

Ferratum – longstanding expertise in the areas Mobile and Banking

- **Fintech-Pioneer** and one of the **leading international providers** of mobile consumer loans and small corporate loans with an impressive track record in **“Mobile Banking Services”** since 2005
- **On our way to a Mobile Bank:** Mobile Bank with customers in Sweden and deposit business in Germany already started
- **Loan and payment products** serve different customer requirements: Microloans (EUR 25 – EUR 1,000), PlusLoans (EUR 300 – EUR 3,000), Credit Limit product (EUR 0 – EUR 2,000), the flexible payment solution FerBuy (EUR 0 – EUR 2,000) and small business installment loans (EUR 2,000 – EUR 50,000)
- **Ferratum Bank plc** is a **licensed credit institution with a EU banking licence** which is used via cross-border provision of services in several EU member states
- **Ferratum has 1.3 million active and former customers** who have been granted one or more loans in the past and a total of **3.9 million user accounts** in its database (as of 31 March 2016)
- The company based in Helsinki, Finland, is currently operating in **23 countries** worldwide and employs **589 people** as of 31 March 2016

Convincing growth story delivered

In EUR million	2013	2014	2015	Q1 2016
Revenue	58.2	70.5	111.0	33.2
Operating profit (EBIT)	7.3	10.6	16.5	5.2
EBIT margin (% of revenue)	12.6	15.0	14.8	15.6
Profit before tax (EBT)	3.9	6.5	12.4	3.8
EBT margin (% of revenue)	6.7	9.3	11.2	11.4

Strategy

- **Sustainable development as mobile lender** through geographical expansion, deepened market penetration, further diversification of the product portfolio and expansion of the customer base
- **Launch of Mobile Bank first in EU countries and thereafter in non-EU countries:** combining classic banking services with an open architecture for a wide range of mobile solutions and the potential of international economies of scale (e.g. platform for P2P investors & lenders, POS payments, third-party products)
- **Expansion of cross-border activities of Ferratum Bank plc** in further EU countries where we aim to operate under the EU banking licence

Management with complementary competences and high ability to innovate



Jorma Jokela, CEO

- Ferratum Group CEO and main shareholder (57.3%)
- 2005: Founder Ferratum Group
- 1998: Founder Jokela Capital (acquired by CapMan in 2004)



Dr. Clemens Krause, CFO

- Since 2013: Managing Director Ferratum Capital Germany GmbH
- Since 2012: CFO Ferratum Group
- Previous: Management positions at Commerzbank, GE-Money, E-Loan, E*Trade, Deutsche Bahn, Bankgesellschaft Berlin



Lea Liigus, CEO Ferratum Bank plc

- Since 2012: CEO Ferratum Bank plc
- Since 2006: Head of Legal & Compliance
- Previous: Lawyer at Sorainen law firm, lecturer at Estonian Business School

The future of banking is digital

- **Successful fintechs revolutionise the financial industry:** It is expected that the Fintechs will be able to win a market share of up to 5% by 2020¹
- **Smartphones are increasing the need for digital applications:** The yearly sales of smartphones exceeded one billion in 2013 and the number is expected to almost double in 2018. Recent forecasts assume that the number of smartphones will grow three-fold over the next six years to 6 billion, which would be equivalent to two-thirds of total mobile connections in 2020²
- **Substantial growth potential:** The number of users who use their smartphone for personal banking purposes has been expected to exceed one billion in 2015 and is forecasted to double by 2020³
- **Digital revolution and macro trends are providing market opportunities:** Ferratum is well positioned in this new banking environment pursuing the Mobile Bank Strategy

¹ Source: ESN: Sector Report: German Financials: Fintech – threat or opportunity?, 2015

² Source: Federal Reserve Board: Consumers and Mobile Financial Services 2015

³ Source: Juniper Research: Press Release: Mobile Banking Users to Exceed 1 billion this year (2015), Representing 20% of Global Adult Population

Corporate bond - terms of the offering

Issuer	Ferratum Capital Germany GmbH, Berlin / Germany
Guarantor	Ferratum Oyj, Helsinki / Finland
Guarantor's rating	BBB+
Status of the bond	Senior, unsecured obligations of the issuer
ISIN / WKN	DE000A2AAR27 / A2AAR2
Offering size	Up to EUR 50 million
Interest rate	4.875 %
Issue price	100 %
Denomination	EUR 1,000
Term	3 years
Offering	Public offering in Germany and Luxembourg, private placement to institutional investors across Europe
Listing	Listing at Frankfurter Stock Exchange (Entry Standard) pursued
Call option	Call option after 21 October 2018 at 100.75 % (redemption premium)
Subscription period	9 - 20 June 2016
First day of trading	22 June 2016
Sole Global Coordinator	ICF BANK AG

Investment highlights

- **Profitable growth:** Revenue CAGR of over 38.1 % (2013–2015); Ø EBIT margin 2013–2015: 14.2 %
- **Established business model:** Multi loan and payment products for further market penetration and geographic diversification
- **Specialist for online processes** with a centralized technology infrastructure and sales expert with continuously enlarged customer base
- **Self-learning Big Data Scoring System:** State-of-the-art security for loan approvals and automatic anticipation of individual customer wishes
- **EU banking licence** as an important milestone for further market expansion and competitive advantage compared to most newcomers
- **High growth potential due to Mobile Bank** with outstanding services: mobile account opening, real-time loans, deposits, transactions, currencies, third-party products in future

Use of proceeds

- From a financial perspective Ferratum group divides its activities into two spheres: countries in which it operates under the EU banking licence of Ferratum Bank plc (Sphere 1) and further countries (Sphere 2)
- The net proceeds derived from the offer shall mainly be used to finance the operations of the second sphere, which includes:
 - all jurisdictions outside the European Economic Area
 - certain countries where the Group has a long-standing history – that applies currently to the countries: Finland, Denmark, the UK, the Netherlands, Lithuania, Croatia, New Zealand, Australia, Russia, Canada and Mexico
- The net proceeds could also be used for general corporate purposes including for temporary use in sphere one where the Group operates under the EU banking licence

IR contact

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