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Full Year Results 2017

Corporate presentation

15.03.2018

Overview

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Building the Bank of the Future



Consumer
loans



Business
loans



Mobile Bank

13

years of
profitable
growth

1.9m

Active & former
customers

25

Countries

€222M

FY 2017
revenue

+44%

Year-on-year
revenue
growth

+55%

Year-on-year
profit growth



Founded
Helsinki 2005



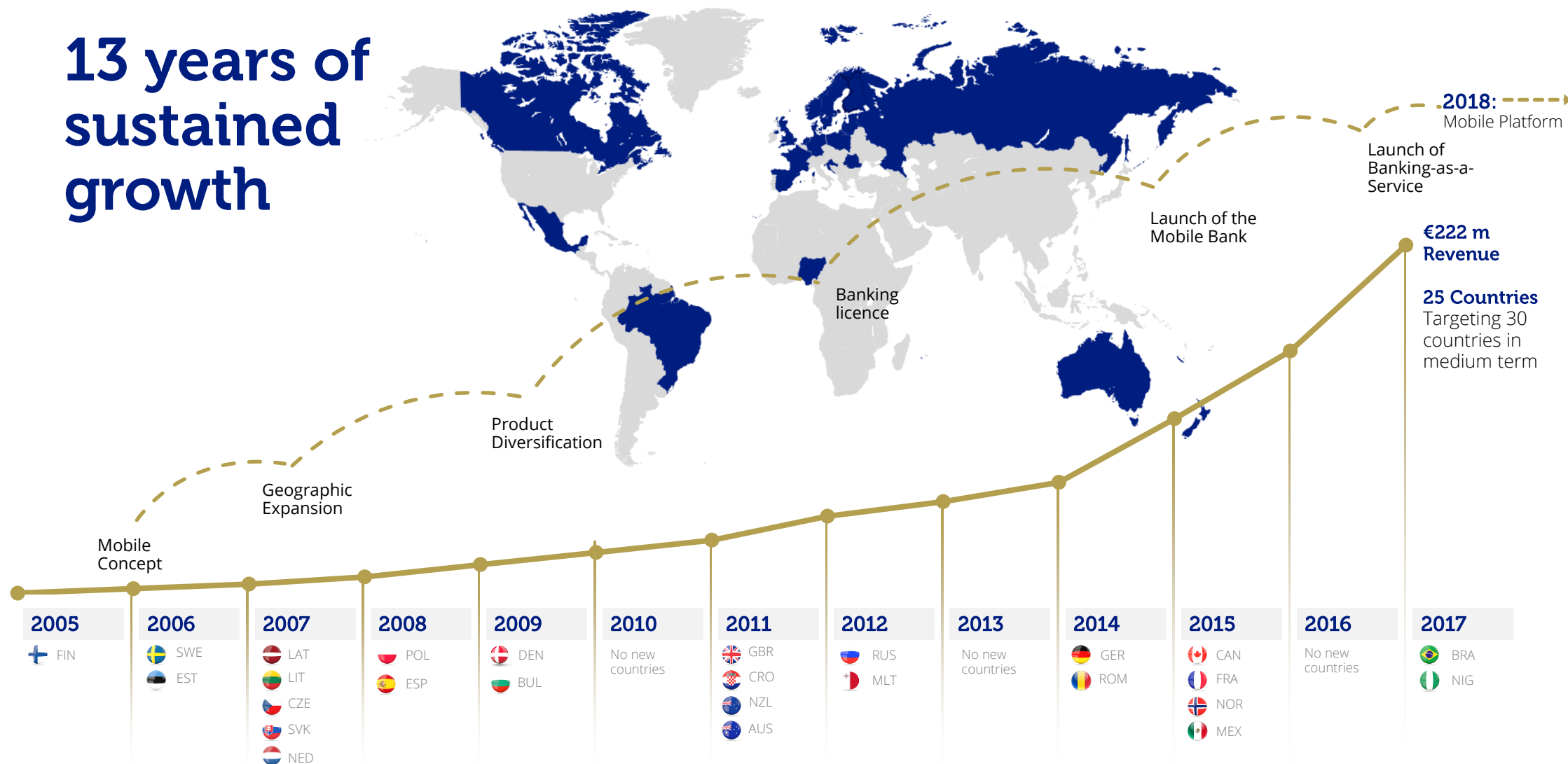
EU Banking
Licence



Frankfurt
Prime Standard

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13 years of sustained growth



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A Compelling Investment Case

Our business

We provide financial services that enable and empower our customers

Our corporate strategy

Our Mobile Financial Platform Model that allows us and our partners to scale services globally

Our growth strategy

Innovation, geographic expansion and global partnerships that generate sustainable, profitable growth



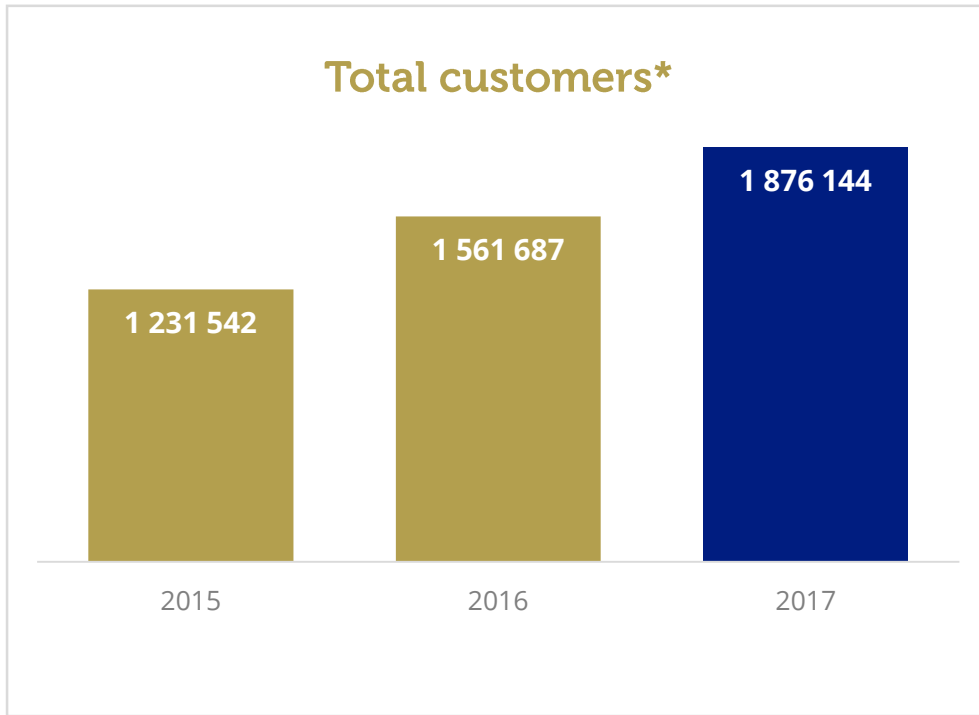
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Digital Lending

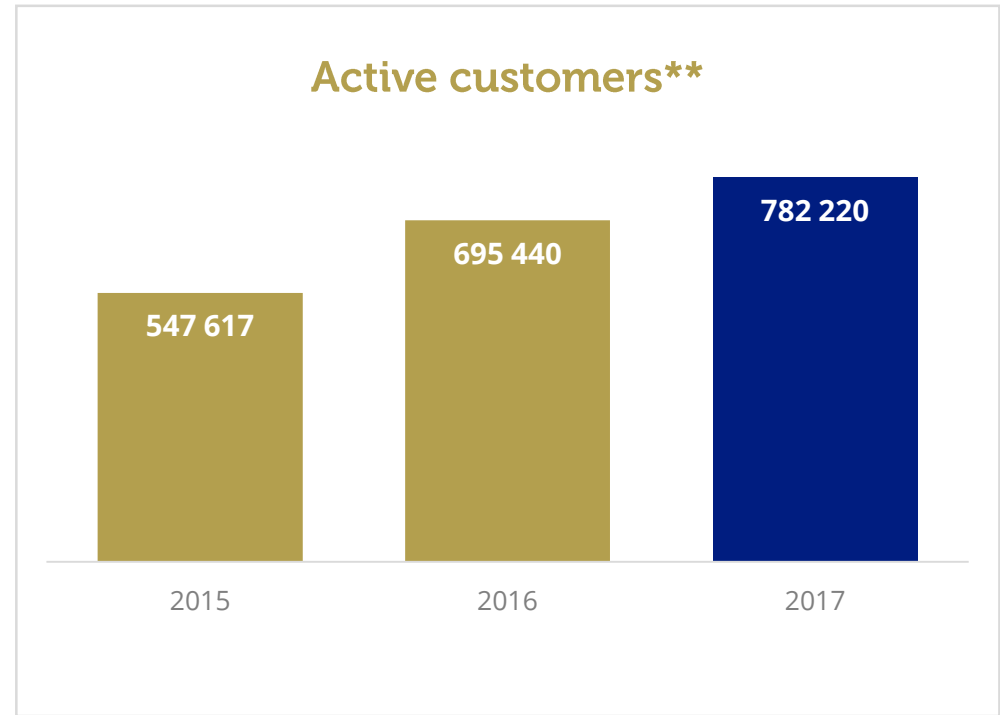
Addressing a range of borrowing needs

Products	Average Loan Value	Average Loan Term (Days)	Revenue Share	Revenues by Product (€,000)		Active Markets
PrimeLoan €3,000 – €20,000 / 1 – 10 years	€5,095	1,610	N/A	2016 2017	N/A N/A	1
Business (SMEs) Up to €250,000 / 6 – 18 Month term	€13,142	398	5.9%	2016 2017	4,251 13,135 +209% y-o-y	7
Credit Limit Up to €3,000 / Digital revolving credit line	€1,119	N/A	46.8%	2016 2017	66,444 103,774 +56% y-o-y	9
PlusLoan €300 – €5,000 / 2 – 36 month term	€715	351	27.2%	2016 2017	30,232 60,315 +100% y-o-y	9
Microloan €25 – €1,000 / 7 – 90 day term	€204	29	19.8%	2016 2017	52,837 43,886 (-17%) y-o-y	21

Customer numbers



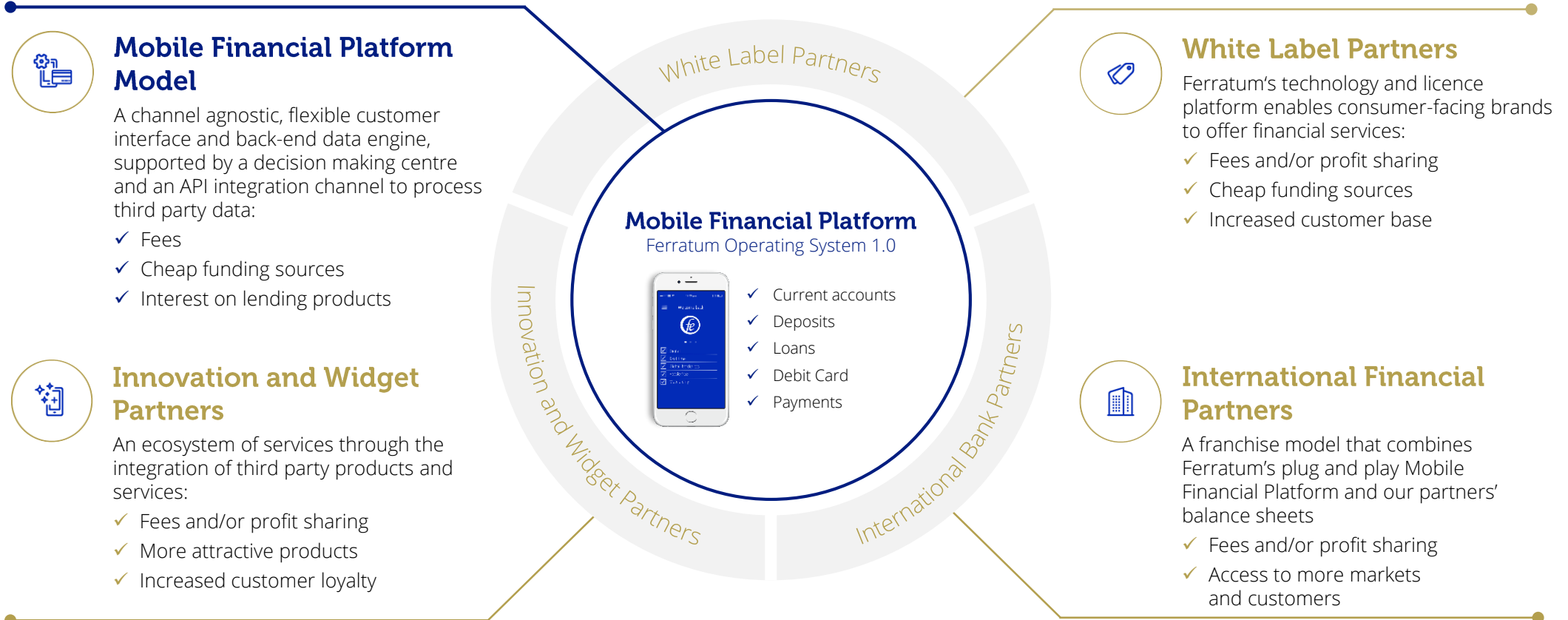
* Total customers: active and former customers who have been granted one or several loans in the past or has an open mobile account



**Customers with a Mobile Bank account and lending customers who have had an open balance in the last 12 months. If loans are >24m overdue, the customer is not considered active.

Growth driven via the Platform Model

Global scalability beyond Ferratum's balance sheet: multiple sources of revenue



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How we work with our partners

- Strategic partnerships with non-financial brands to access new/broader customers segments
- Rigorous partner selection criteria on a micro and macro-economic level
- Establishing relationships with global brands in growing sectors e.g. travel, leisure, fashion, education and agriculture
- Tailoring the components of our Platform Model to our partners' needs, generating new commercial opportunities
- Accessing partners' customers, enabling significant savings on customer acquisition
- Monetising a growth strategy without stretching Ferratum's balance sheet

Our success with Thomas Cook Money

- Launch of Sumo in Sweden in Dec 2017
- Roll-out to other key European markets planned in 2018, including UK

New revenue and benefits from:

- ✓ Overdrafts
- ✓ Licencing fee based on platform usage
- ✓ Future revenue from additional customer offerings
- ✓ Cheap funding

Improved organisation & management

Driving Ferratum's profitability and growth



Smart IT

- Core business logic module developed
- API integration layer built
- Dynamic real-time, data-driven front end developed
- Mobile Bank platform integration ongoing

A robust scalable, innovative and performance platform



Operational excellence

- Customer support and back office centralized to Sliema, Malta
- Collections centralized to Berlin
- Improved customer support and collection systems, supporting local market teams
- Completion due mid-year 2018

Increased efficiency and standardization



Smart Marketing

- Marketing centralized which enables an improved overview of the groups marketing efforts
- Improved and faster decision making in marketing efforts
- Rebranding of company and product lines
- Emphasising digital marketing and competence

Improved marketing / net sales efficiency

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Financial Highlights

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Summary



Financial performance

Portfolio quality

Balance sheet

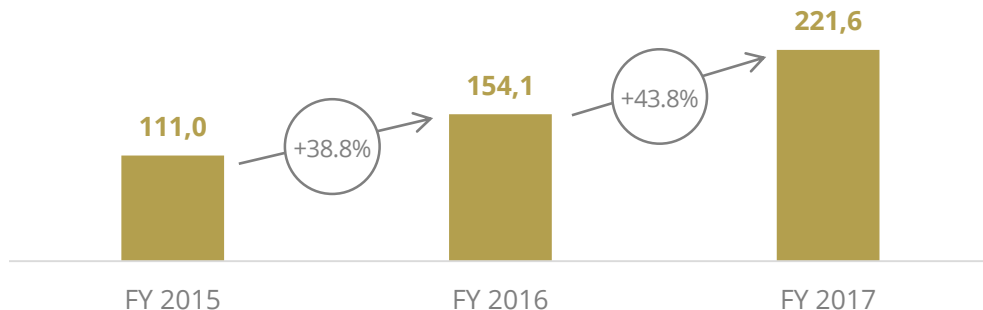
Operating cash flow

Cost of capital and financing

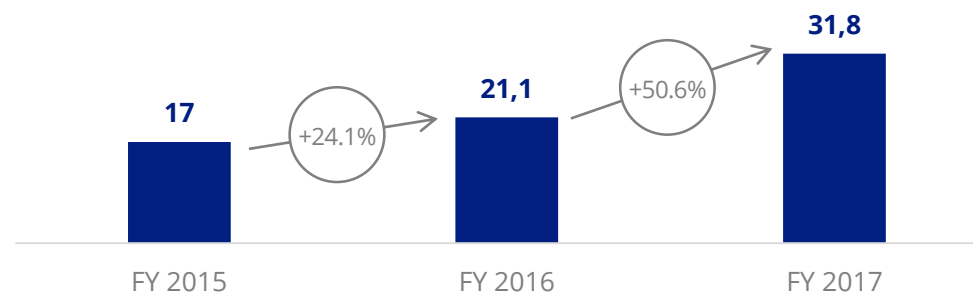
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Revenue and profitability growth in 2017

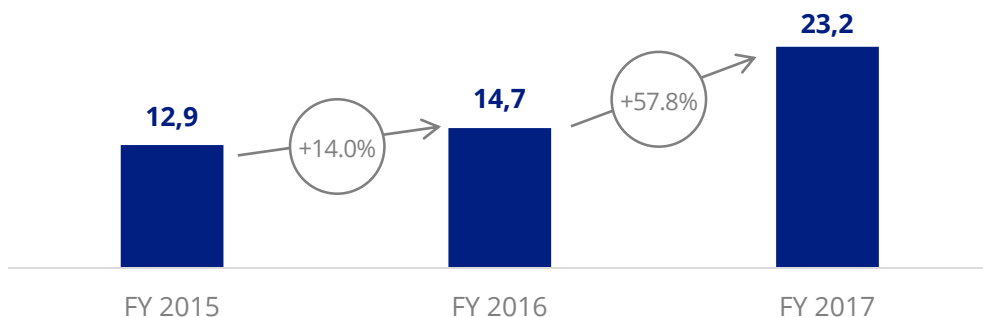
Revenue (EUR Million)



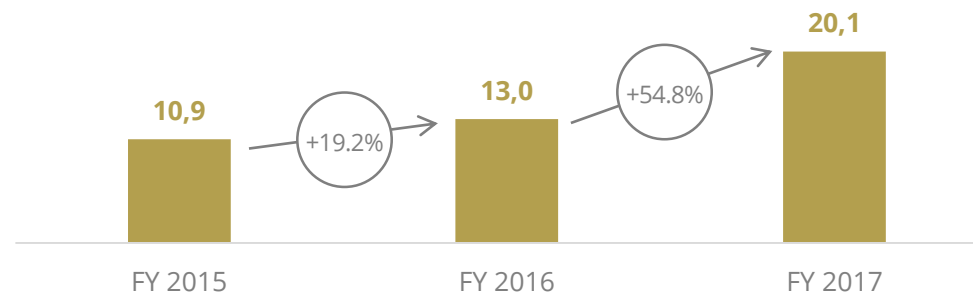
Operating Profit – EBIT (EUR Million)



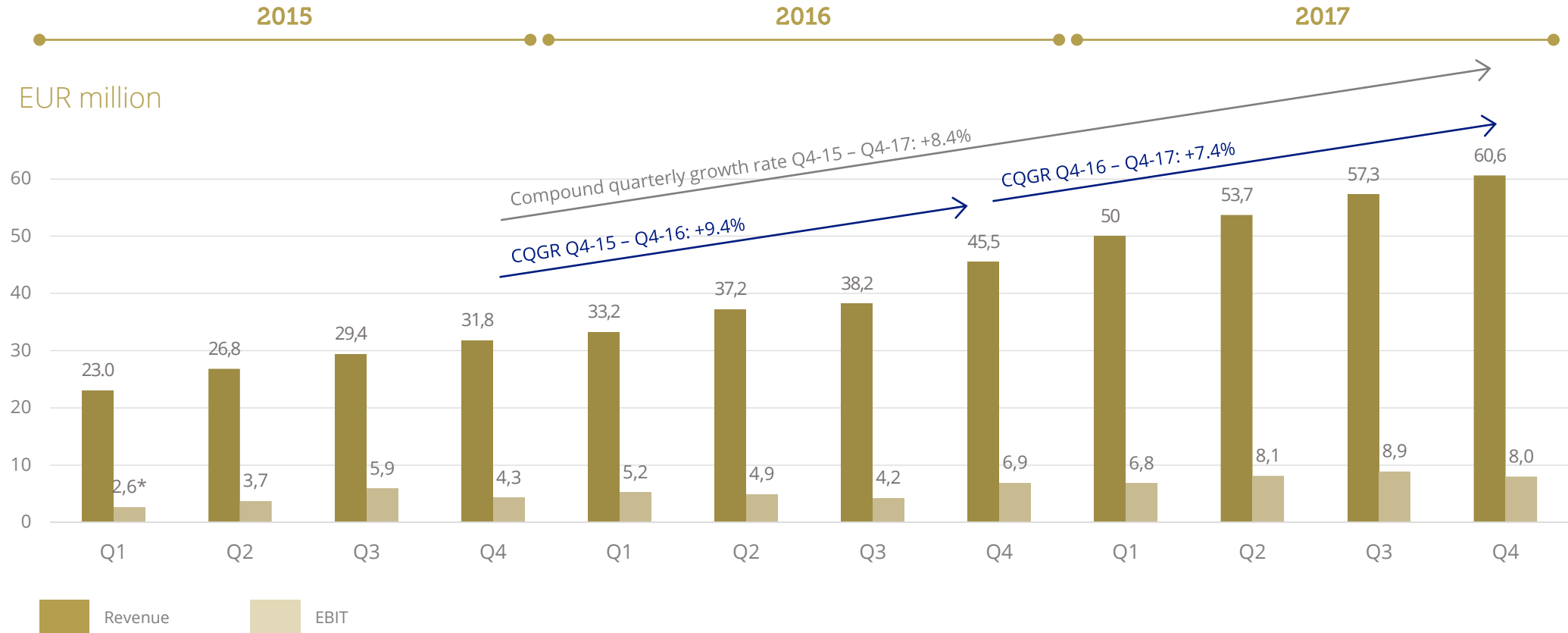
Profit Before Tax (EUR Million)



Profit for the Period – (EUR Million)



Consistent growth in 2017



* Including IPO related costs in the amount of EUR 488,941 recognised as operating expenses in Q1 2015

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Strong y-o-y performance

Profit before tax (EBT) up by 58%

	FY 2017	FY 2016	% Change
Revenue	221,638	154,128	+43.8%
Other income	534	64	+734.4%
Impairment of loans	(75,629)	(47,964)	+57.7%
Other operating expenses	(77,521)	(55,168)	+40.5%
Selling & marketing expenses	(37,184)	(29,918)	+24.3%
EBIT	31,837	21,142	+50.6%
Net financial costs	(8,594)	(6,414)	+34.0%
EBT	23,244	14,728	+57.8%
Income tax	(3,185)	(1,768)	+80.1%
Net profit	20,058	12,961	+54.8%
Earning per share, basic (EUR)	0.93	0.60	+56.7%
Earning per share, diluted (EUR)	0.92	0.60	+55.0%

- New customer acquisition tactics lead to higher “Impairment of loans” and lower “Selling and marketing expenses”
- Overall EBIT is increasing more than revenues
- EBT continues to benefit from cheaper refinancing from deposit taking
- Applying IFRS 2, the potential benefit from options granted to employees (€ 1,263k) is allocated as personnel expenses. This is reducing the EBIT although it is just a potential benefit of options that have not vested yet.

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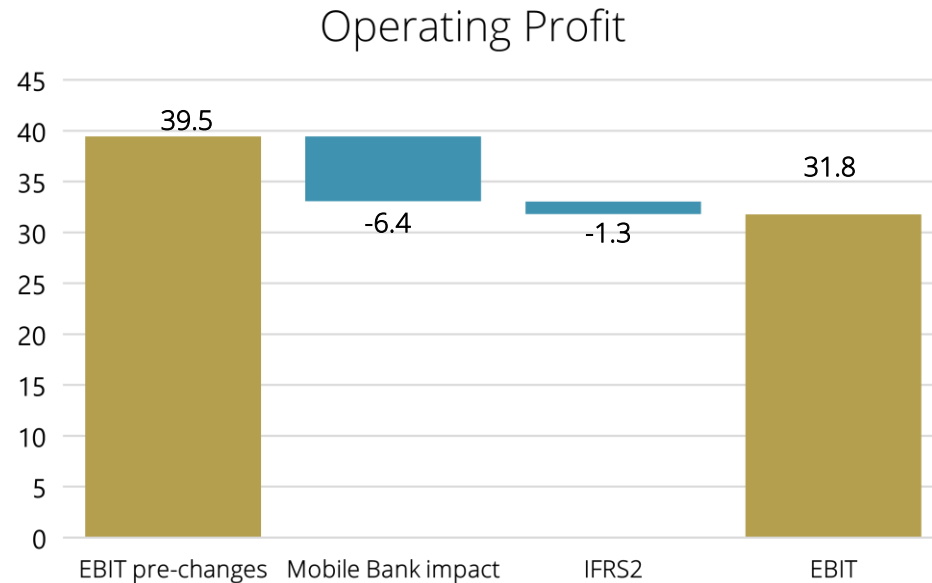
Credit Limit and PlusLoan established as core drivers of revenue

EUR ,000

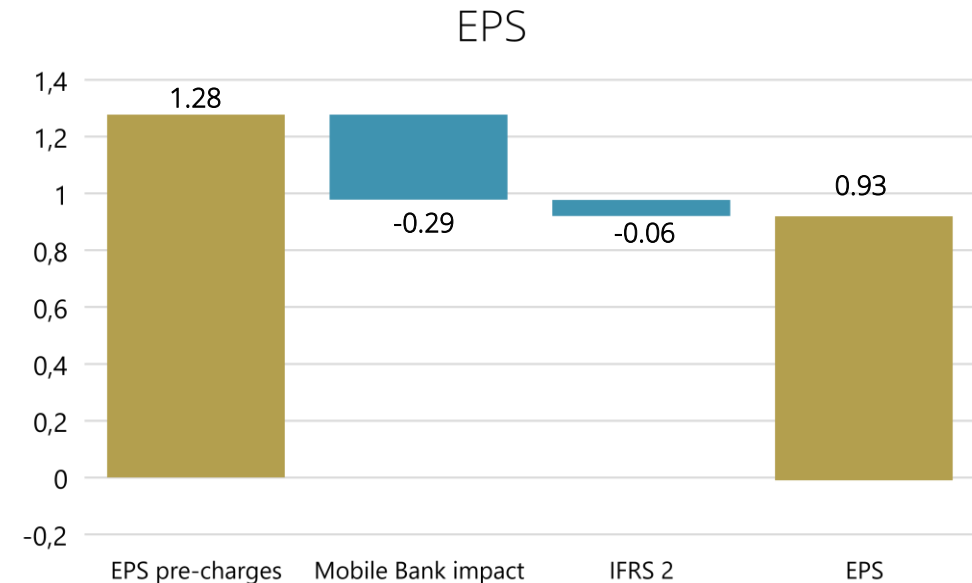
	Microloan		PlusLoan		Credit Limit		SME		Mobile Bank*		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	43,886	52,837	60,315	30,232	103,774	66,444	13,135	4,251	529	364	221,638	154,128
Impairments	(21,822)	(19,779)	(22,880)	(9,709)	(27,534)	(17,204)	(3,078)	(909)	(315)	(363)	(75,629)	(47,964)
As % of Revenue	49.72%	37.43%	37.93%	32.11%	26.53%	25.89%	23.43%	21.38%	-	-	34.12%	31.10%
Other income	37		50		86		11		350		534	
Marketing	(5,527)	(5,444)	(9,807)	(7,887)	(17,480)	(13,562)	(3,202)	(1,547)	(1,168)	(1,477)	(29,918)	(29,918)
As % of Revenue	12.59%	10.30%	16.26%	26.09%	16.84%	20.41%	24.38%	36.39%	-	-	13.50%	19.41%
Attributable Profit	16,574	27,614	27,679	12,636	58,846	35,678	6,865	1,795	(604)	(1,476)	109,359	76,246
As % of Revenue	37.77%	52.26%	45.89%	41.80%	56.71%	53.70%	52.26%	42.23%	-	-	49.34%	49.47%
Total Non-directly Attributable costs	(14,245)	(17,492)	(19,577)	(10,009)	(33,684)	(21,997)	(4,263)	(1,407)	(5,752)	(4,200)	(77,521)	(55,105)
Operating Profit	2,329	10,122	8,101	2,627	25,163	13,681	2,602	387	(6,357)	(5,676)	31,838	21,142
Gross Profit Margin, %	5.31%	19.16%	13.43%	8.69%	24.25%	20.59%	19.81%	9.10%	-	-	14.36%	13.72%
Finance costs, net	(1,099)	(1,223)	(2,358)	(1,380)	(4,137)	(2,632)	(1,086)	(442)	(12)	(23)	(8,594)	(6,414)
Net Profit	1,230	8,899	5,743	1,247	21,026	11,049	1,516	(54)	(6,369)	(5,699)	23,244	14,728
As % of Revenue	2.80%	16.84%	9.52%	4.12%	20.26%	16.63%	11.54%	-	-	-	10.49%	9.56%

*incl. Mobile Bank, FerBuy, Primeloan and Ferratum P2P

Impact of Mobile Bank Investment Costs



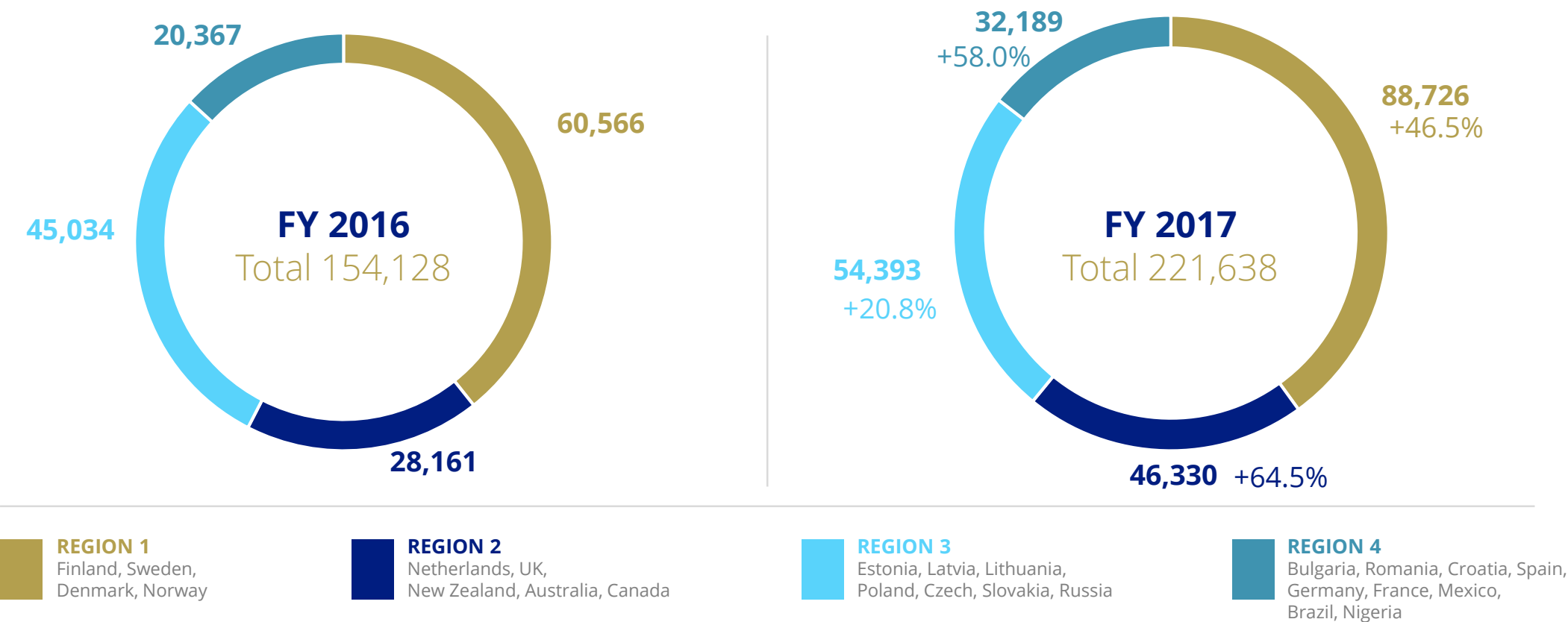
- EBIT of the lending business (excluding IFRS2 and Mobile Bank) is €39.5 million.
- The Mobile Bank is contributing €174 million in deposit volume. Potential benefit of ~0.6% avg deposits interest vs ~ 6% avg bond interest based on 174 million of deposit volume is 9.4 million - once current excess liquidity from deposits is fully used.



- Earnings per share (EPS) without Mobile Bank and IFRS2 would be 1.28

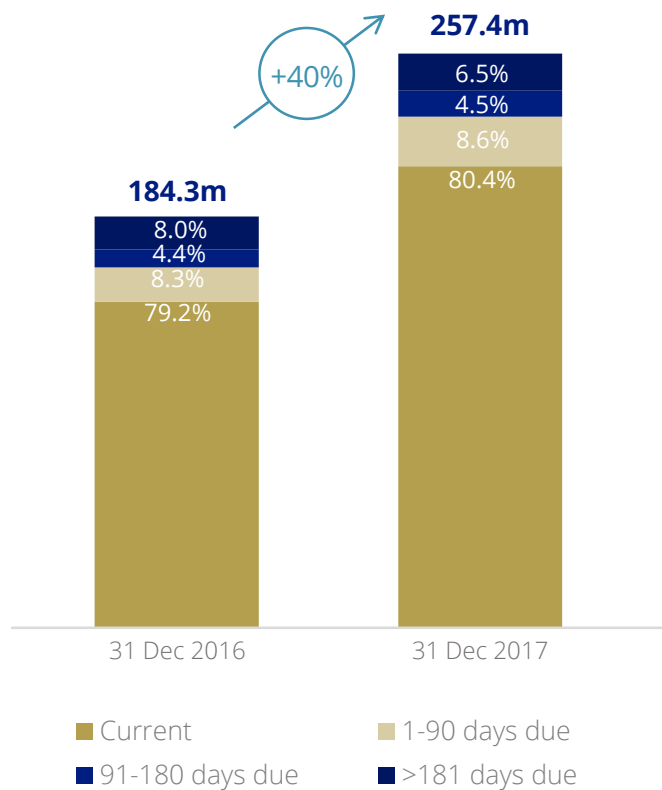
Revenue growth in all regions

EUR ,000



Moderate portfolio growth with stable quality

Portfolio NBV (EUR million)



EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
31 Dec 2016				
Current	153,394	(7,309)	146,085	4.8
1-90 days due	20,683	(5,359)	15,324	25.9
91-180 days due	14,736	(6,597)	8,139	44.8
>181 days due	58,197	(43,400)	14,797	74.6
Total	247,010	(62,664)	184,346	25.4

EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
31 Dec 2017				
Current	216,988	(10,159)	206,829	4.7
1-90 days due	29,895	(7,668)	22,227	25.6
91-180 days due	20,904	(9,228)	11,676	44.1
>181 days due	66,456	(51,782)	16,674	75.6
Total	336,243	(78,837)	257,406	23.4

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Subsequent event: IFRS 9

The new accounting standard IFRS 9 was implemented on 1 January 2018

IFRS 9 requires recognition of loans at fair value, therefore any expected losses must be accounted for at the disbursement date

- Ferratum's accounting of receivables was already based on an expected loss model
- From 1 January, Ferratum based its valuation of its credit portfolio on the mandatory IFRS 9 accounting standard
- IFRS 9 changes the timing of risk provisions and requires a one time increase of risk provisions of EUR 9.3m
- The one time impact is to be booked P&L neutral directly to equity and is partly offset by deferred tax effects of about € 2-3m

	IAS 39				IFRS 9				Change		
	Gross AR	Reserves	Net AR	%	Gross AR	Reserves	Net AR	%	Gross AR	Reserves	Net AR
Not due	216,988	(10,159)	206,829	4.7%	158,368	(4,695)	153,673	3.0%	(58,620)	5,464	(53,156)
1-90 days due	29,895	(7,668)	22,227	25.6%	72,398	(17,649)	54,749	24.4%	42,502	(9,981)	32,521
91-180 days due	20,904	(9,228)	11,676	44.1%	21,474	(12,768)	8,706	59.5%	570	(3,540)	(2,970)
> 181 days due	68,456	(51,782)	16,674	75.6%	84,004	(52,988)	31,016	63.1%	15,548	(1,206)	14,341
Total	336,243	(78,837)	257,406	23.4%	336,243	(88,100)	248,143	26.2%	-	(9,263)	(9,263)

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Solid balance sheet structure

High cash level driven by deposit growth

EUR '000	31 Dec 2017	31 Dec 2016
Assets		
Non-current assets	36,128	30,426
Accounts receivable – consumer loans (net)	257,406	184,346
Other receivables	10,711	7,298
Income tax assets	519	555
Cash and cash equivalents	131,832	73,059
Total Assets	436,595	295,683

EUR '000	31 Dec 2017	31 Dec 2016
Equity and liabilities		
Equity	105,243	87,875
Non-current liabilities	64,167	72,246
Current liabilities	267,185	135,563
of which deposits	174,301	101,436
Total Equity & Liabilities	436,595	295,683
Net debt to equity ratio	1.90	1.53

- Deposit volume higher than required – to be optimized 2018.
- Moderate growth in AR due to improved portfolio management
- Solid net debt to equity ratio of 1.90

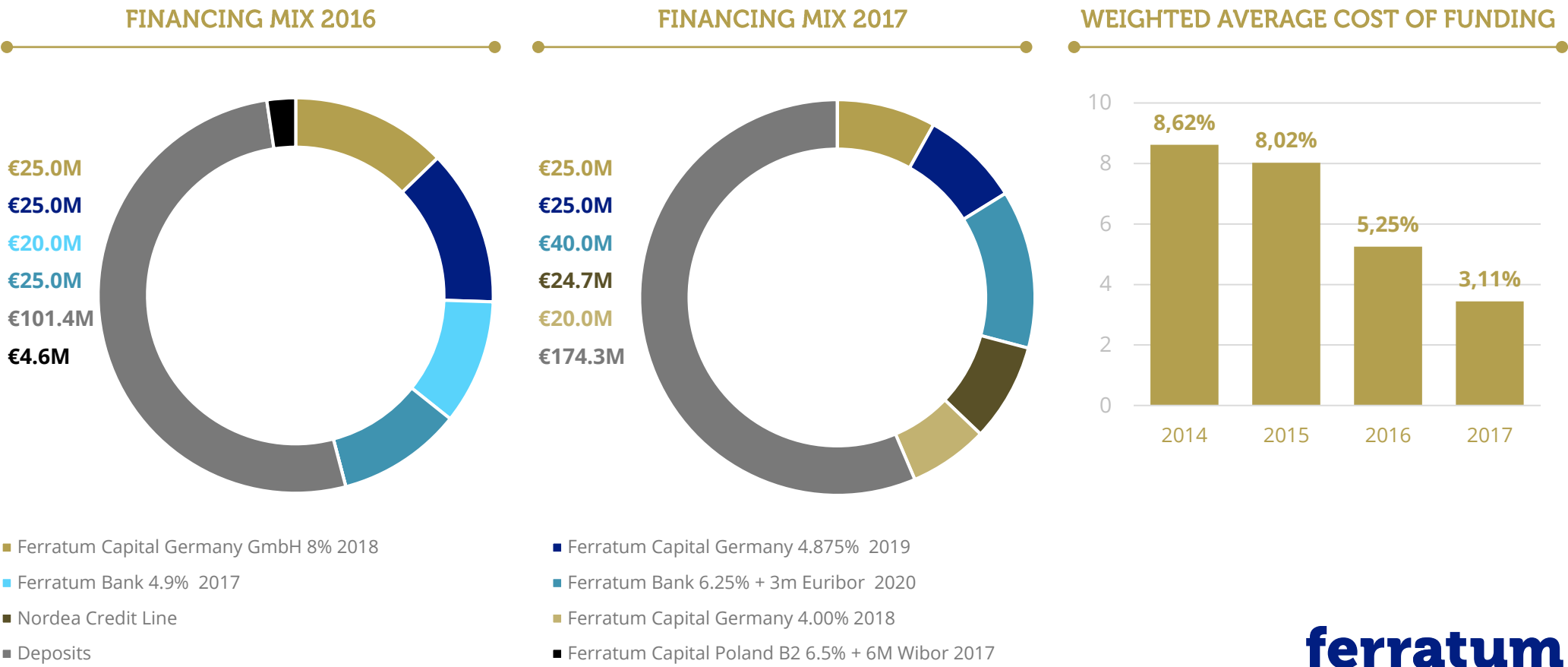
Operating cashflow positive

EUR '000

Assets	FY 2017	FY 2016
Net cash from operating activities before movements in portfolio and deposits	109,148	50,857
Net cash from operating activities	33,324	23,733
Net cash used in investing activities	(11,329)	(8,266)
Net cash used in financing activities	38,990	40,857
Net increase/decrease in cash equivalents	60,985	56,324
Cash and cash equivalents at the end of the period	131,832	73,059

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Cost of capital further decreasing



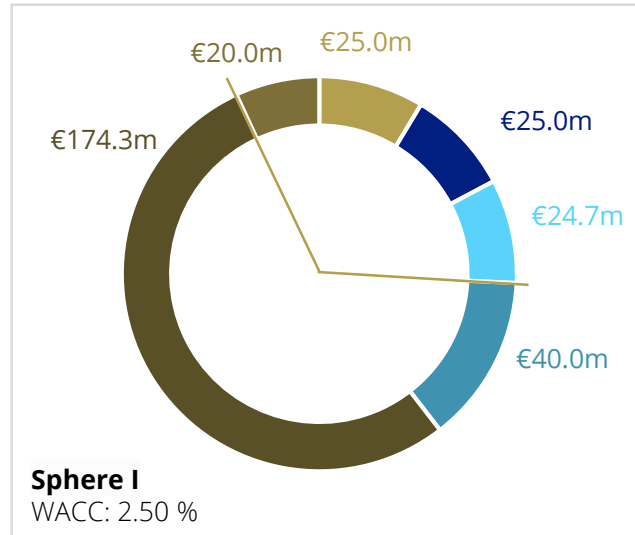
Scope to further improve cost of capital over time

SPHERE I OPERATIONS

Countries covered by Ferratum Bank p.l.c.'s EU banking licence



SPHERE I/II FINANCING SPLIT FY 2017



- Ferratum Capital Germany GmbH 8% 2018
- Ferratum Capital Germany GmbH 4,875% 2019
- Nordea Credit Line
- Ferratum Bank 6,25% + 3m Euribor 2020
- Deposits
- Ferratum Capital Germany GmbH 4.0% 2018

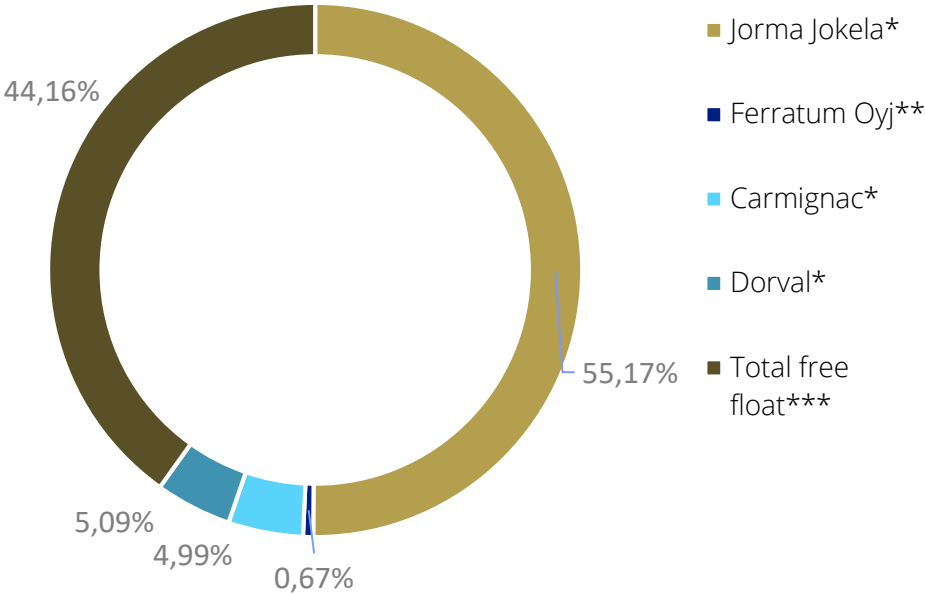
SPHERE II OPERATIONS

Countries / operations *not* currently utilising Ferratum Bank p.l.c.'s EU banking licence



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Shareholder information



* Shareholders holding based on the latest shareholder notifications received

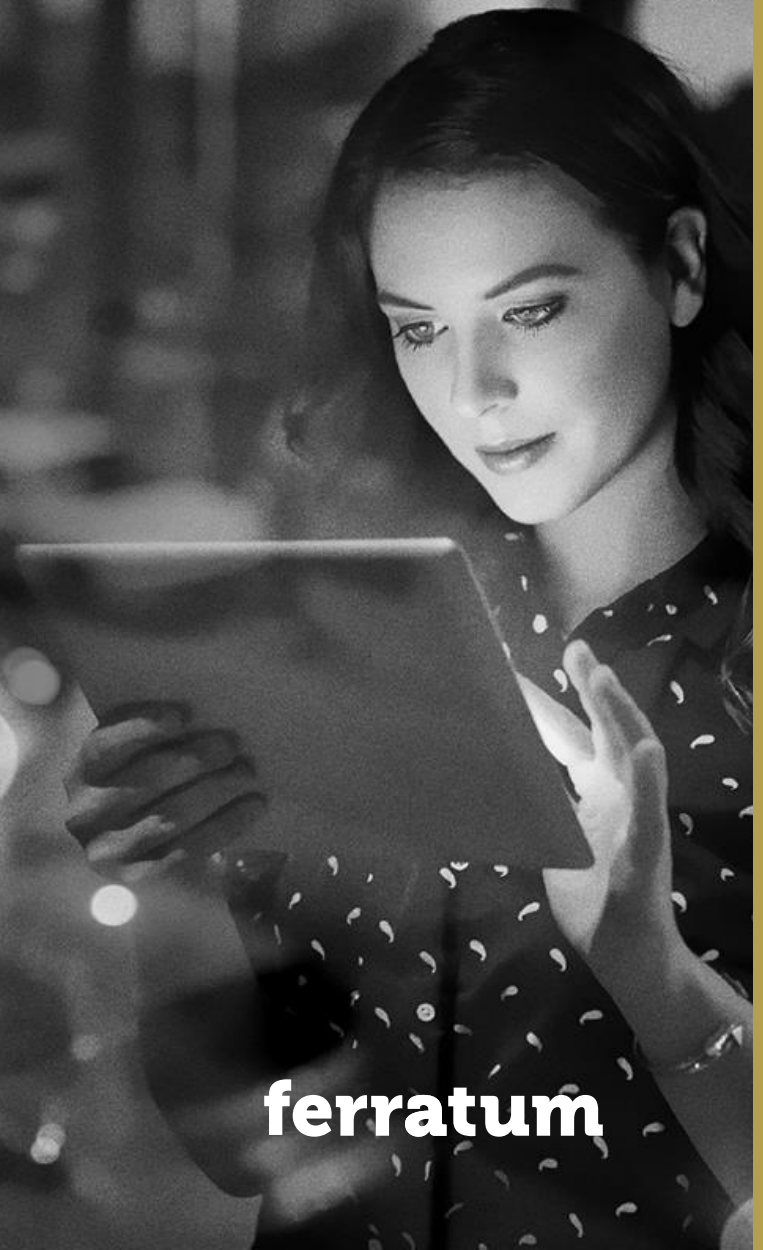
** Own shares held by Ferratum Oyj

*** Total free float includes shares held by Carmignac and Dorval as well as shares held by employees and management

Date	Financial Calendar Events
19 Apr 2018	Annual General Meeting 2018
30 May 2018	Report for the first three months of 2018
30 Aug 2018	Report for the first half-year 2018
22 Nov 2018	Report for the first nine months of 2018

Date	Other Events
10 Apr 2018	LondCap Conference Geneva
17 Apr 2018	MidCap Conference Paris
02 May 2018	LondCap Conference Toronto
15 May 2018	LondCap Conference London
30 May 2018	Q1 2018 Roadshow

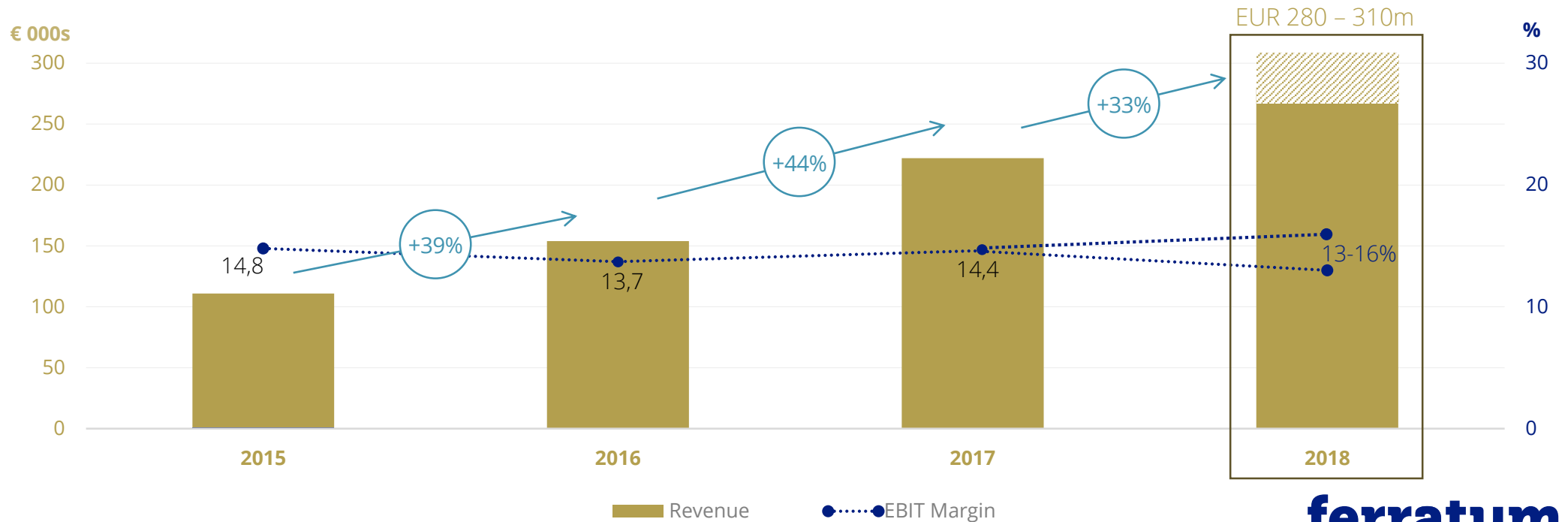
Summary



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Summary and Outlook

- Consistently strong revenue growth and profitability
- Well funded balance sheet supported by deposit growth
- Further launches and partnership news in the pipeline
- 2018 guidance includes possible IFRS 9 effects
- Q1 2018 Y-o-Y revenue growth expected at about 20-30%



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