

A modern, bright office space with large windows, people working at desks, and a lounge area with sofas and coffee tables. The image is overlaid with a semi-transparent white layer and small gold dots.

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Corporate Presentation

October 2019

Important notice

This presentation contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or future financial performance of Ferratum.

Such statements are based on the current expectations and certain assumptions of Ferratum's management, of which many are beyond the Ferratum's control. The words "aim", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "potential", "predict", "projected", "risk", "should", "will" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree.

All forward-looking statements included herein are based on information presently available to Ferratum and, accordingly, Ferratum assumes no obligation to update any forward-looking statements, unless obligated to do so pursuant to an applicable law or regulation.

Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Ferratum or otherwise to engage in any investment activity.

An aerial, grayscale photograph of a city, likely Copenhagen, showing a dense urban landscape with numerous buildings and a prominent church spire on the right. The sky is cloudy, and there are small yellow dots scattered across the upper half of the image.

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Overview

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We are a Fintech, that develops and operates a big data based global financial platform for real-time scoring, lending and banking services

Ferratum Group in brief



Founded in Helsinki (2005) by CEO and largest shareholder Jorma Jokela (~55%),



- Mobile lender and mobile bank with deposit business
- Lending in 23 countries on 6 continents
- Three main business lines



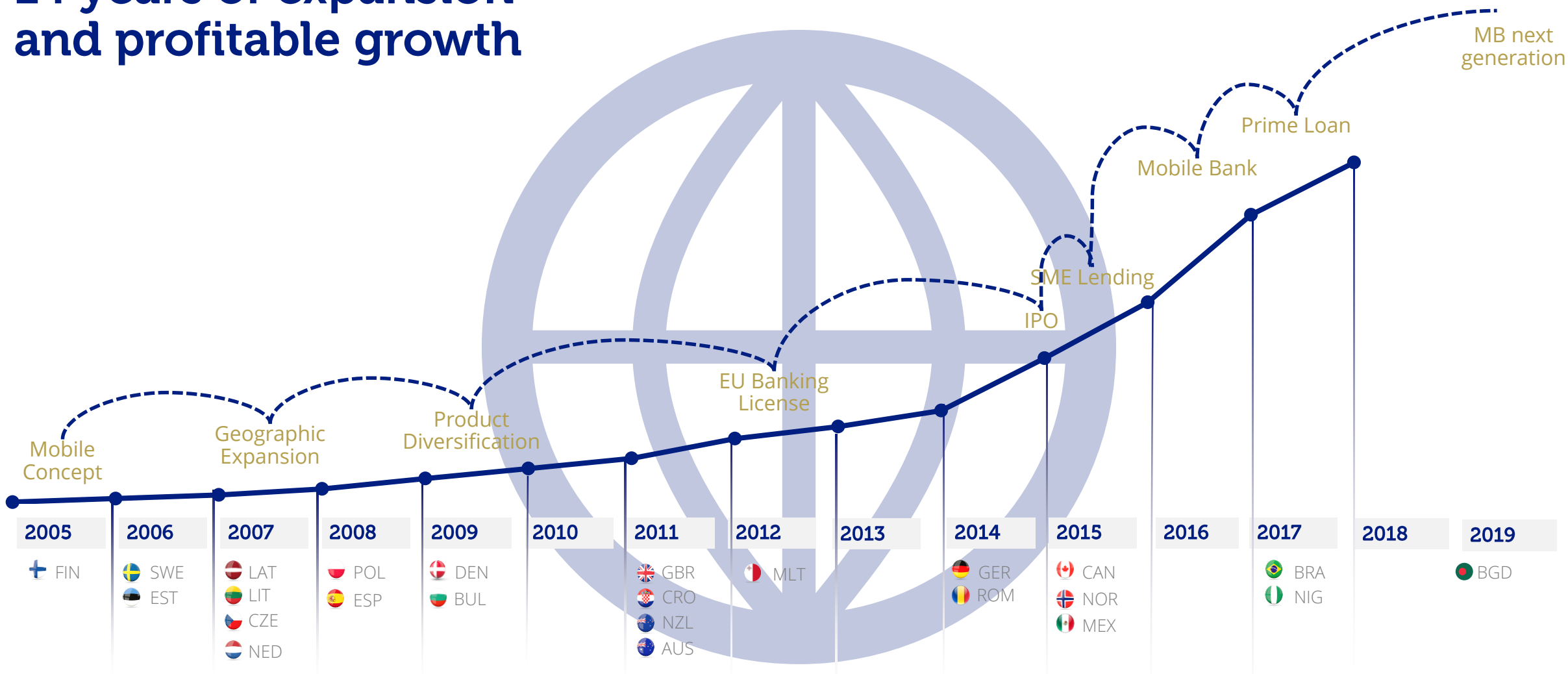
Frankfurt Stock Exchange
Prime Standard



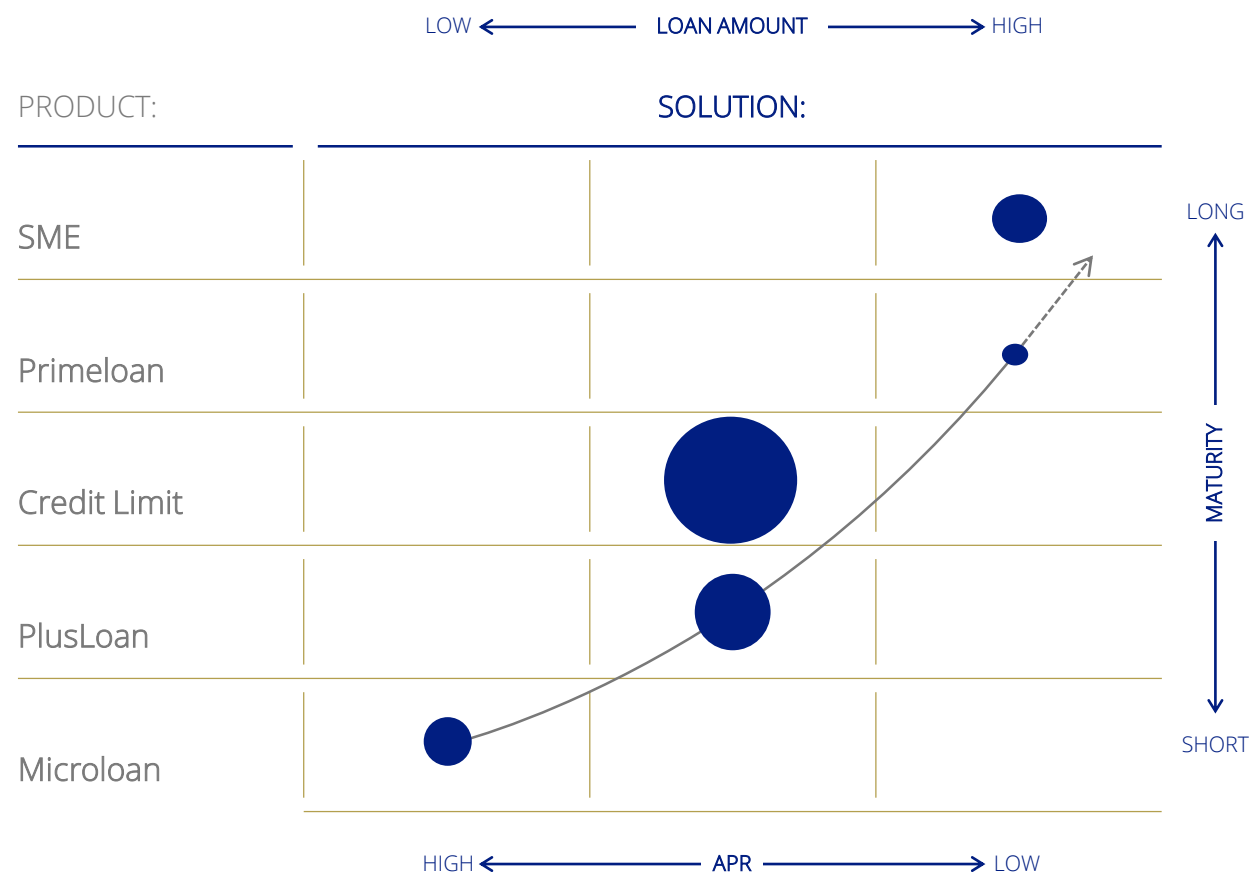
Full EU Banking License, enabling
deposit taking for optimizing cost of
capital



14 years of expansion and profitable growth



Product evolution continues to higher customer lifetime value



All products are based on the same principles:
Full digital setup and high user convenience,
real-time, paperless

SME – Business loan offering for small and medium size companies

Primeloan - strategic product for entering larger mass segments, launched already in four countries

Credit Limit and PlusLoan continue to be the main components of revenue

Microloan strategically utilized primarily as a product to enter new markets, share is being reduced in established markets

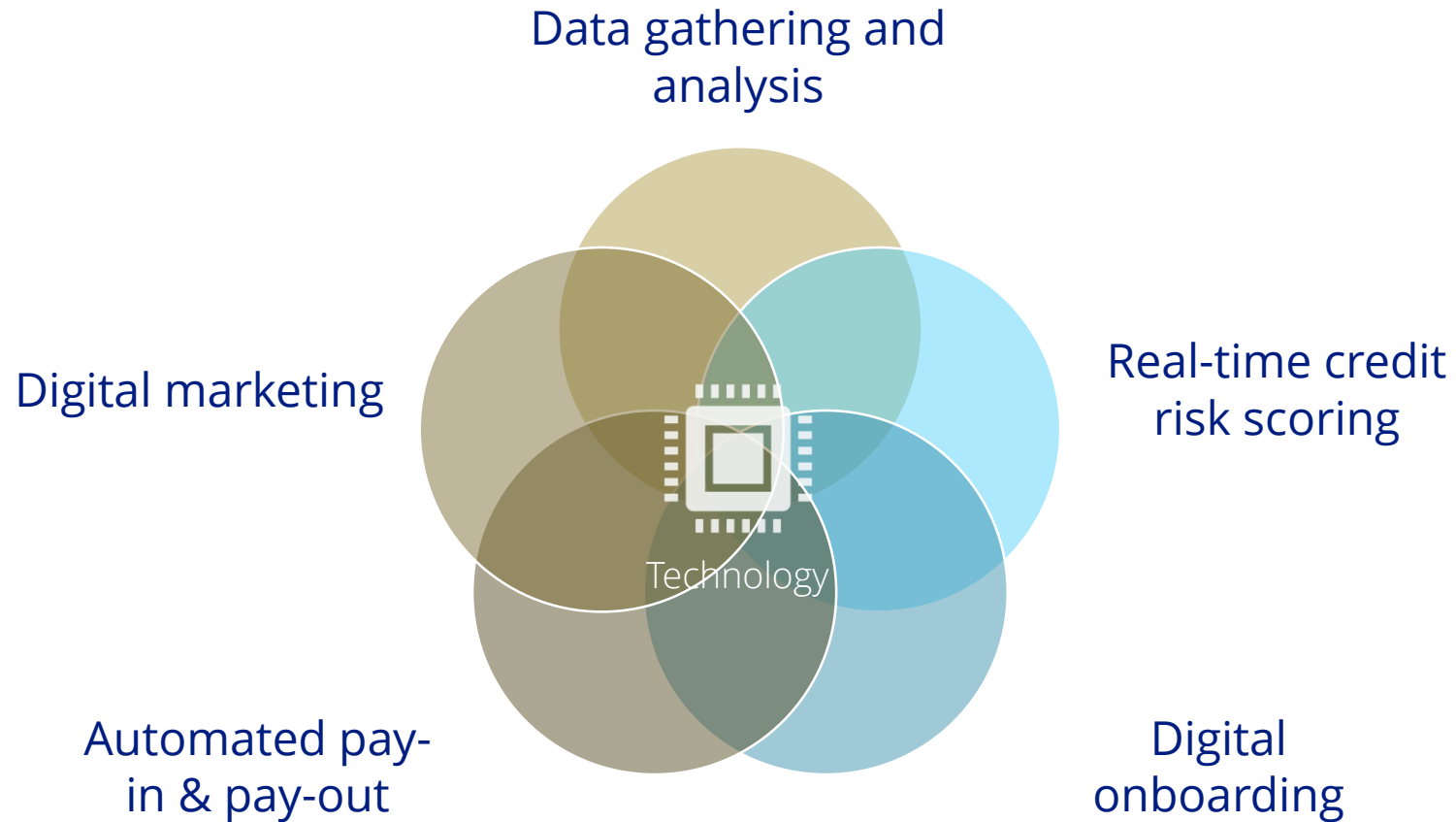
Credit Limit currently main revenue contributor, followed by PlusLoan and SME.
Currently small share with Microloan and Primeloan.

Improving revenue share of products with higher customer lifetime value

Revenue shares of Credit Limit and SME continue to grow, representing together 63% of all revenues (H1 2018 57%)

Products	Average Loan Value	Average Loan Term	Revenue Share	6M Revenues by Product (€,000)		Active Markets	Comments
Primeloan (incl. Mobile Bank) €3,000 – €20,000 / 1 – 10 years	€6,751	5.5 years	1.1%	2018	400	+309% y-o-y	4 (4) Primeloan: • Sweden launched in April • Latvia launched in May
				2019	1,637		
Business (SMEs) Up to €250,000 / 6 – 24 Month term	€13,800	434 days	8.9%	2018	10,445	+24% y-o-y	9 • Revenue growth driven by new customers and recurring revenue • Invoice finance product being piloted in Poland
				2019	13,004		
Credit Limit Up to €3,000 / Digital revolving credit line	€1,301	N/A	54.1%	2018	60,040	+31% y-o-y	10 • Credit Limit remaining main revenue driver
				2019	78,720		
PlusLoan €300 – €5,000 / 2 – 36 month term	€774	358 days	22.6%	2018	32,178	+2% y-o-y	9 • Stricter scoring in selected markets contributed to moderate sales growth
				2019	32,874		
Microloan €25 – €1,000 / 7 – 90 day term	€216	29 days	13.3%	2018	21,169	-8 % y-o-y	11 • Discontinued in Czech Republic and Australia • Revenues and geographies further decreased as per strategy
				2019	19,379		

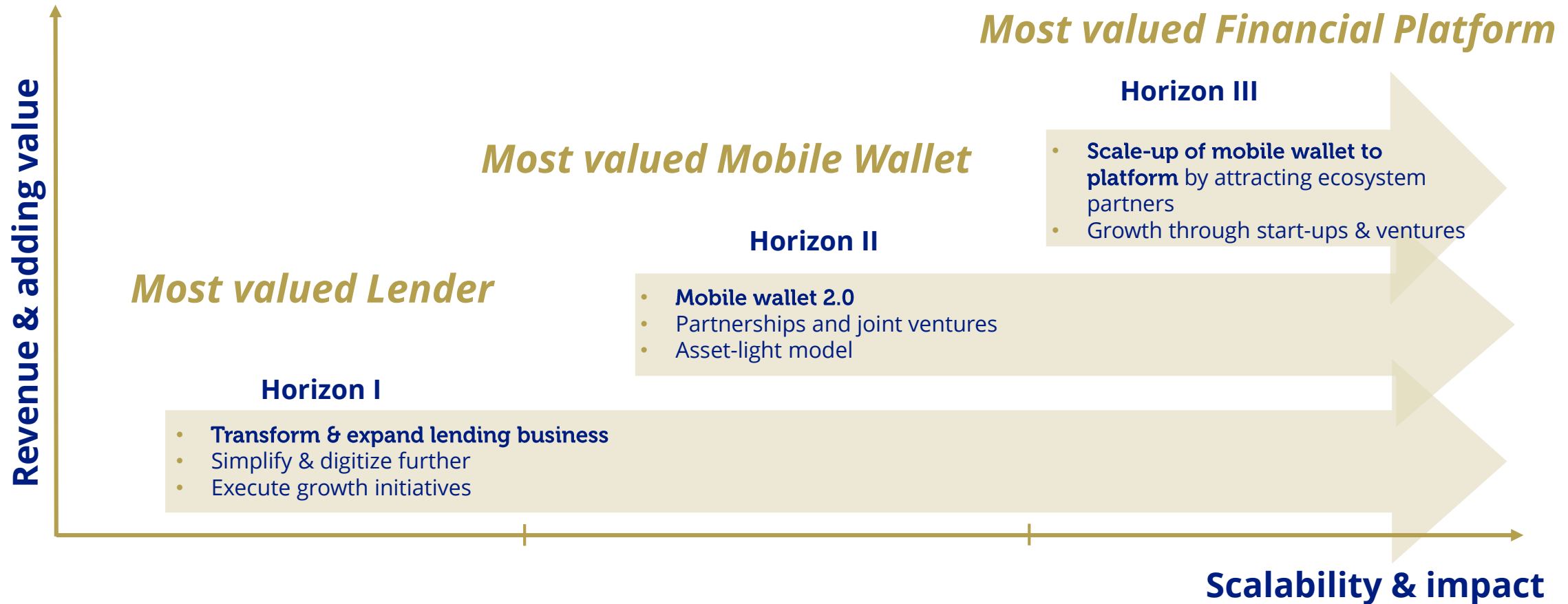
Powerfull competencies and experience gained over the past 14 years form a competitive advantage



Entrepreneurial spirit and calculated risk-taking culture

Unique regulatory expertise globally

We will achieve our strategic ambitions in three stages



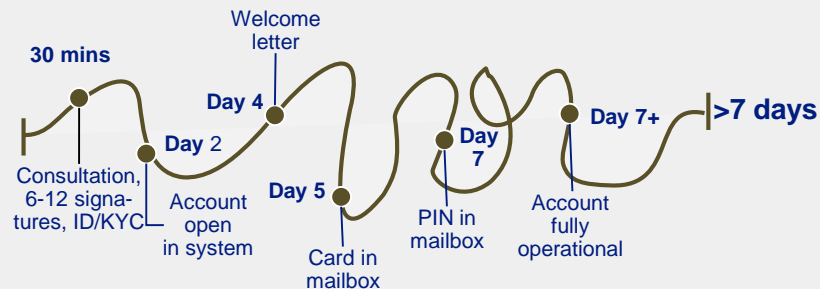
Future Perspective: Mobile Wallet at the core of all our customer interactions

Loan application process

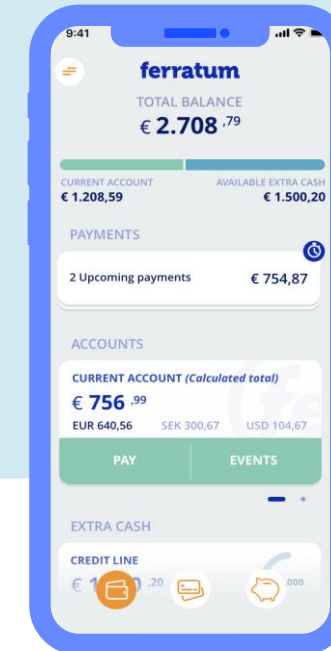
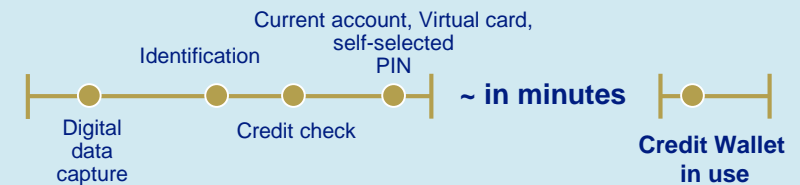
Traditional banks



Current account opening process

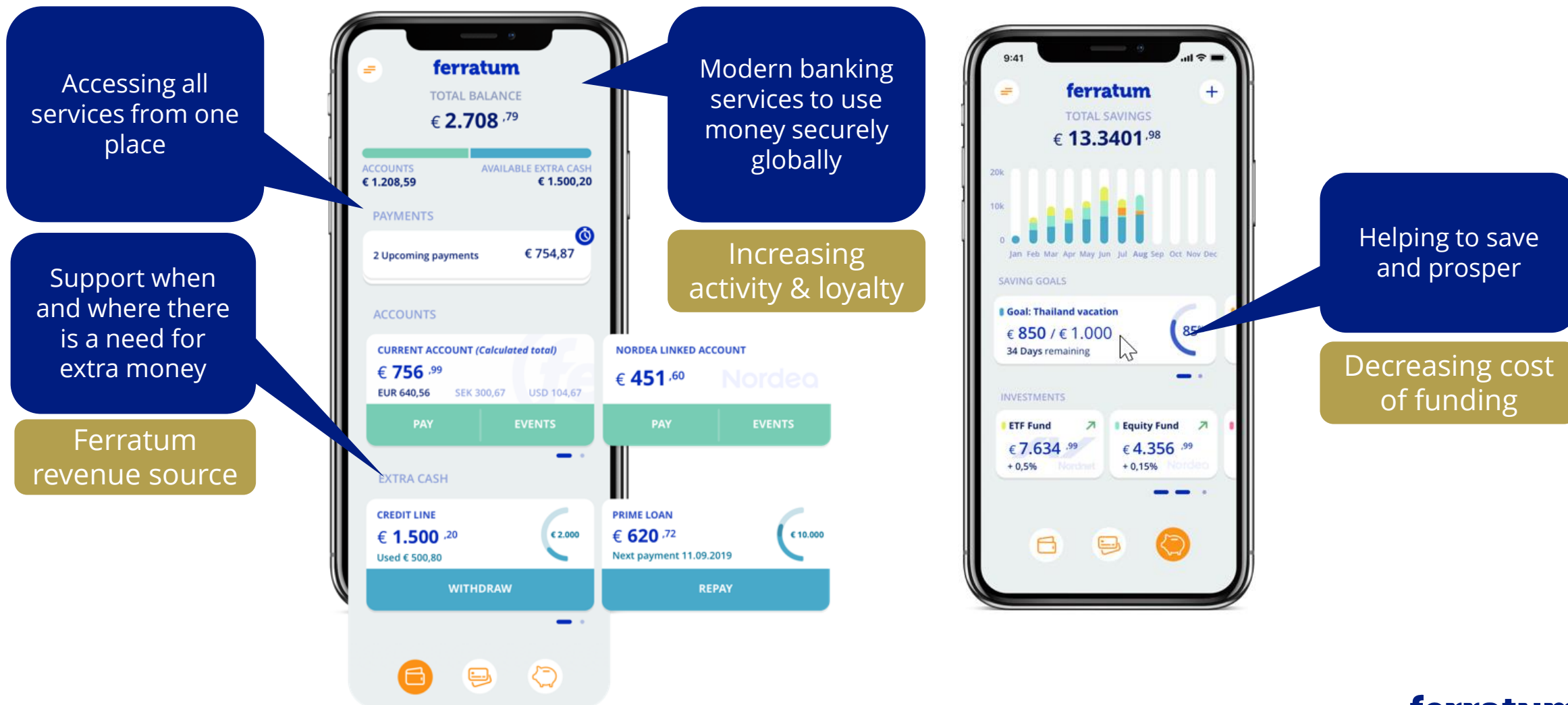


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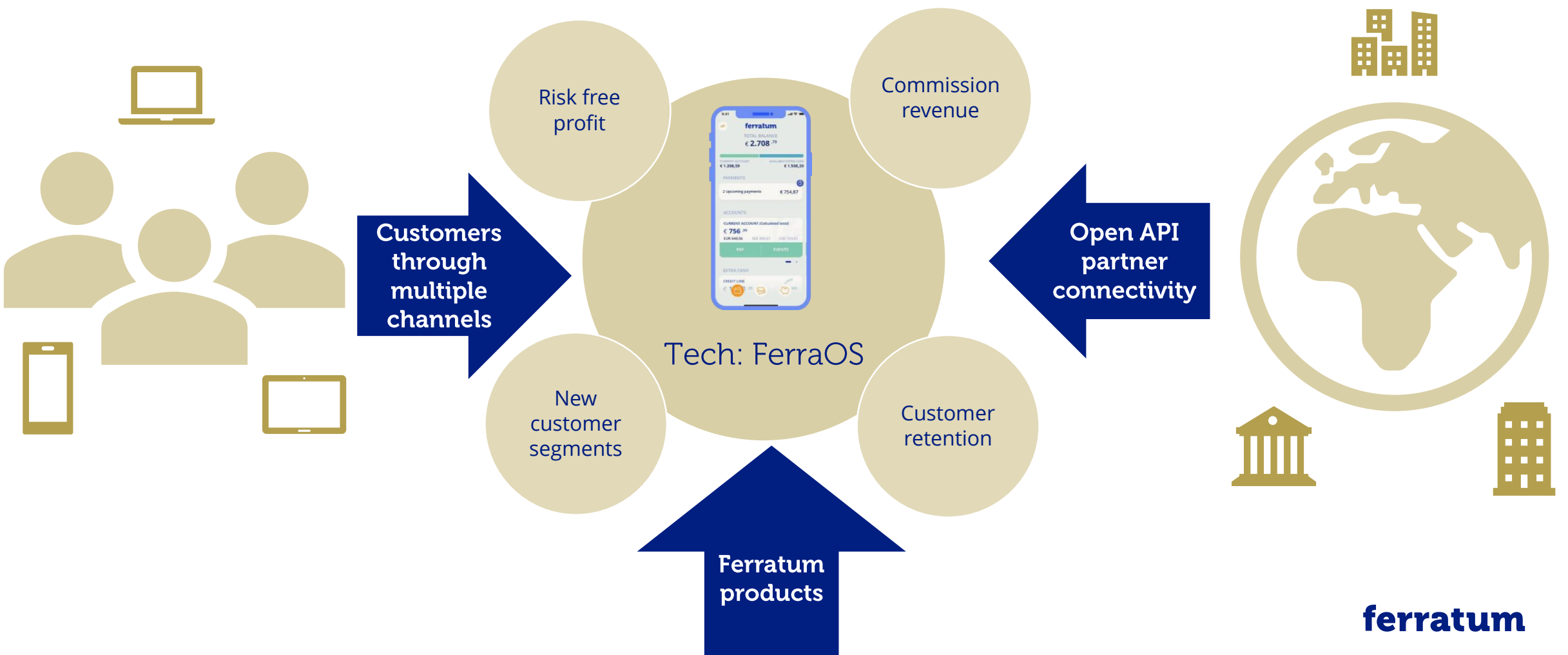


Ferratum Wallet – a win-win model for all

- Benefits for customers
- Benefits for Ferratum



Most valued financial platform: Scale-up Mobile Wallet to global financial platform and unlimited growth potential



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Finance

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Strong profitability improvements in H1/19

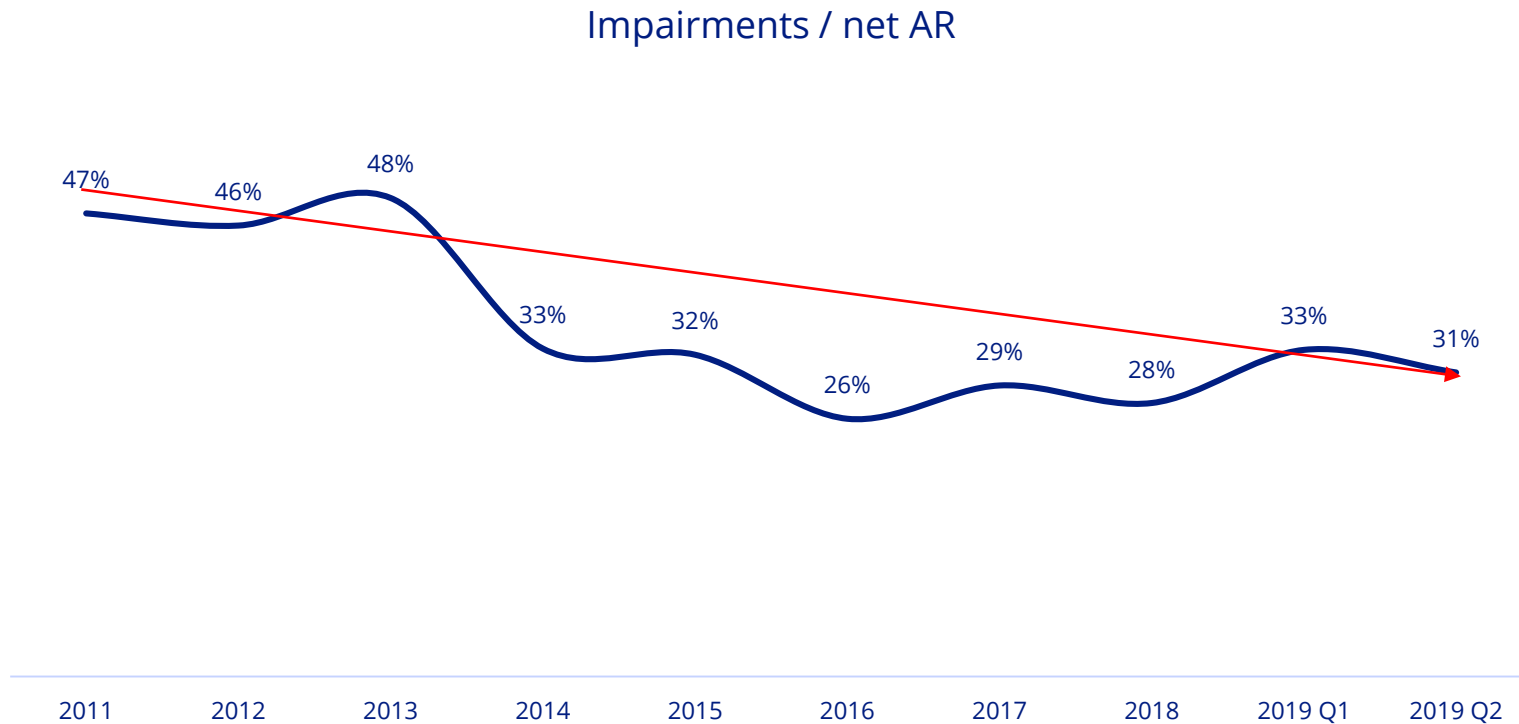
EUR, 000	H1 2019	H1 2018*	% Change
Revenue	145,613	124,232	+17.2%
Other income	11	16	-33.5%
Impairment of loans	(54,335)	(42,162)	+28.9%
Selling & marketing expenses	(20,698)	(19,734)	+4.9%
Total other operating expenses	(13,936)	(14,442)	-3.5%
EBIT	20,546	16,591	+23.8%
Net financial costs	(8,145)	(8,416)	-3.2%
EBT	12,401	8,175	+51.7%
Income tax	(1,861)	(1,227)	+15.0%
Net profit	10,540	6,948	+51.7%
Earning per share, basic (EUR)	0.49	0.32	+53.1%
Earning per share, diluted (EUR)	0.49	0.32	+53.1%

* restated

- Revenue growth 17.2%: main growth drivers Credit Limit and SME
- Sound profitability: EBIT grew @ 23.8 %, EBT @ 51.7% y-o-y
- Improved profitability based on
 - increased cost discipline
 - improved operating leverage
 - more focused marketing activities
- Stable tax ratio with 15%
- Intensified focus on risk management: Improving impairment of loans ratio in H1 2019

Success Factor Asset Quality

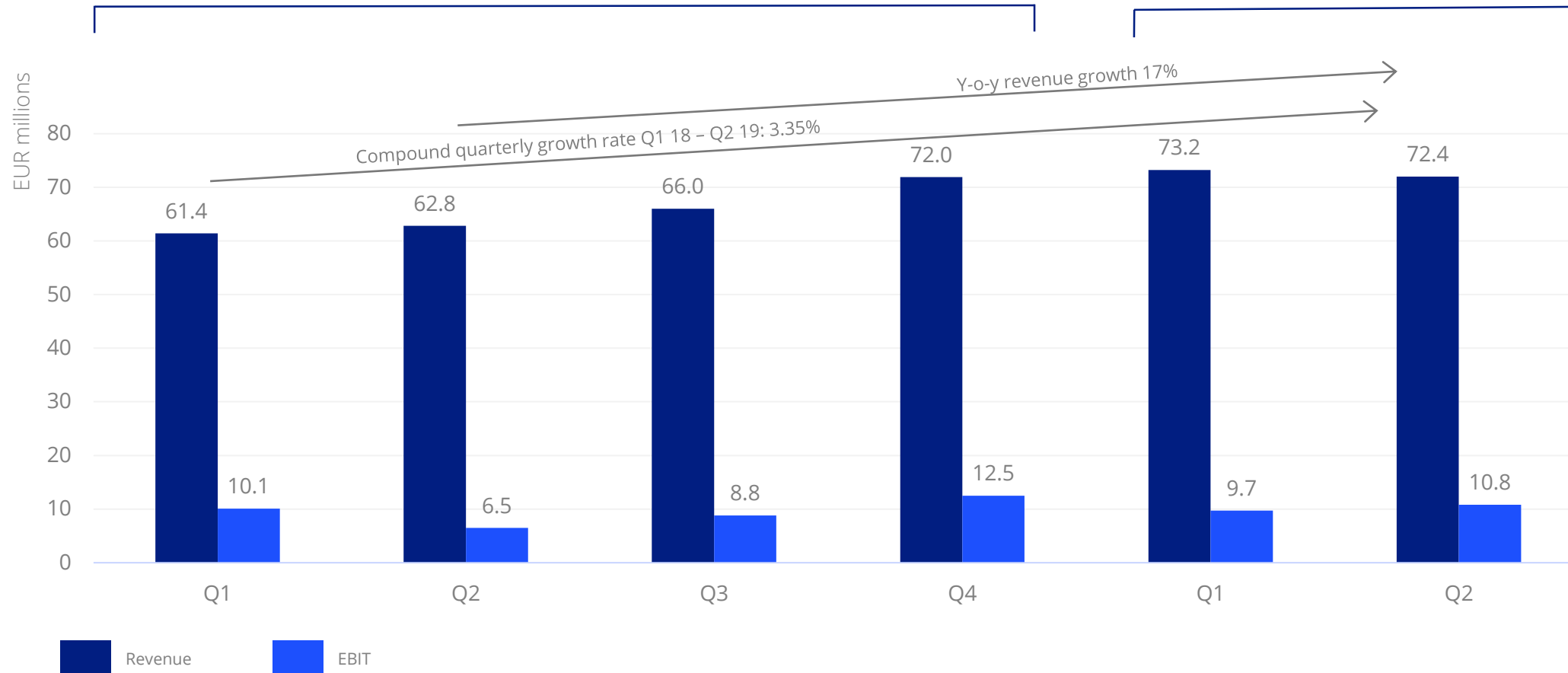
Impairments as % of revenues were at around 30-35% annually in the last years. Impairments on loans in % of the Credit Portfolio provide a better view on our risk and scoring model and show a decreasing trend reflecting our strategic product transition.



Solid revenue growth of 17% y-o-y; focus on profit development

2018*

2019



* Q1-Q3 2018 restated

Solid balance sheet structure

Solid cash level and sound deposit volume – strong funding mix

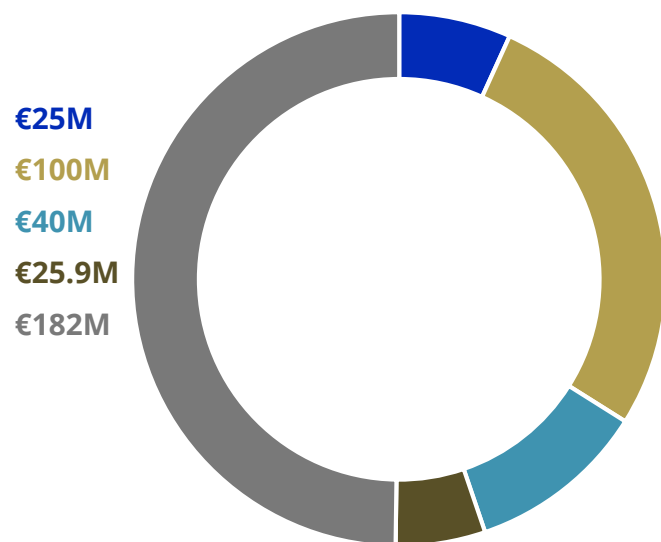
EUR '000	30 Jun 2019	31 Dec 2018	% Change
Assets			
Non-current assets	54,273	53,714	+1.0%
Accounts receivable – consumer loans (net)	354,002	320,538	+10.4%
Other receivables	14,988	9,399	+59.5%
Income tax assets	1,063	961	+10.6%
Cash and cash equivalents	117,345	115,559	+1.5%
Total Assets	541,790	500,192	+8.3%

EUR '000	30 Jun 2019	31 Dec 2018	% Change
Equity and liabilities			
Equity	113,959	107,380	+6.1%
Non-current liabilities	171,042	138,276	+23.7%
Current liabilities	256,789	254,536	+1.0%
Of which deposits	188,501	183,405	+2.8%
Total Equity & Liabilities	541,790	500,192	+8.3%
Net debt to equity ratio	2.72	2.58	+5.4%

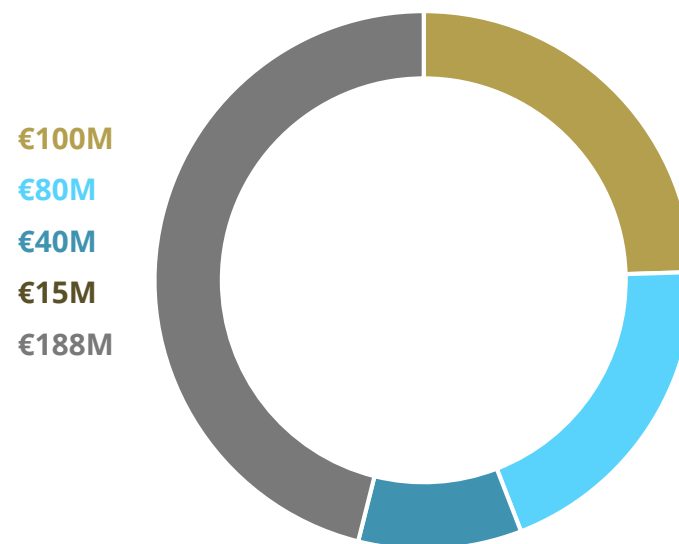
- Deposit volume stable
- Bond and equity as long-term funding sources
- Moderate credit portfolio growth from EUR 321 million to EUR 354 million

Cost of capital stable

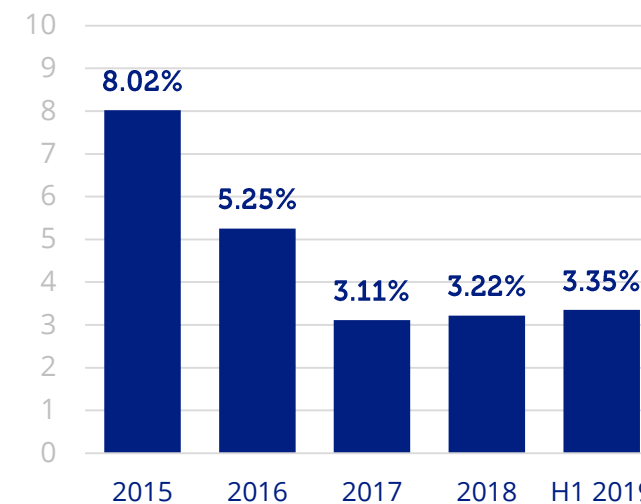
Financing mix at year end 2018



Financing mix end of June 2019

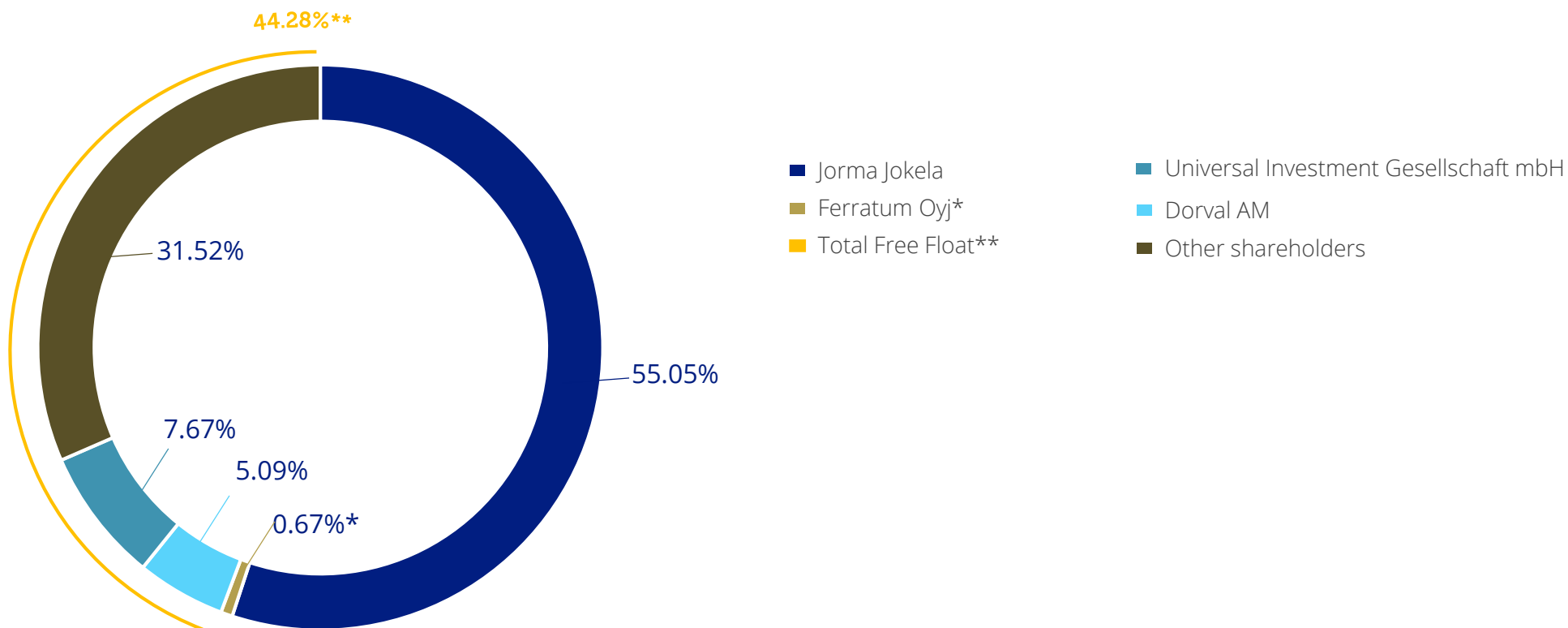


Weighted average cost of funding



- Ferratum Capital Germany 4.875% 2019 (repaid in June 2019)
- Ferratum Bank 6.25% + 3m Euribor 2020
- Ferratum Capital Germany 5.5% + 3m Euribor 2022
- Ferratum Capital Germany 5.5% + 3m Euribor 2023
- Nordea Credit Line (of which no limit used at 30 June 2019)
- Deposits

Shareholder information



All information of shareholders holding based on the latest shareholder notifications received

* Treasury shares held by Ferratum Oyj (no voting right and no dividends paid on treasury shares)

** Total free float includes shares held by institutional investors, but not treasury shares held by Ferratum Oyj

Thank you

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