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First Half Results 2018

**Preliminary unaudited results for the
6 months ended 30 June 2018**

16.08.2018

Overview

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Building the Bank of the Future



Consumer loans



Business loans



Mobile Bank

13

years of profitable growth

2.0m

Active & former customers

25

Countries

€124 m

H1 2018 revenue

+20%

Year-on-year revenue growth

+21%

Year-on-year EBIT growth



Founded Helsinki 2005



EU Banking Licence



Frankfurt Prime Standard

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Our 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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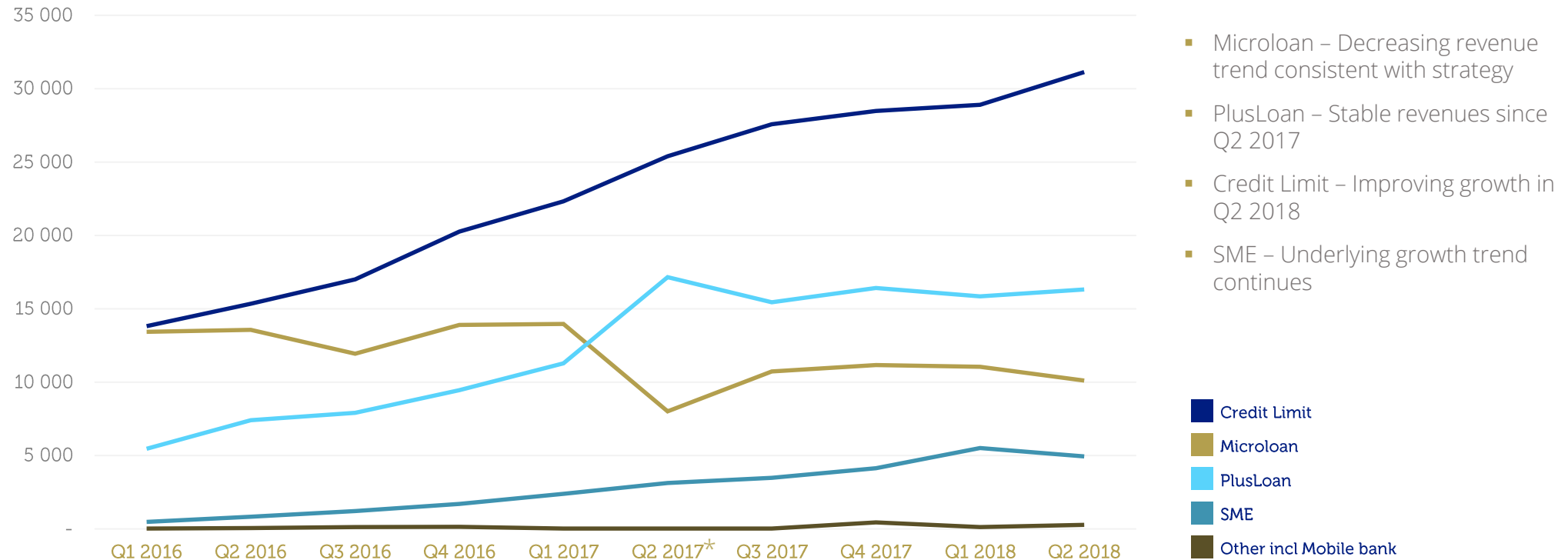
Digital lending

Addressing a range of borrowing needs

Products	Average Loan Value	Average Loan Term	Revenue Share	6M Revenues by Product (€,000)			Active Markets
Primeloan (incl Mobile Bank) €3,000 – €20,000 / 1 – 10 years	€5.893	4.9 years	0.3%	2017	0,052	+669% y-o-y	1 (5)
				2018	0,400		
Business (SMEs) Up to €250,000 / 6 – 18 Month term	€13,424	407 days	8.4%	2017	5,518	+89.3% y-o-y	8
				2018	10,445		
Credit Limit Up to €3,000 / Digital revolving credit line	€1,190	N/A	48.3%	2017	47,720	+25.8% y-o-y	10
				2018	60,040		
PlusLoan €300 – €5,000 / 2 – 36 month term	€736	356 days	25.9%	2017	28,446	+13.1% y-o-y	9
				2018	32,178		
Microloan €25 – €1,000 / 7 – 90 day term	€206	29 days	17.0%	2017	21,995	-3.8% y-o-y	19
				2018	21,169		

Revenues per segment

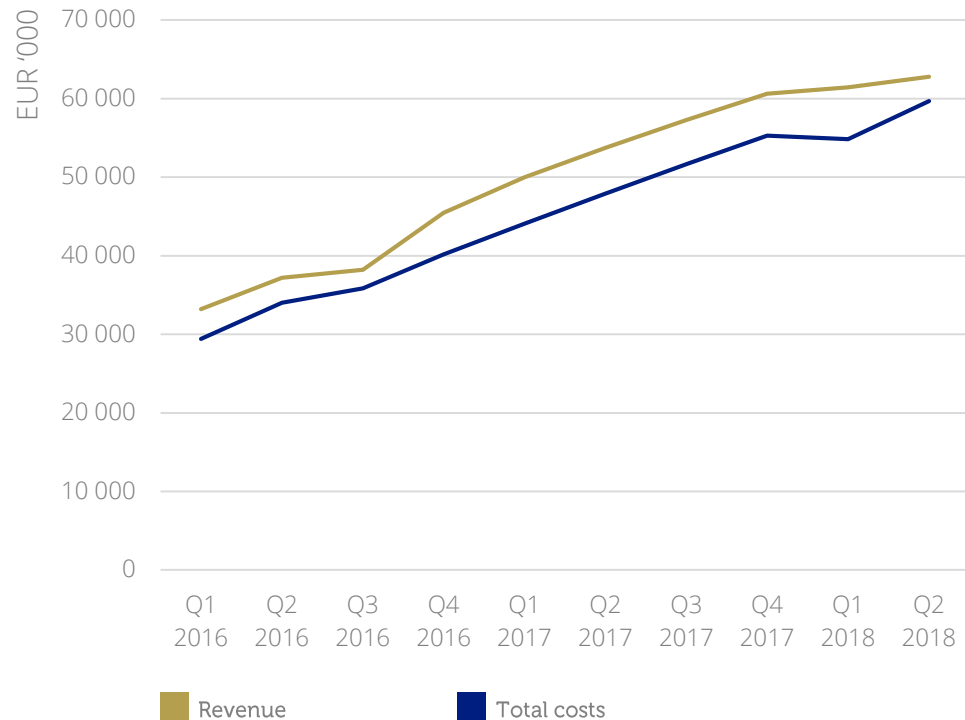
Credit Limit driving growth while PlusLoan approval rates are being addressed



*Multipart loans in Netherlands were launched in Q4 2016 and initially classified as Microloans. These have been reclassified in Q2 2017 from Microloans to Plus Loans according to the further development of the product and the management structure

Growth challenges and priorities

Operating costs have risen with revenue growth



Management actions to improve performance



Accelerate growth of lending by improving risk and increase customer intake

- Improve conversion rate, scoring and underwriting
- Increase customer intake and efficiency



Reshape Organisation

- Streamline Staffing
- Strengthen top management
- Create five cylinders and responsibilities common to every product - lead generation, conversion funnel, underwriting & collections, CRM and product & pricing



Rebalance resources

- Focus on lending in existing markets
- More resources allocated to risk management and automatization



Review of geographies

- Potentially withdraw from 1-2 non-performing countries

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Financial Highlights

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Summary

Financial performance

Mobile Bank investments

Portfolio quality

Balance sheet

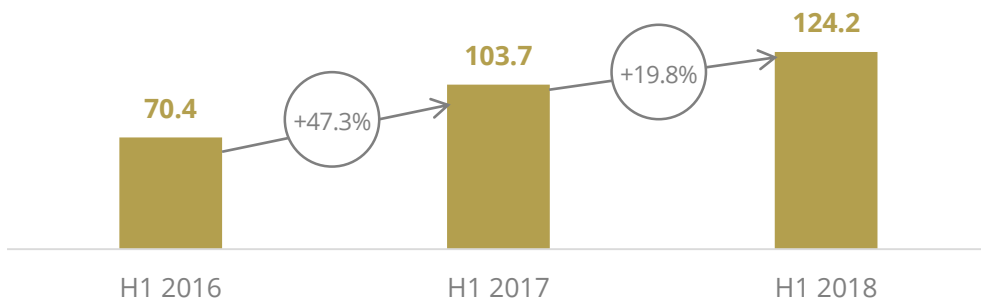
Operating cash flow

Cost of capital and financing

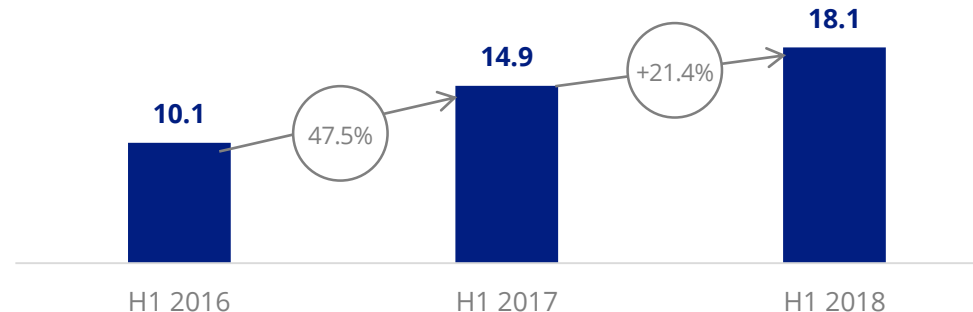
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Revenue and EBIT growth in H1 2018

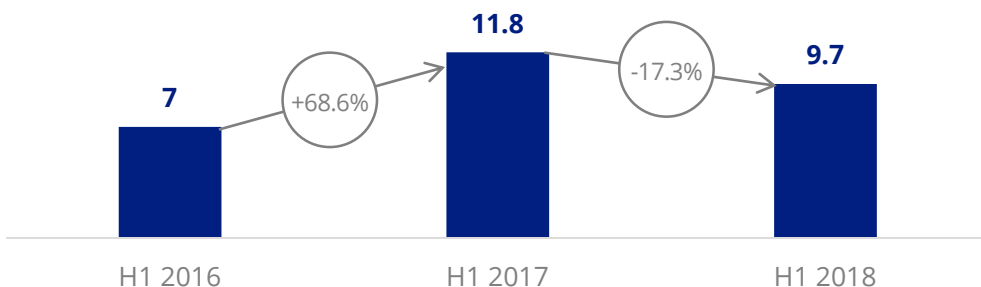
Revenue (EUR Million)



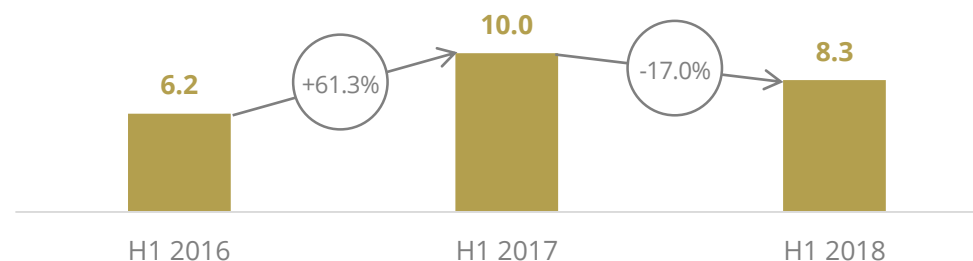
Operating Profit – EBIT (EUR Million)



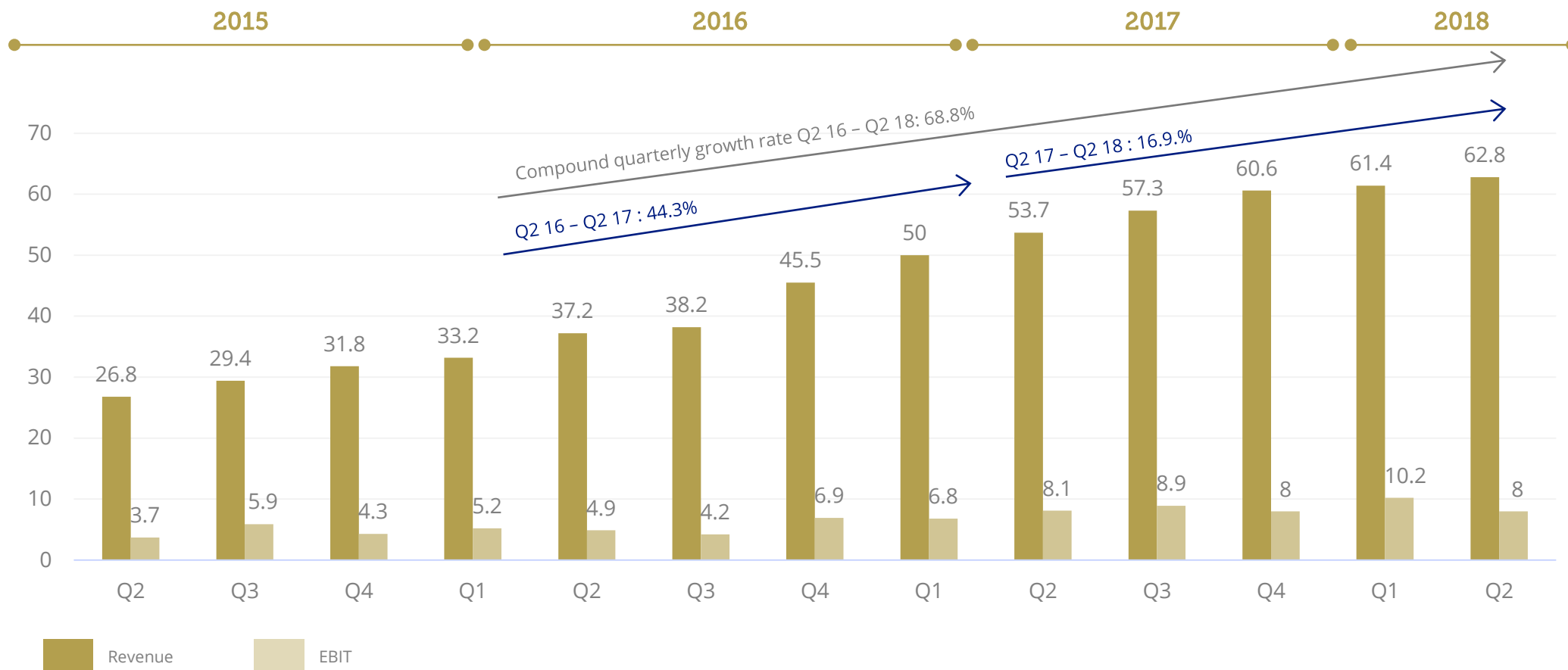
Profit Before Tax (EUR Million)



Profit for the Period – (EUR Million)



Growth continues in 2018 with reduced momentum



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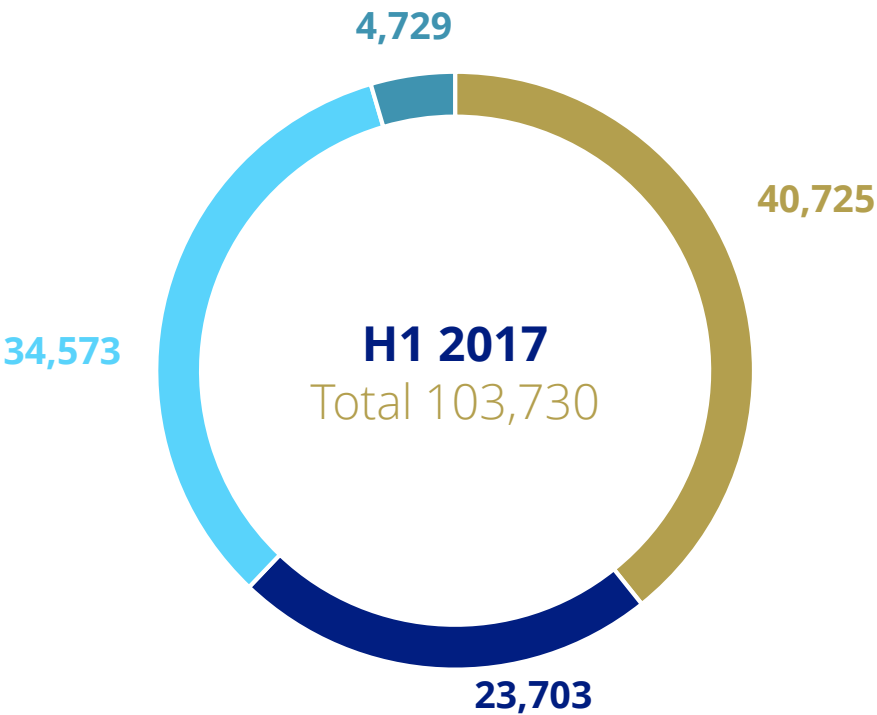
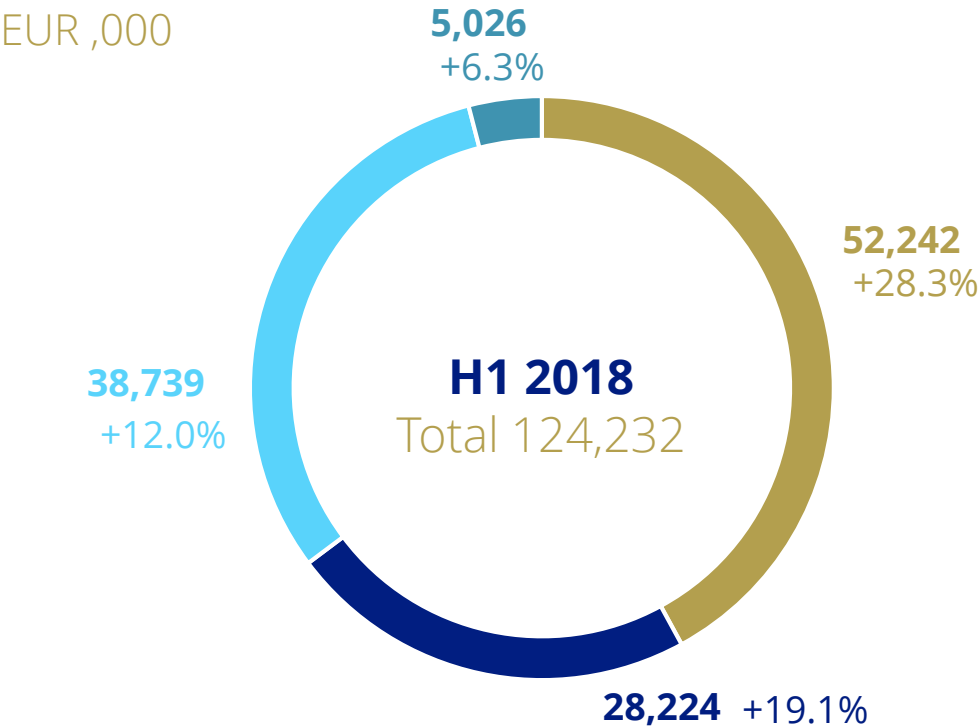
Foreign exchange loss on liabilities, realised

EUR'000	Q1 2018	Q2 2018	H1 2018	H1 2017
AUD	-0,193	0,045	-0,148	-0,124
CZK	0,049	-0,381	-0,322	0,423
PLN	-0,284	-0,964	-1,248	0,197
GBP	0,131	-0,080	0,051	-0,061
SEK	-0,900	-0,271	-1,172	-0,044
Other currencies	0,043	0,046	0,089	0,005
FX impact on P&L	-1,154	-1,605	-2,759	0,396

- The Group's foreign exchange risk, mainly arising from fluctuations of the Polish Zloty, Swedish Krona, Australian Dollar and British Pound against the euro.
- Ferratum manages currency risk by using derivative instruments ranging between 0% to 70% of the portfolio value in each currency.
- The Group intends to increase hedging and reduce FX exposure

Regional revenues

EUR ,000



NORTHERN EUROPE
Finland, Sweden,
Denmark and Norway

WESTERN EUROPE
France, Germany, Netherlands
Spain and UK

EASTERN EUROPE
Bulgaria, Croatia, Czech, Estonia,
Latvia, Lithuania, Poland, Romania,
Russia and Slovakia

REST OF THE WORLD
Australia, Brazil, Canada,
Mexico, New Zealand and Nigeria

Continued revenue growth

Operating profit (EBIT) up by 21.4%

EUR, 000	H1 2018	H1 2017	% Change
Revenue	124,232	103,730	+19.8%
Other income	16	20	-20%
Impairment of loans	(40,609)	(35,899)	+13.1%
Selling & marketing expenses	(19,734)	(15,872)	+24.3%
Total other operating expenses	(45,761)	(37,037)	+23.5%
EBIT	18,144	14,942	+21.4%
Net financial costs	(8,416)	(3,179)	+164.7%
EBT	9,728	11,763	-17.3%
Income tax	(1,459)	(1,761)	-17.1%
Net profit	8,269	10,002	-17.3%
Earning per share, basic (EUR)	0.38	0.46	-17.4%
Earning per share, diluted (EUR)	0.38	0.46	+17.4%

- EBIT is increasing slightly more than revenues
- Net financial cost impacted by FX: including a €2.8 million loss in H1 2018 vs a €400k gain in H1 2017.

Credit Limit and PlusLoan core drivers of revenue

EUR ,000

	Microloan		PlusLoan		Credit Limit		SME		Mobile Bank**		Total	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
Revenue*	21,169	21,995	32,178	28,446	60,040	47,720	10,445	5,518	400	52	124,232	103,730
Impairments	(9,741)	(11,937)	(11,164)	(10,655)	(16,374)	(11,806)	(3,303)	(1,238)	(27)	(263)	(40,609)	(35,899)
As % of Revenue	46.0%	54.3%	34.7%	37.5%	27.3%	24.7%	31.6%	22.4%	6.8%	-	32.7%	34.6%
Marketing	(2,122)	(1,308)	(4,610)	(4,484)	(9,471)	(8,552)	(2,294)	(1,375)	(1,238)	(154)	(19,734)	(15,872)
As % of Revenue	10.0%	5.9%	14.3%	15.8%	15.8%	17.9%	22.0%	24.9%	310%	-	15.9%	15.3%
Attributable Product Margin	9,308	8,750	16,408	13,308	34,203	27,362	4,850	2,904	(865)	(364)	63,905	51,960
As % of Revenue	44.0%	39.8%	51.0%	46.8%	57%	57.3%	46.4%	52.6%	-	-	51.4%	50.1%
Total Non-directly Attributable costs	(7,347)	(7,289)	(11,168)	(9,426)	(20,838)	(15,813)	(3,625)	(1,828)	(2,783)	(2,661)	(45,761)	(37,018)
Operating Profit	1,961	1,461	5,240	3,881	13,365	11,549	1,225	1,076	(3,647)	(3,026)	18,144	14,942
Gross Profit Margin, %	9.3%	6.6%	16.3%	13.6%	22.3%	24.2%	11.7%	19.5%	-	-	14.6%	14.4%
Finance costs, net	(626)	(550)	(1,419)	(1,023)	(2,718)	(1,820)	(852)	(418)	(85)	(6)	(8,416)	(3,179)
Net Profit	1,335	911	3,821	2,859	10,647	9,729	373	658	(3,732)	(3,032)	9,728	11,763
As % of Revenue	6.3%	4.1%	11.9%	10.1%	17.7%	20.4%	3.6%	11.9%	-	-	7.8%	11.3%

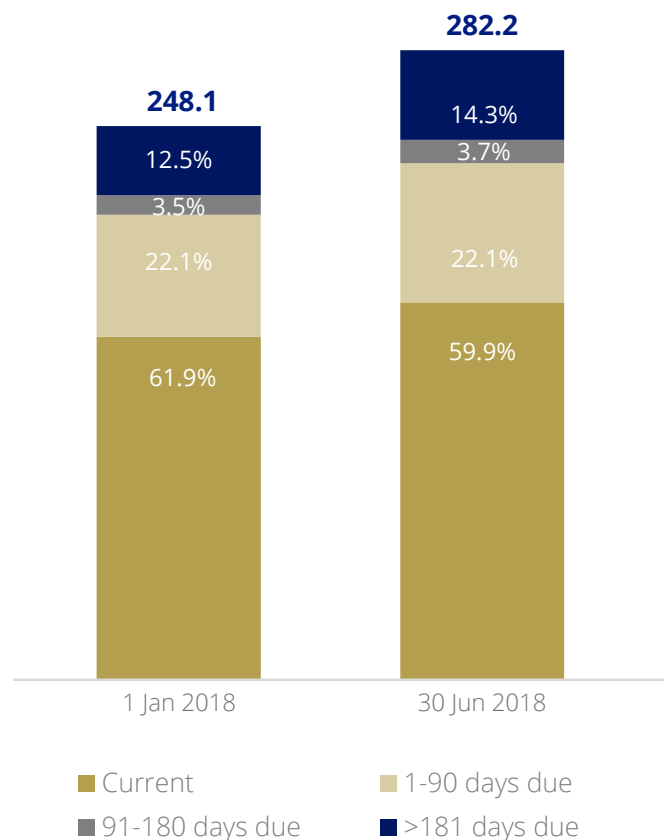
*incl. other income

**incl. Mobile Bank, Primeloan and Ferratum P2P

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Moderate portfolio (NBV) growth

Portfolio NBV (EUR million)



EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
1 Jan 2018				
Current	158,368	(4,695)	153,673	3.0
1-90 days due	72,398	(17,649)	54,749	24.4
91-180 days due	21,474	(12,768)	8,706	59.5
>181 days due	84,004	(52,988)	31,016	63.1
Total	336,243	(88,100)	248,143	26.2

EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
30 Jun 2018				
Current	173,653	(4,534)	169,120	2.6
1-90 days due	79,768	(17,391)	62,377	21.8
91-180 days due	24,950	(14,503)	10,447	58.1
>181 days due	126,312	(86,047)	40,266	68.1
Total	404,683	(122,474)	282,209	30.3

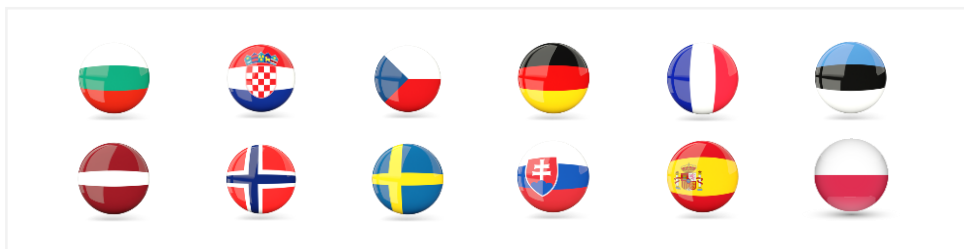
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Scope to further improve cost of capital over time...

...by migrating more countries under Sphere I operations

SPHERE I OPERATIONS

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

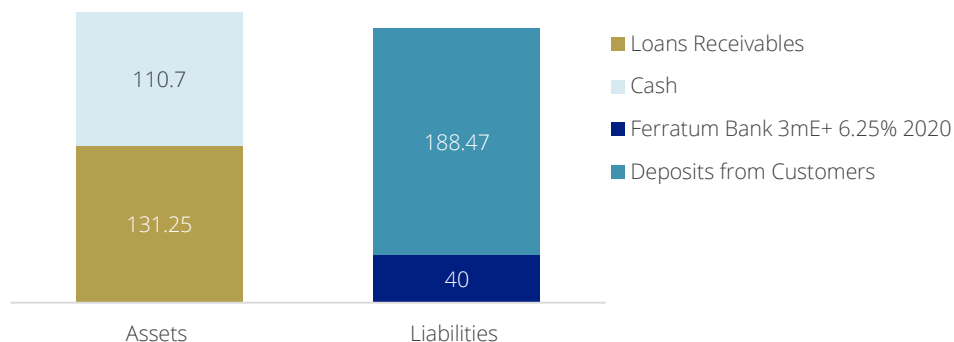


SPHERE II OPERATIONS

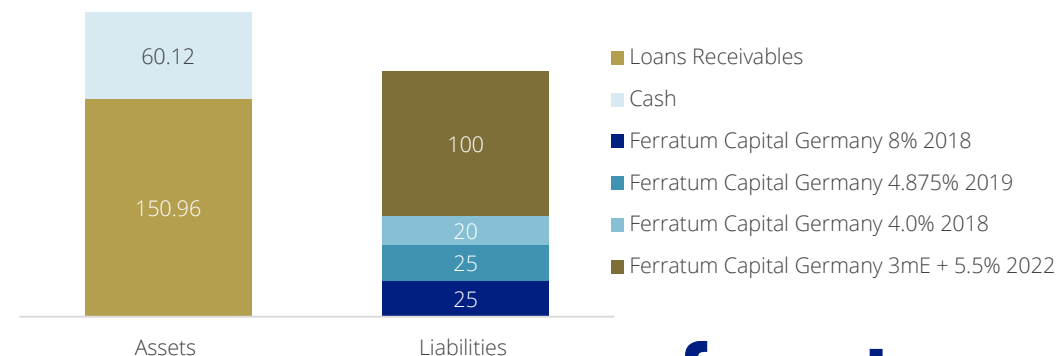
Countries / operations *not* currently utilising
Ferratum Bank p.l.c.'s EU banking licence



FINANCING SPLIT H1 2018 (EUR million)



FINANCING SPLIT H1 2018 (EUR million)



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Solid balance sheet structure

High cash level based on high deposit volume

EUR '000	30 Jun 2018	31 Dec 2017
Assets		
Non-current assets	42,473	36,128
Accounts receivable – consumer loans (net)	282,209	257,406
Other receivables	5,730	10,554
Income tax assets	606	519
Cash and cash equivalents	170,820	131,832
Total Assets	503,178	436,595

EUR '000	30 Jun 2018	31 Dec 2017
Equity and liabilities		
Equity	103,064	105,243
Non-current liabilities	137,709	64,167
Current liabilities	262,406	267,185
of which deposits	188,474	174,301
Total Equity & Liabilities	503,178	436,595
Net debt to equity ratio	2.22	1.90

- Deposit volume higher than required – interest rates for savings account and term deposits have been reduced in Q1 – causing an outflow of €4.2 million in Q2 2018
- Moderate growth in accounts receivable due to overly restrictive credit scoring – action taken to restore approval rates
- Solid net debt to equity ratio of 2.22

Successful placement of EUR 100 million bonds

Diversified investor base

- In May 2018, Ferratum Capital Germany GmbH successfully placed EUR 100 million of new senior unsecured bonds
- The proceeds from the issue will be used to refinance EUR 45 million of bonds maturing in October 2018 and the additional funds raised shall be used to finance further business growth
- The new senior unsecured bonds have a coupon of 3 months Euribor plus 5.50 per cent p.a. and a tenor of four years
- The bonds have been listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market and will be listed on the Frankfurt Stock Exchange Prime Standard (best effort basis)

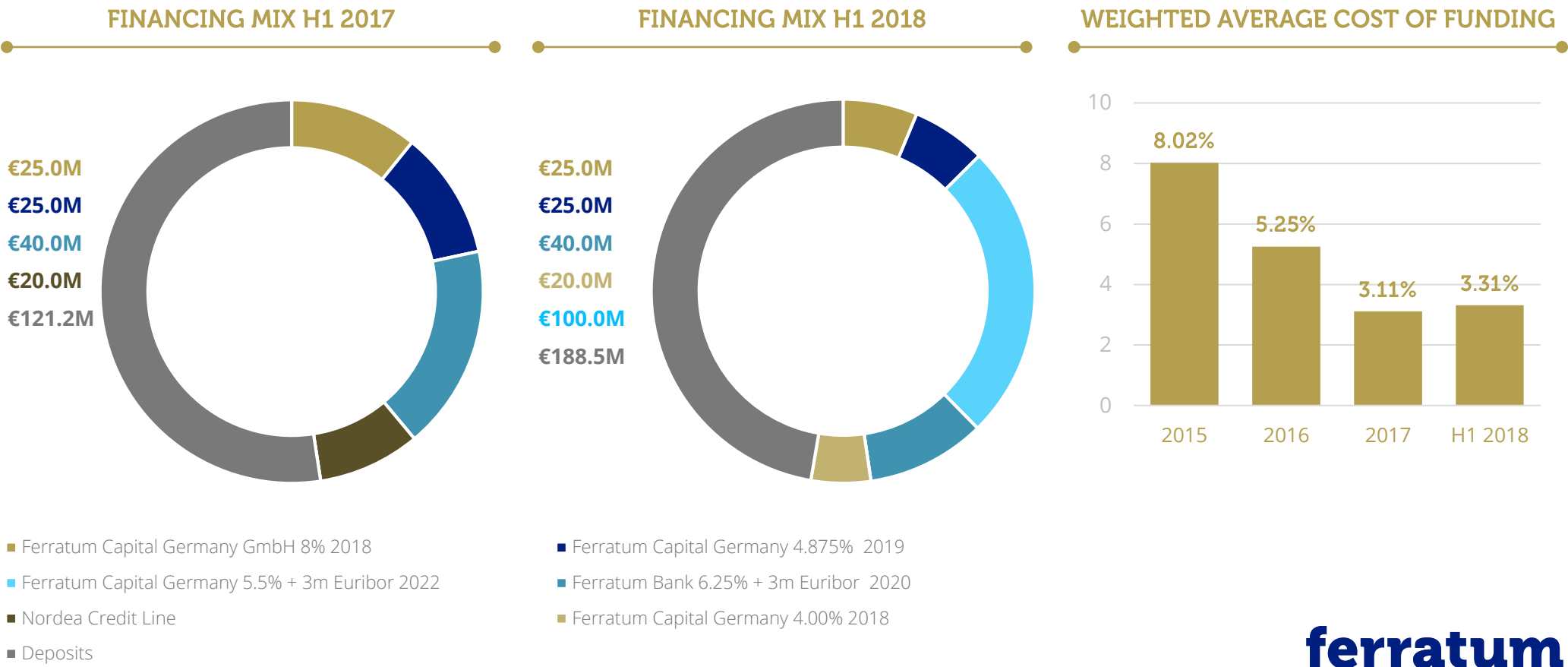
Strong liquidity after EUR 100 million bond issue

EUR '000

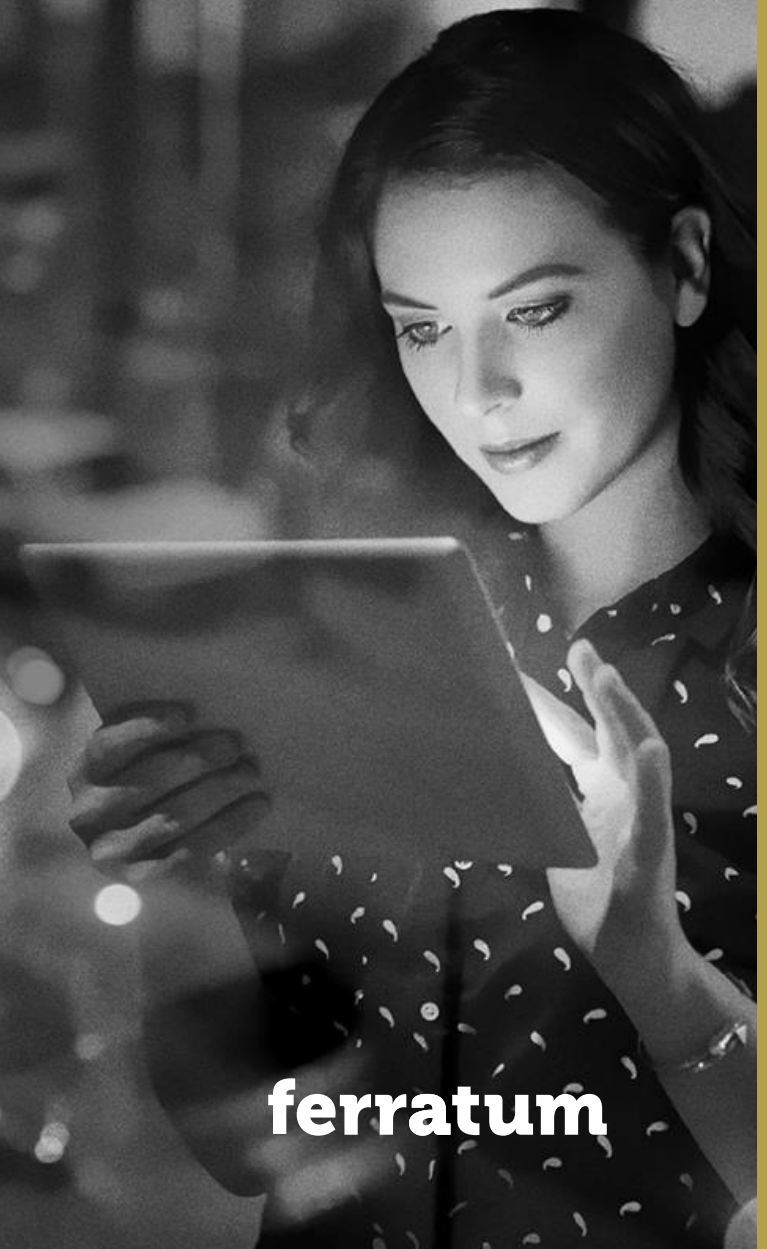
Assets	H1 2018	H1 2017
Net cash from operating activities before movements in portfolio and deposits	59,743	51,605
Net cash from operating activities	(10,023)	(5,165)
Net cash used in investing activities	(6,698)	(4,164)
Net cash used in financing activities	56,255	14,653
Net increase/decrease in cash equivalents	39,535	5,323
Cash and cash equivalents at the end of the period	170,820	79,397

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Cost of capital slightly increasing due to EUR 100M bond issue

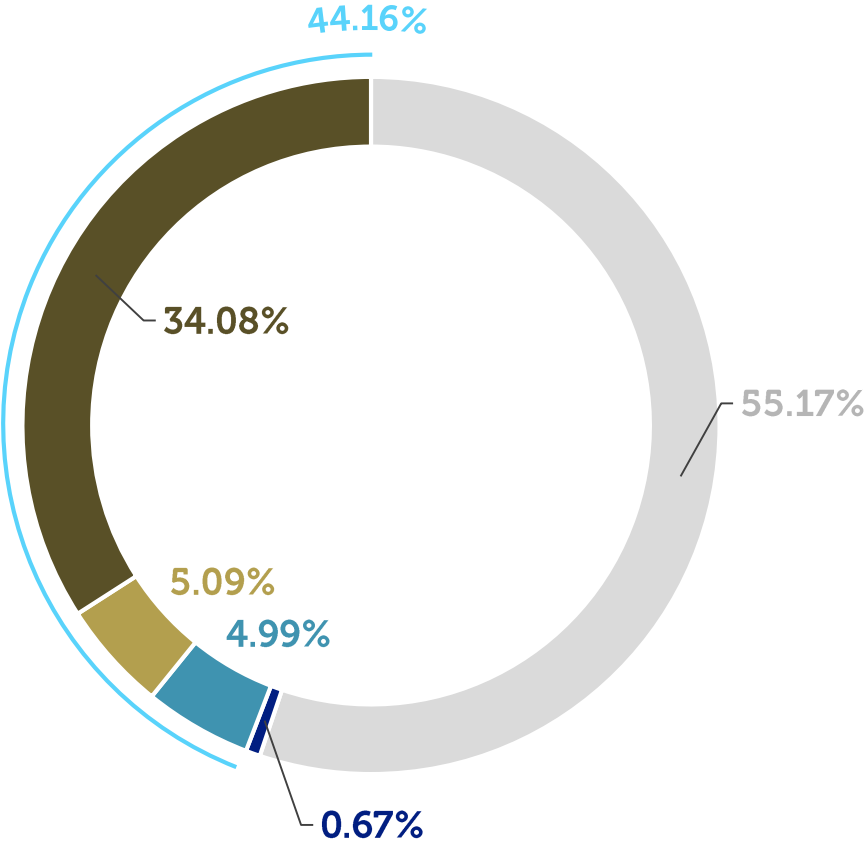


Summary



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Shareholder information



Date	Financial Calendar Events
15 Nov 2018	Report for the first nine months of 2018
26 – 28 Nov 2018	German Equity Forum

- Jorma Jokela*

■ Ferratum Oyj**

■ Carmignac*
- Dorval*

■ Other Shareholders

■ Total Free Float***

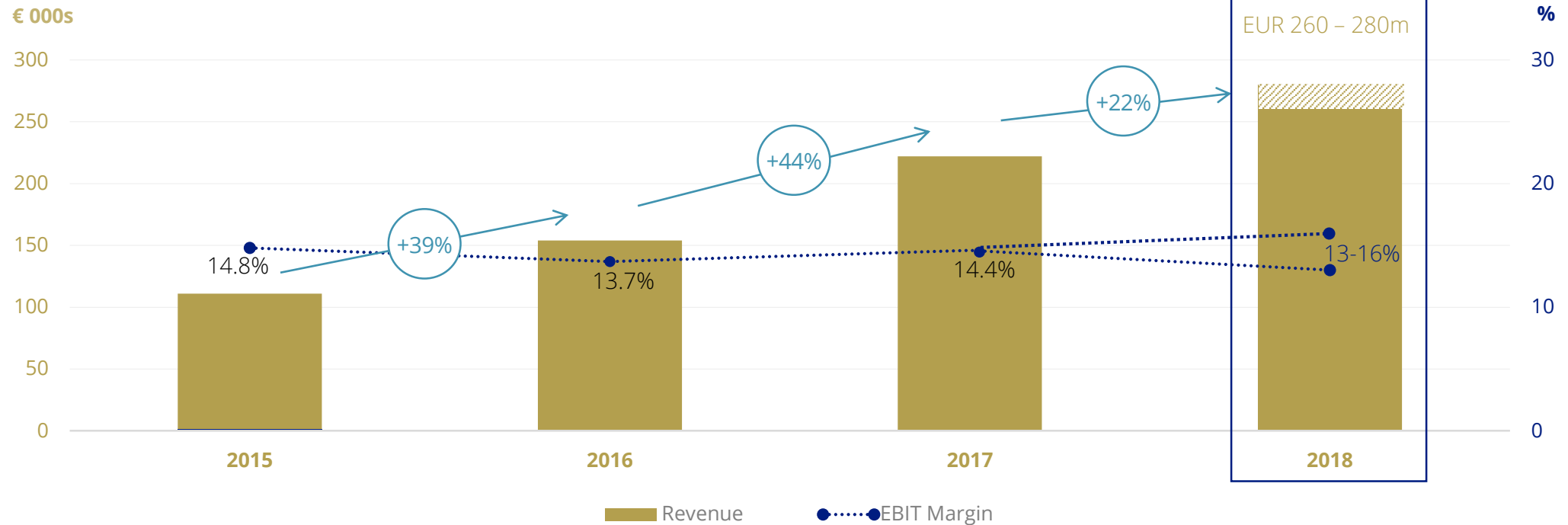
* Shareholders holding based on the latest shareholder notifications received

** 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

Summary and Outlook

- Revenue growth in line with revised expectations
- Remedial action taken to restore loan approval rates
- Well funded balance sheet with successful €100m bond refinancing
- Further management actions being taken to improve performance



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