest rate of fixed rate notes taking into account accrued interest on a daily basis.

Ratings

The Notes will not be rated. Creditreform Rating AG has assigned a rating of BBB+ to the Issuer's €25 million bond issued in 2013.

In April 2016 Creditreform Rating AG has assigned a rating of BBB+ to the Guarantor as a corporate group rating.

For the purposes of Creditreform's ratings, a BBB+ rating means that an obligor has strongly satisfactory creditworthiness and low to medium insolvency risk. The rating categories reach from "AAA" for issuers with the strongest creditworthiness to "D" for issuers with insufficient creditworthiness. The ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Creditreform Rating AG is established in the European Community and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011 (the "**CRA Regulation**"). The European Securities and Markets Authority publishes on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

Significant change in the financial or trading position

There has been no significant change in the financial or trading position of the Issuer since 31 December 2015

There has been no significant change in the financial or trading position of the Guarantor since 31 March 2016.

Trend Information

There has been no material adverse change in the audited prospects of the Issuer since 31 December 2015.

There has been no material adverse change in the audited prospects of the Guarantor since 31 December 2015.

Third party information

Any information sourced from a third party contained in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Incorporation by Reference

The pages set out in the below table of the following documents are incorporated by reference into this Prospectus:

- (1) The audited financial statements of the Issuer as of 31 December 2015 consisting of
 - the balance sheet (Bilanz) (page 17),
 - the income statement (Gewinn- und Verlustrechnung) (page 19),
 - the cash flow statement (Kapitalflussrechnung) (page 35),
 - the Notes (Anhang) (pages 21-30), and
 - the Auditor's Report.
- (2) The audited financial statements of the Issuer as of 31 December 2014 consisting of
 - the balance sheet (Bilanz) (page 16),
 - the income statement (Gewinn- und Verlustrechnung) (page 18),
 - the cash flow statement (Kapitalflussrechnung) (page 35),
 - the notes (Anhang) (pages 20-30), and
 - the Auditor's Report.
- (3) The interim unaudited consolidated financial statements of the Guarantor for the first quarter ended on 31 March 2016 consisting of
 - the consolidated income statement (page 6),
 - the consolidated statement of financial position (page 7), and
 - the consolidated statement of cash flow (page 8).
- (4) The audited consolidated financial statements of the Guarantor for the fiscal year ended on 31 December 2015 consisting of
 - the consolidated income statement (page 26),
 - the consolidated statement of comprehensive income for the period (page 27),
 - the consolidated income statement quarterly overview (page 28),
 - the consolidated statement of comprehensive income quarterly overview (page 29),
 - the consolidated statement of financial position (page 30),

- the consolidated statement of cash flow (page 31),
 - the consolidated statement of changes of equity (page 32),
 - the notes (pages 33- 83), and
 - the Auditors' Report on the consolidated financial statements of the Guarantor for the fiscal year ended on 31 December 2015.
- (5) The audited consolidated financial statements of the Guarantor for the fiscal year ended on 31 December 2014 consisting of
- the consolidated statement of financial position (page 29),
 - the consolidated income statement (page 28),
 - the consolidated statement of cash flow (page 30),
 - the notes (pages 32- 71), and
 - the Auditors' Report on the consolidated financial statements of the Guarantor for the fiscal year ended on 31 December 2014.

The Issuer is not required to release quarterly financial statements and has not released such statements.

The information not incorporated by reference into this Prospectus but contained in one of the source documents mentioned in the cross reference list above is either not relevant for the investor or covered in another part of the Prospectus.

The documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>) for the time of the validity of the Prospectus. For the avoidance of doubt the content of the website <http://www.bourse.lu>, other than the documents incorporated by reference, does not form part of this Prospectus.

Documents on Display

For the time of the validity of the Prospectus, copies of the following documents may be inspected during normal business hours at the specified office of the Principal Paying Agent and will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu):

- (a) the Prospectus and any supplement thereto; and
- (b) the articles of association of the Guarantor and the articles of association (*Gesellschaftsvertrag*) of the Issuer; and
- (b) the documents incorporated by reference set out above.

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10719 Berlin
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Guarantor

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Principal Paying Agent

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**Sole Global Arranger and
Sole Bookrunner**

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and the Guarantor**

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