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First Quarter Results 2018

**Preliminary unaudited results for the
3 months ended 31 March 2018**

30.05.2018

Overview

A man with dark hair and a beard, wearing a white button-down shirt, stands in profile looking out a window. He is holding a dark tablet in his left hand and pointing at it with his right index finger. The background is a blurred office interior. A faint, semi-transparent reflection of the man is visible on the glass he is looking through. The overall tone is professional and modern.

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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

€61.4M

Q1 2018 revenue

+23%

Year-on-year revenue growth

+49%

Year-on-year profit growth



Founded Helsinki 2005



EU Banking Licence



Frankfurt Prime Standard

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A compelling investment case

Our business

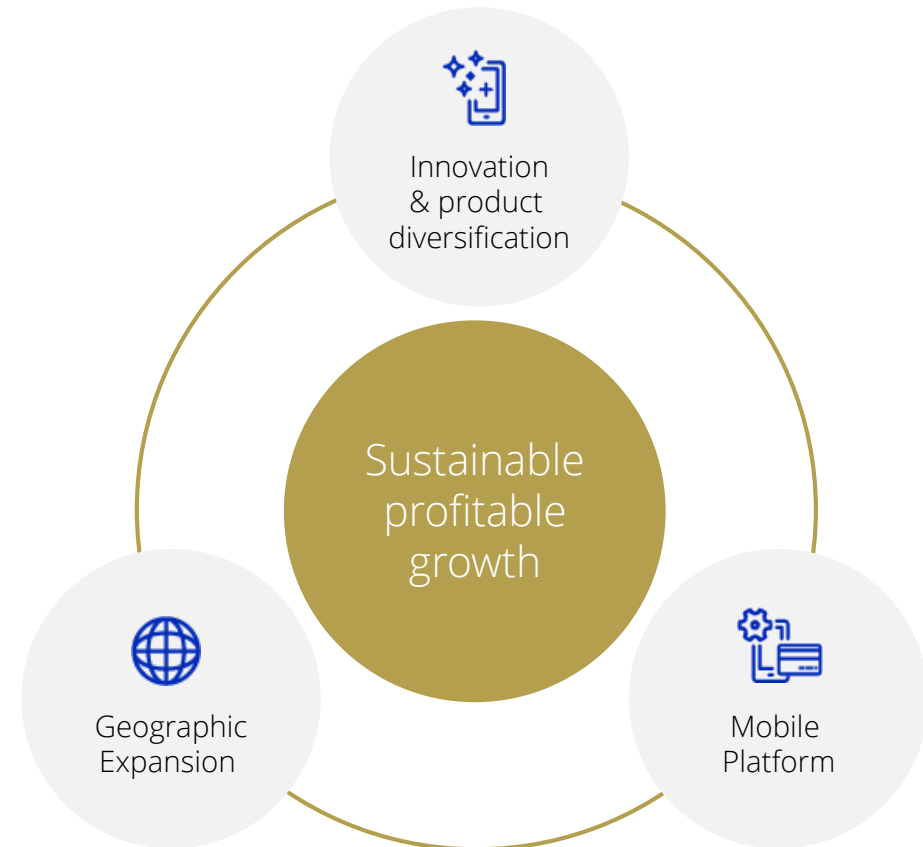
We provide financial services that enable and empower our customers

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



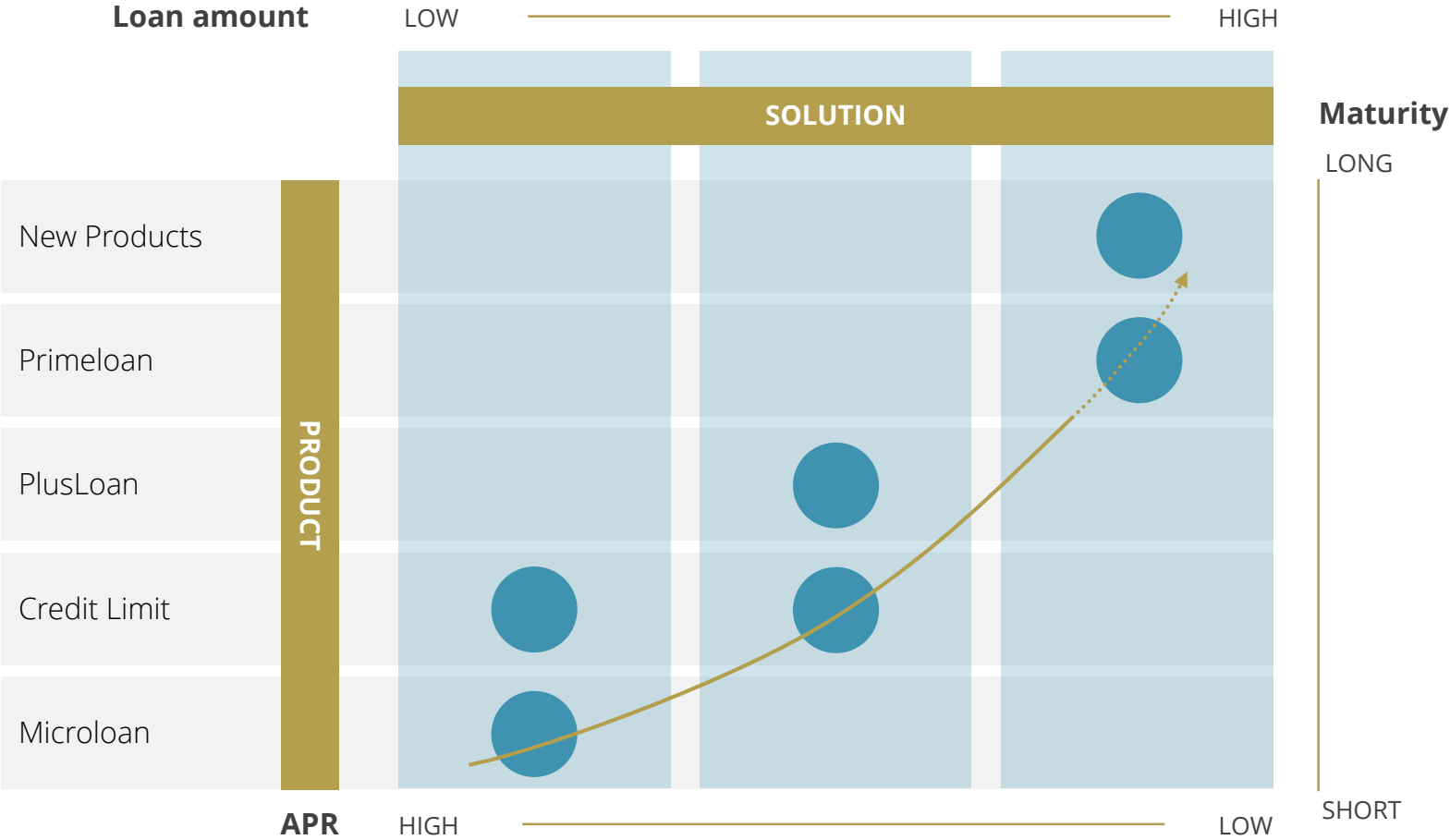
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Digital lending

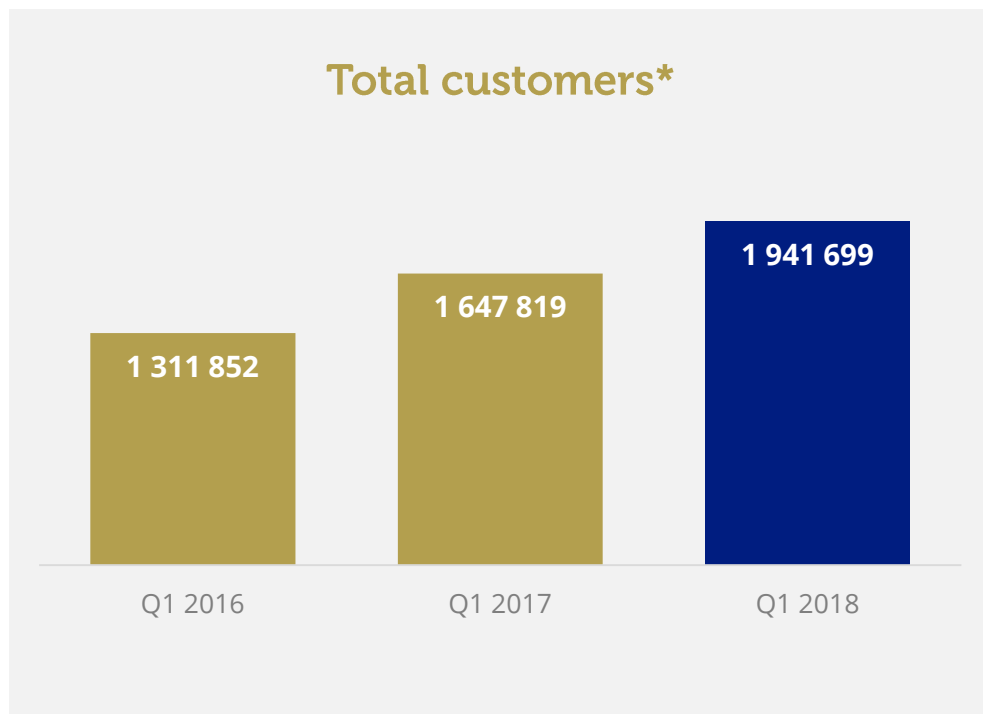
Addressing a range of borrowing needs

Products	Average Loan Value	Average Loan Term	Revenue Share	3M Revenues by Product (€,000)			Active Markets
Primeloan (incl Mobile Bank) €3,000 – €20,000 / 1 – 10 years	€5,618	4.7 years	0.2%	2017	0,021	+486% y-o-y	1 (5)
				2018	0,123		
Business (SMEs) Up to €250,000 / 6 – 18 Month term	€13,454	402 days	9.0%	2017	2,390	+130% y-o-y	7
				2018	5,508		
Credit Limit Up to €3,000 / Digital revolving credit line	€1,137	N/A	47.0%	2017	22,329	+29% y-o-y	9
				2018	28,901		
PlusLoan €300 – €5,000 / 2 – 36 month term	€727	353 days	25.8%	2017	11,294	+40% y-o-y	9
				2018	15,852		
Microloan €25 – €1,000 / 7 – 90 day term	€205	29 days	18.0%	2017	13,975	-21% y-o-y	21
				2018	11,058		

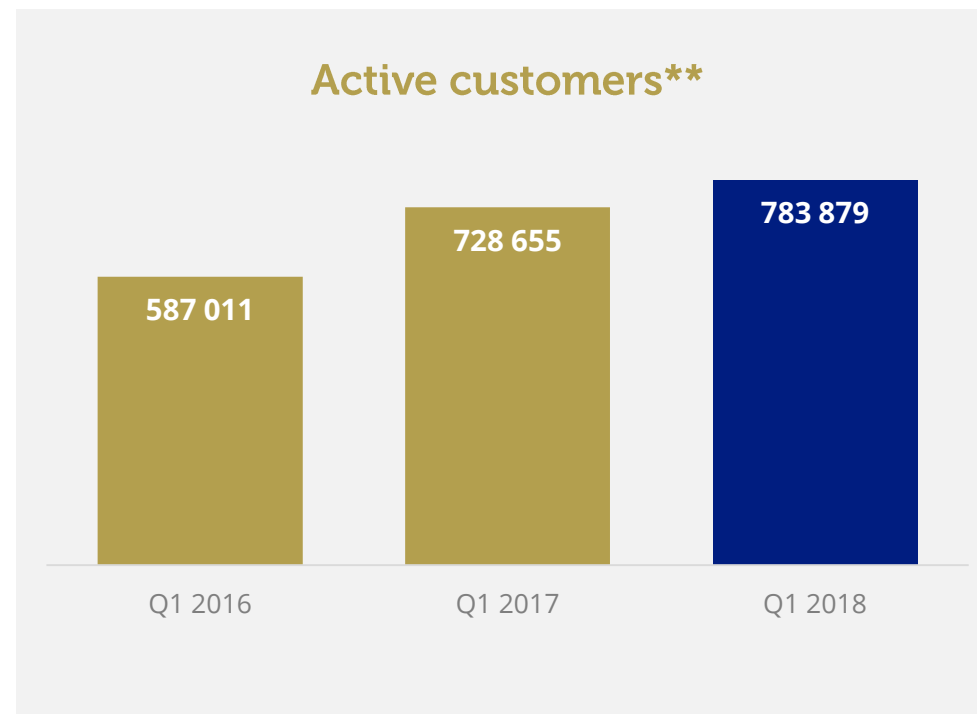
Product category evolution



Customer numbers



* 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.

Strategic progress

2017

- Revenues
 - ✓ €222m (+44% YoY)
- Operating efficiencies
 - ✓ Smart IT
 - ✓ Smart Marketing
 - ✓ Operational excellence
- Growth drivers
 - ✓ Country expansion (+2)
 - ✓ 1st pilot White Label Partnership
 - ✓ Mobile Bank Platform introduced
 - ✓ Lending trough partner
- Product evolution
 - ✓ Credit Limit & PlusLoan are Leading Segments
 - ✓ Microloan decreased to 19% of revenue
 - ✓ SME Lending strongly growing
 - ✓ Primeloan launched

2018

- Revenues
 - ✓ €280-310m (+33% YoY)
- Operating efficiencies & profitability
 - ✓ Focus on increasing CLV
 - ✓ Lower impairments
 - ✓ Scalability
- Growth drivers
 - ✓ Country expansion (+1 or 2)
 - ✓ White Label model build out
 - ✓ Mobile Bank / Platform expansion
 - Simple, real-time, global, mobile
 - E-wallet
 - 3 Layer onboarding
- Product evolution
 - ✓ Credit Limit & PlusLoan stay Leading Segments
 - ✓ Microloan decreasing relevance
 - ✓ SME further growing
 - ✓ Primeloan in more countries

2019

- Sustained revenue growth
- Profitability
 - ✓ Higher net margin
 - ✓ Higher CLV
 - ✓ Lower credit losses
 - ✓ Increasing EBIT profitability
- Growth drivers
 - Q2 2019
 - Ready Q2 2019
- Product evolution
 - ✓ Credit Limit & PlusLoan & SME Leading Segments
 - ✓ Microloan small (<10%)
 - ✓ Primeloan significant segment

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Financial Highlights

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Summary

Financial performance

Mobile Bank investments

Portfolio quality

Balance sheet

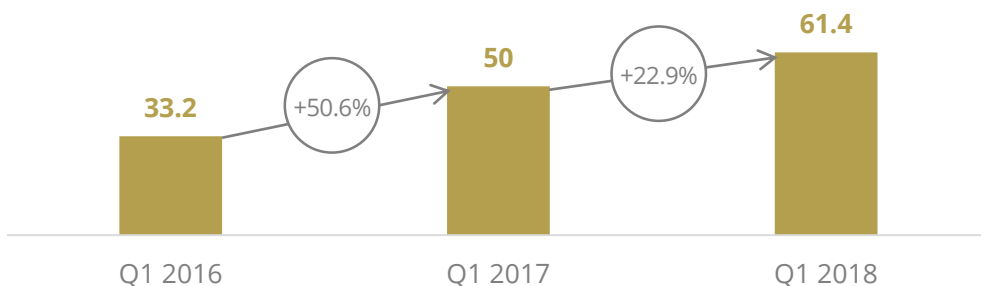
Operating cash flow

Cost of capital and financing

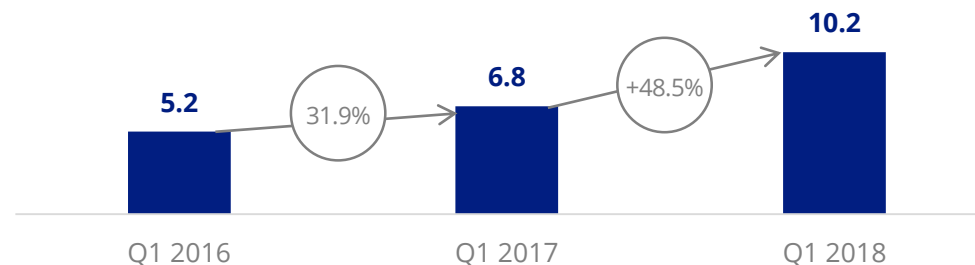
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Revenue and profitability growth in Q1 2018

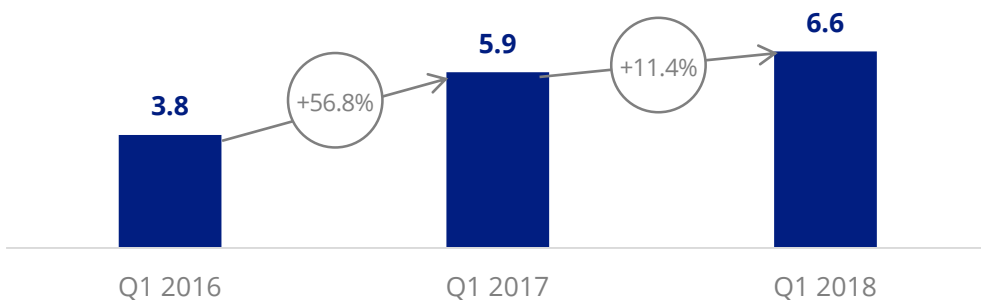
Revenue (EUR Million)



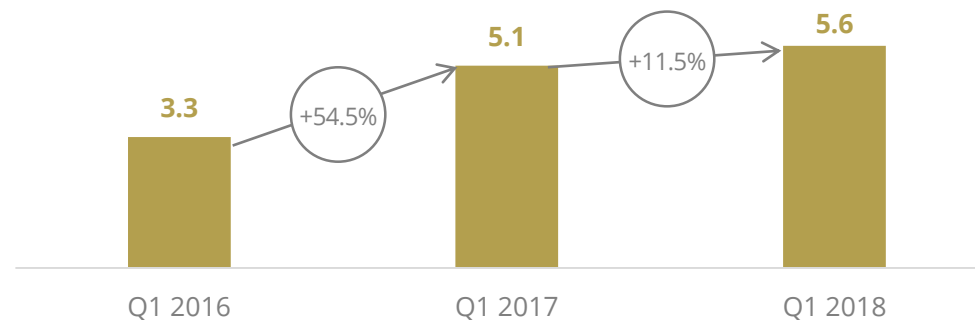
Operating Profit – EBIT (EUR Million)



Profit Before Tax (EUR Million)



Profit for the Period – (EUR Million)

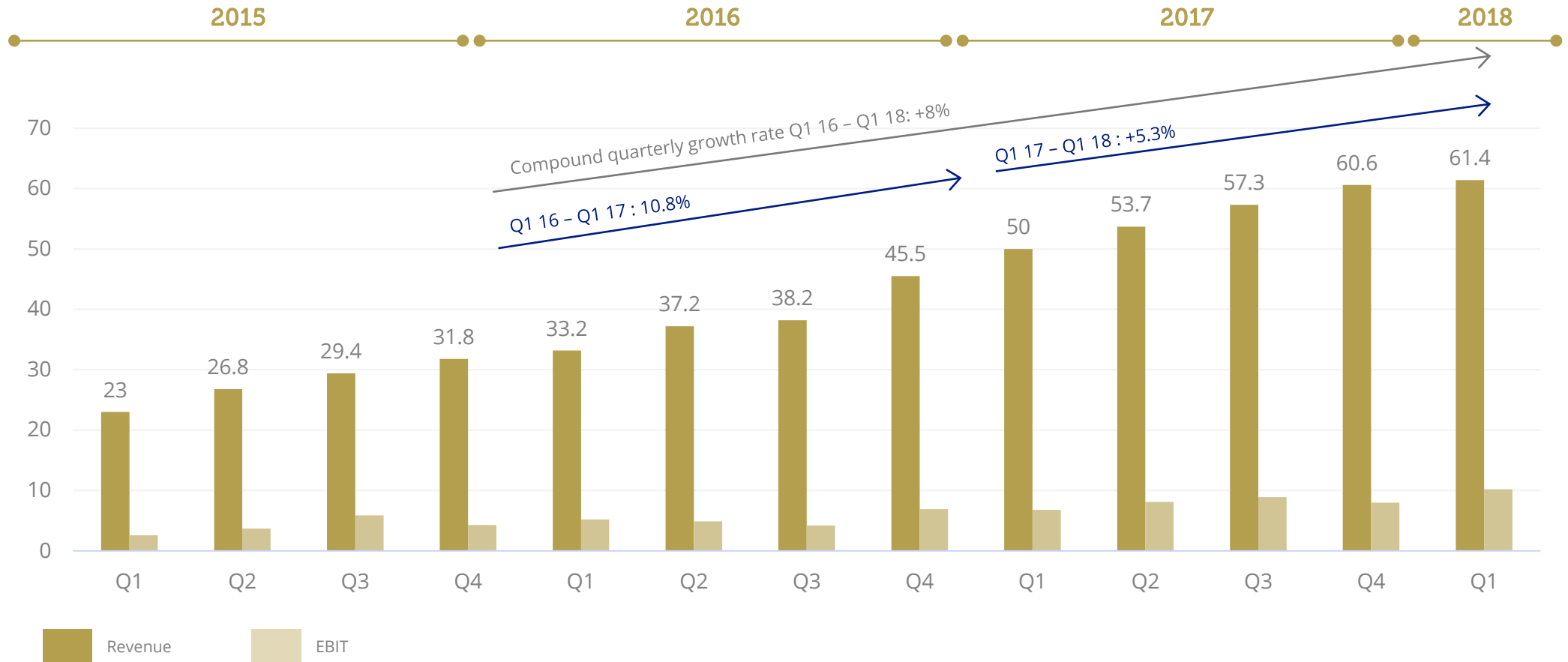


Foreign exchange loss on liabilities, realised

EUR'000	Q1 2018	Q1 2017
AUD	-0,193	0,300
CZK	0,049	-0,011
PLN	-0,284	0,365
GBP	0,131	-0,009
SEK	-0,900	0,036
Other currencies	0,043	0,161
FX impact on P&L	-1,154	0,842

- 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.

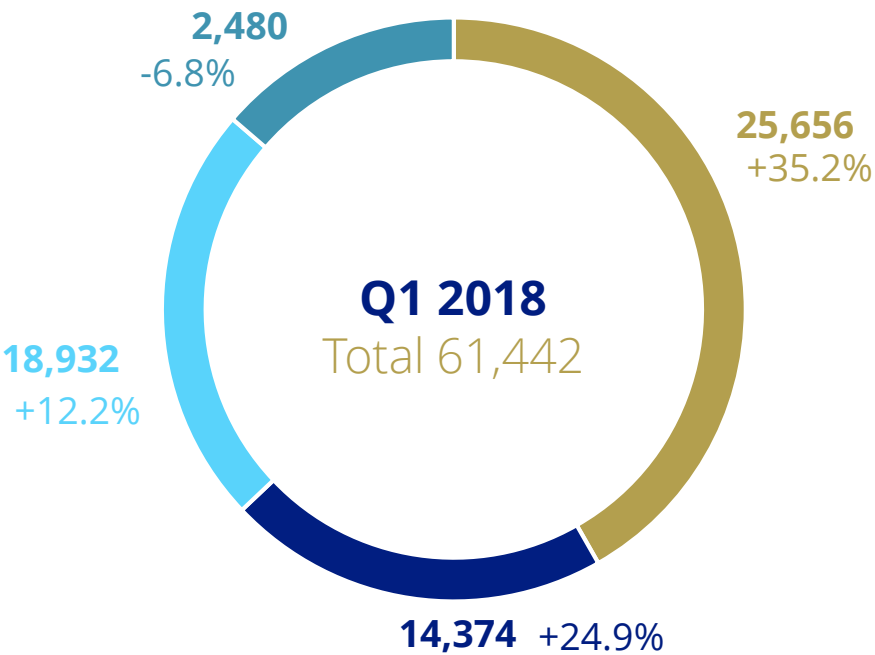
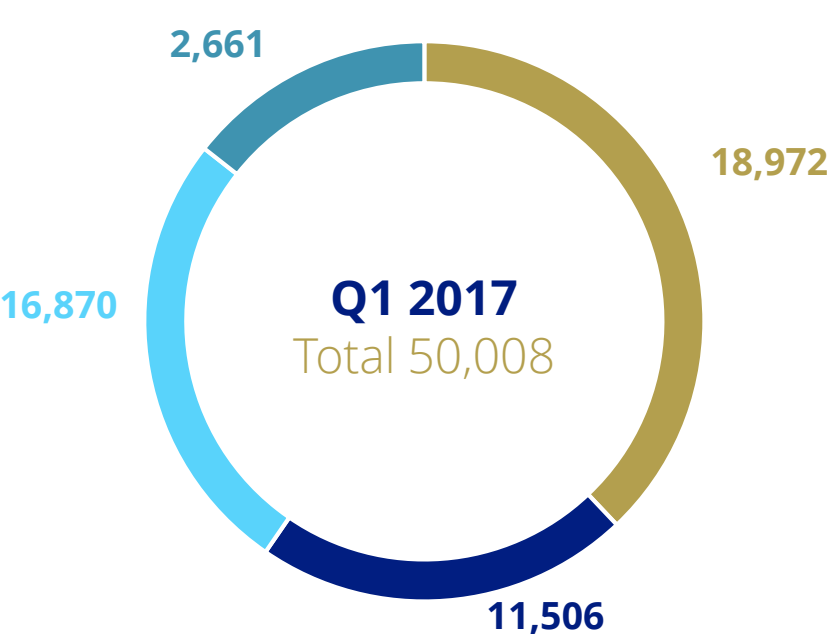
Further growth in Q1 2018



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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

Strong y-o-y performance

Operating profit (EBIT) up by 48.5%

EUR, 000	Q1 2018	Q1 2017	% Change
Revenue	61,442	50,009	+22.9%
Other income	6	13	-53.8%
Impairment of loans	(18,866)	(17,180)	+9.8%
Other operating expenses	(7,233)	(6,441)	+12.3%
Selling & marketing expenses	(10,028)	(7,877)	+27.3%
EBIT	10,169	6,849	+48.5%
Net financial costs	(3,542)	(903)	+292.2%
EBT	6,626	5,946	+11.4%
Income tax	(994)	(892)	+11.4%
Net profit	5,633	5,054	+11.5%
Earning per share, basic (EUR)	0,26	0,23	+13.0%
Earning per share, diluted (EUR)	0,26	0,23	+13.0%

- Moderate increase of impairments supports strong EBIT growth
- EBIT is increasing more than revenues
- Net financial cost impacted by FX: including a € 1.2 million loss in 1Q 2018 vs a € 842 k gain in 1Q 2017.

Credit Limit and PlusLoan established as core drivers of revenue

EUR,000

	Microloan		PlusLoan		Credit Limit		SME		Mobile Bank**		Total	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Revenue*	11,058	13,975	15,852	11,294	28,901	22,329	5,508	2,390	123	21	61,442	50,009
Impairments	(4,703)	(6,498)	(5,197)	(4,201)	(7,820)	(5,898)	(1,121)	(515)	(24)	(68)	(18,866)	(17,180)
As % of Revenue	42.5	46.5	32.8	37.2	27.1	26.4	20.4	21.5	-	-	30.7	34.4
Marketing	(1,293)	(535)	(2,568)	(2,276)	(4,371)	(4,370)	(1,247)	(680)	(550)	(16)	(10,028)	(7,877)
As % of Revenue	11.7	3.8	16.2	20.2	15.1	19.6	22.6	28.5	13	76.2	15.8	15.8
Attributable Product Margin	5,064	6,942	8,089	4,817	16,713	12,061	3,140	1,195	(451)	(63)	32,555	24,951
As % of Revenue	45.8%	49.7%	51.0%	42.7%	57.8%	54.0%	57.0%	50.3%	-	-	53.0%	49.9%
Total Non-directly Attributable costs	(3,802)	(4,728)	(5,450)	(3,821)	(9,937)	(7,554)	(1,894)	(809)	(1,304)	(1,190)	(22,386)	(18,102)
Operating Profit	1,262	2,214	2,639	996	6,777	4,506	1,246	386	(1,755)	(1,253)	10,169	6,849
Gross Profit Margin, %	11.4	15.8%	16.6%	8.8%	23.4%	20.2%	22.6%	16.2%	-	-	16.5%	11.9%
Finance costs, net	(283)	(234)	(624)	(528)	(1,125)	(882)	(351)	(180)	(20)	(5)	(3,542)	(903)
Net product margin	979	1,980	2,015	467	5,652	3,624	895	206	(1,775)	(1,258)	6,626	5,946
As % of Revenue	8.9%	14.2%	12.7%	4.1%	19.6%	16.2%	16.3%	8.6%	-	-	10.8%	11.9%

*incl. other income

**incl. Mobile Bank, Primeloan and Ferratum P2P

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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

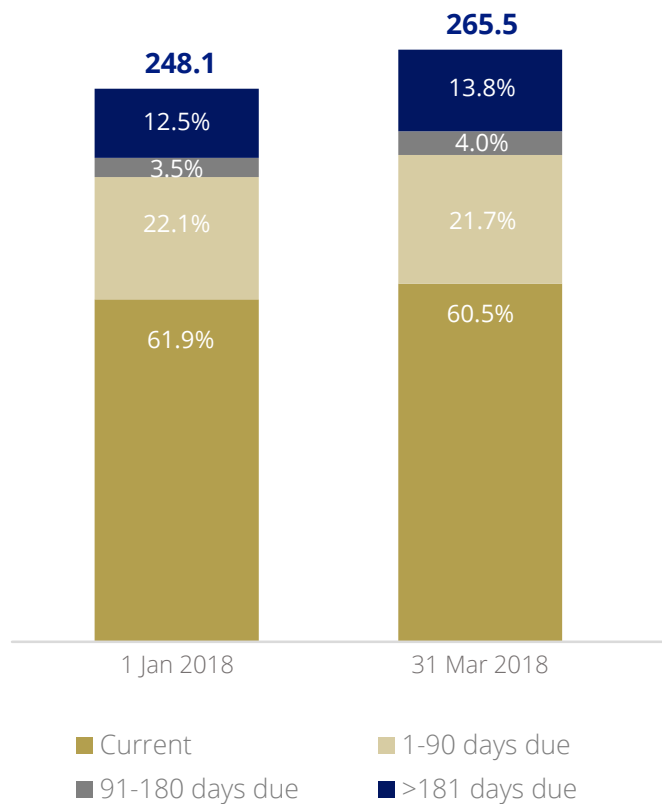
- Ferratum's accounting of receivables was already based on an expected loss model and thus exceeding IAS39 requirements
- From 1 January, Ferratum based its valuation of its credit portfolio on the mandatory IFRS 9 accounting standard
- IFRS 9 changes the timing of risk provisions and requires a one 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 €1.7m

IAS 39					IFRS 9				Change		
	Gross AR	Reserves	Net AR	%	Gross AR	Reserves	Net AR	%	Gross AR	Reserves	Net AR
Current	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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Moderate portfolio growth with stable quality

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 (%)
31 Mar 2018				
Current	165,041	(4,518)	160,523	2.7
1-90 days due	74,479	(16,765)	57,714	22.5
91-180 days due	25,334	(14,781)	10,553	58.3
>181 days due	111,648	(74,984)	36,665	67.2
Total	376,503	(111,048)	265,455	29.5

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

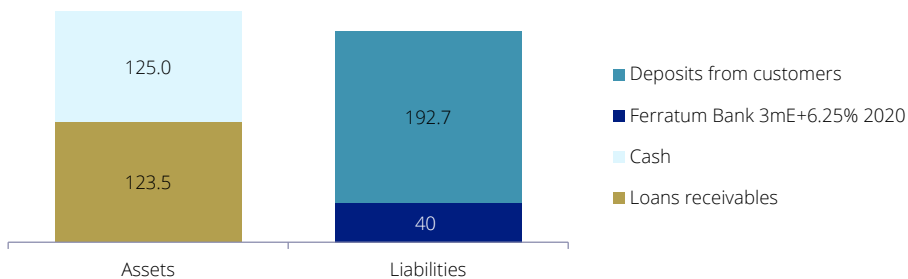
...by migrating more countries under Sphere I operations

SPHERE I OPERATIONS

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



FINANCING SPLIT Q1 2018 (EURm)

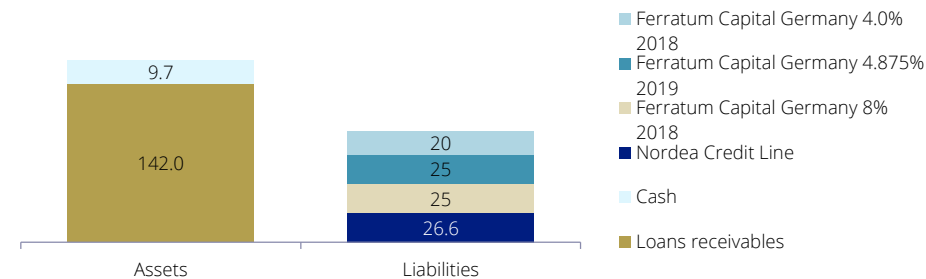


SPHERE II OPERATIONS

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



FINANCING SPLIT Q1 2018 (EURm)



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Successfully issue EUR 100m bond

Diversified investor base

- 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 for 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 will be listed on Nasdaq Stockholm, Frankfurt Stock Exchange Open Market and Frankfurt Stock Exchange Prime Standard (best effort basis) with ISIN: SE0011167972.

Solid balance sheet structure

High cash level driven by deposit growth

EUR '000	31 Mar 2018	31 Dec 2017
Assets		
Non-current assets	39,015	36,128
Accounts receivable – consumer loans (net)	265,455	257,406
Other receivables	7,852	10,554
Income tax assets	411	519
Cash and cash equivalents	134,688	131,832
Total Assets	448,345	436,595

EUR '000	31 Mar 2018	31 Dec 2017
Equity and liabilities		
Equity	103,960	105,243
Non-current liabilities	64,302	64,167
Current liabilities	280,083	267,185
of which deposits	192,677	174,301
Total Equity & Liabilities	448,345	436,595
Net debt to equity ratio	2.02	1.90

- Deposit volume higher than required – interest rates for savings account and term deposits have been reduced in Q1 – showing effect from Q2 on.
- Moderate growth in accounts receivable due to improved portfolio management
- Solid net debt to equity ratio of 2.02

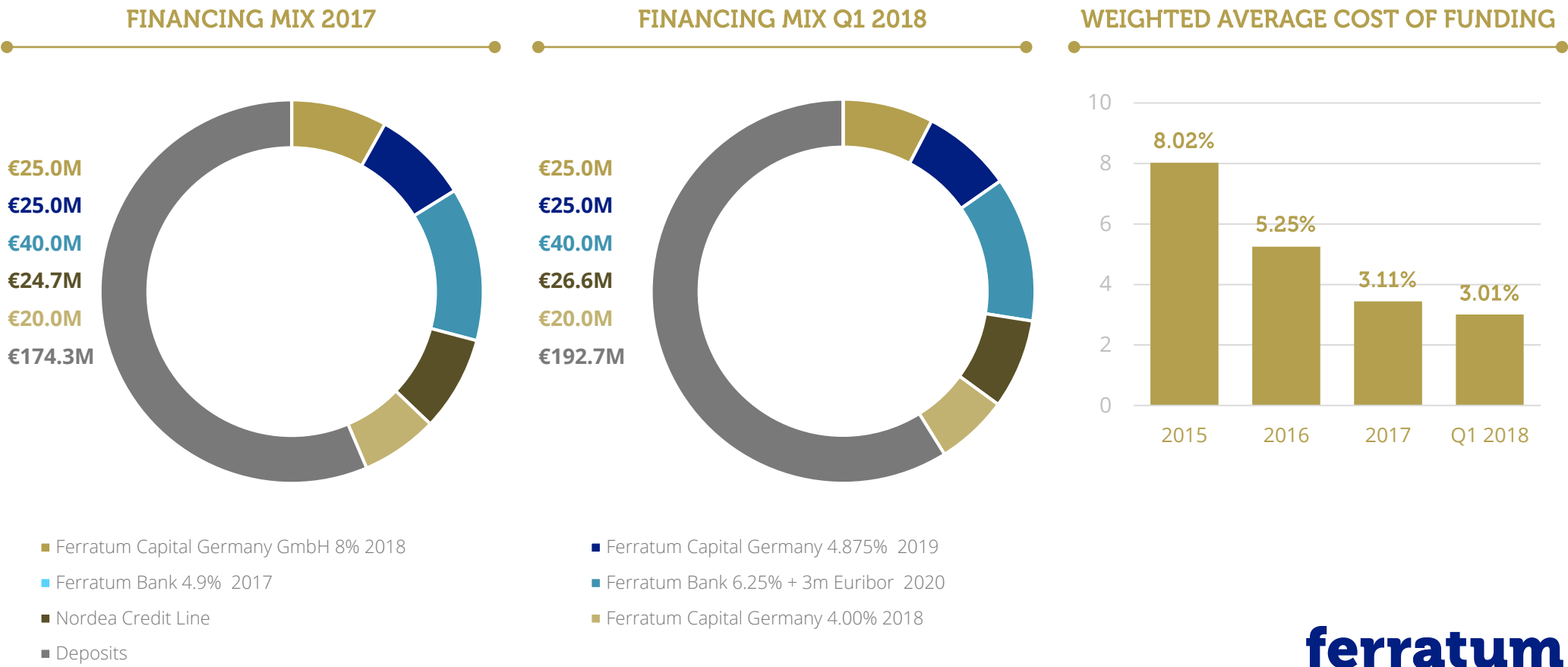
Operating cashflow positive

EUR '000

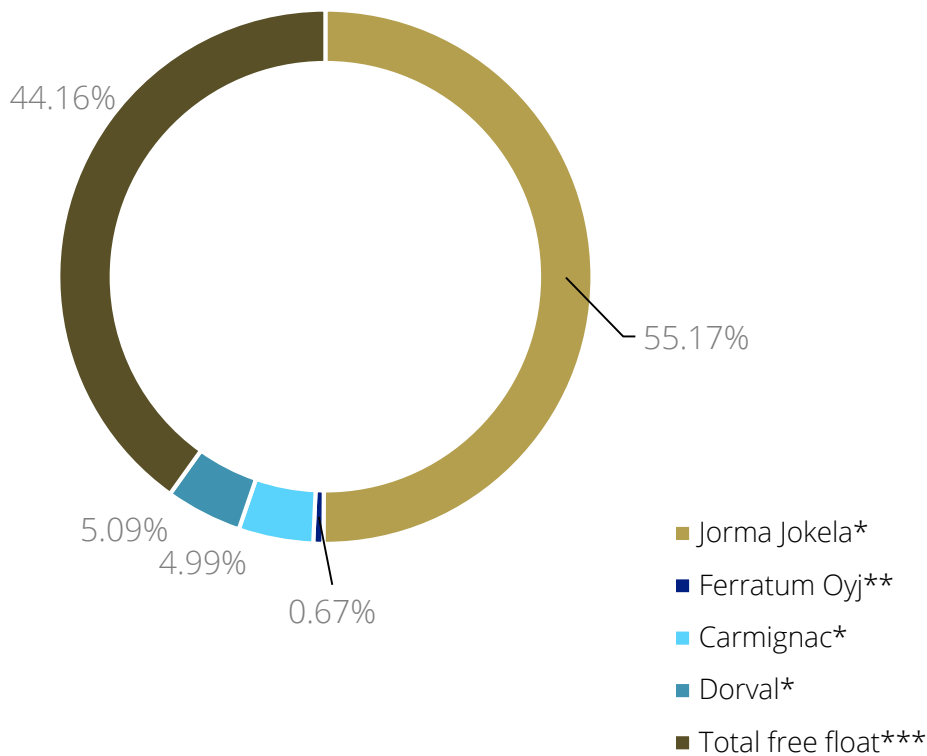
Assets	Q1 2018	Q1 2017
Net cash from operating activities before movements in portfolio and deposits	28,934	23,706
Net cash from operating activities	1,870	1,940
Net cash used in investing activities	(2,047)	(2,172)
Net cash used in financing activities	1,291	(8,487)
Net increase/decrease in cash equivalents	1,114	(8,719)
Cash and cash equivalents at the end of the period	134,688	131,832

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Cost of capital further decreasing



Shareholder information



Date	Financial Calendar Events
30 Aug 2018	Report for the first half-year 2018
22 Nov 2018	Report for the first nine months of 2018

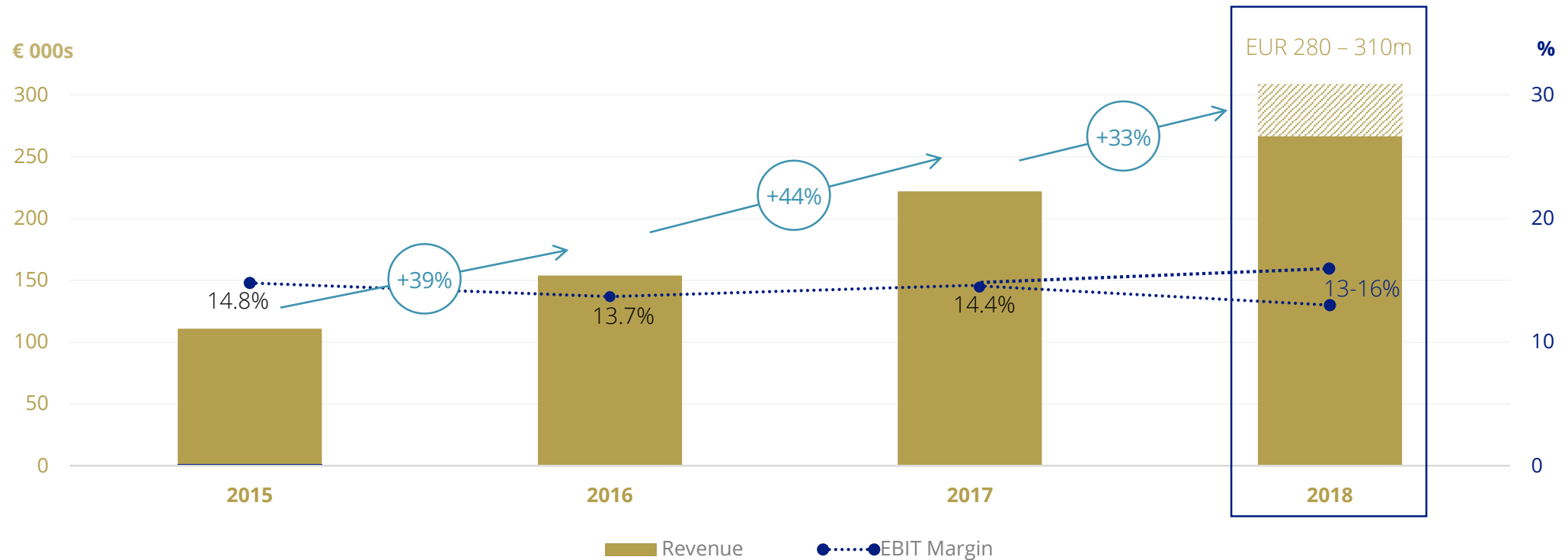
* Shareholders holding based on the latest shareholder notifications received
** Own shares held by Ferratum Oyj
*** Total free float includes shares held by Carmignac and Dorval as well as shares held by employees and management

Summary

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Summary and Outlook

- Revenue growth in line with expectations
- Strong profit growth and EBIT margin
- Well funded balance sheet with successful €100m bond refinancing



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