PRESS RELEASES

Ferratum Group: solid revenue and EBIT performance in H1 2019

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Ferratum Group: solid revenue and EBIT performance in H1 2019

Helsinki, 21 August 2019 - Ferratum Oyj (ISIN: FI4000106299, WKN: A1W9NS) ("Ferratum" or the "Group") announces unaudited results for the first 6 months ended 30 June 2019 ("H1 2019").

Financial Highlights H1 2019

- Revenue y-o-y up by 17.2% to EUR 145.6 million, largely driven by Credit Limit and SME loans

- EBIT up by 23.8% y-o-y to EUR 20.5 million

- EBT up by 51.7% y-o-y

- Impairments on revenues down from 39.2% in Q1 to 35.4% in Q2

- Moderate net financial cost development

Operational Highlights

- Net book value of loan portfolio y-o-y up by 31.1% to EUR 354 million

- Primeloan launched in two further countries in H1

2019 Outlook

- For the fiscal year 2019 the Board confirms its estimates that operating profit (EBIT) will exceed EUR 45 million

	6 months ended 30 June	
Key Figures, EUR million	H1 2019	H1 2018 (restated)
Revenue	145.6	124.2
Operating profit (EBIT)	20.5	16.6
Profit before tax	12.4	8.2
Profit before tax %	8.5%	6.6%
Earnings per share, basic (EUR)	0.49	0.32
Earnings per share, diluted (EUR)	0.49	0.32

Solid revenue performance in H1 2019

Ferratum Group delivered further growth in the first six months of 2019, Group revenues increased by 17.2% to EUR 145.6 million, with Ferratum's flagship product Credit Limit representing 54% of revenues, a slight further increase on the comparable period in H1 2018. Intendedly declining Microloan revenues at EUR 19.4 million in H1 2019 continued to represent a diminishing proportion of turnover, being 8.5% lower than Microloan revenue for H1 2018. This ongoing decline is part of the Group's strategy of positioning Microloans in the future only as an initial 'beachhead' to understand customer behaviour while prioritising longer term lending as Ferratum's brand becomes more established in each country.

Business lending to Small and Medium size Enterprises (SMEs) is increasing in importance as customer segment for the Group, generating EUR 13.0 million of revenue in the first six months, a 24% increase on SME revenues from H1 2018 and with a record month in loan sales in Q1 2019.

Operating profit (EBIT) for H1 2019 increased by 23.8% year-on-year to EUR 20.5 million. The EBIT development keeps Ferratum on track with its guidance of exceeding EUR 45 million in EBIT for the full year 2019. The improved profitability is based on operating leverage, increased cost discipline and more focused marketing.

The gross impairment on loans ratio increased from 33.9% in H1 2018 to 37.3% for H1 2019. The increased credit losses in H1 2019 relate mostly to Q1 2019 due to volatility in business lending, market challenges in two of nine Plusloan countries and Credit Limit negatively influenced from strong sales of Q4 2018.

Key business developments

In line with the Group's strategy of decreasing the revenue share and geographical presence of MicroLoans, the product was discontinued in Australia and Czech Republic in H1 2019. The new Mobile Wallet, the successor of the Mobile Bank, is piloted in Latvia. Further piloting is intended to continue to ensure optimal performance before scaling to further markets in Europe. Primeloans were introduced into two further markets in H1 2019, Sweden and Latvia, bringing the overall amount of

Primeloan countries to four.

As at the end of June 2019, Ferratum operates in 23 countries, with lending having been suspended in Russia, France and Slovakia, and Bangladesh being added to the countries of operation.

Rating updates

The Group received a new BB- rating from Fitch Ratings in March 2019. The Rating is assigned at holding company level based on Ferratum's consolidated financial statements, which include Ferratum Bank p.l.c. Ferratum's LTIDR is based on Fitch's standalone assessment of the Group. In April, Creditreform AG, a German credit rating agency, issued the Group a rating of BBB-/stable.

In April, Ferratum Capital Germany GmbH, a subsidiary of Ferratum Oyj, successfully issued EUR 80 million of new senior unsecured bonds. The proceeds were used to refinance EUR 25 million of bonds that matured in June. The additional funds 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 are listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market with ISIN: SE0012453835. Fitch Ratings has assigned the newly issued bond with a Long-Term Rating of 'BB-'.

Confirmation of the outlook for 2019

For the fiscal year 2019 the Board confirms its estimates that operating profit (EBIT) will exceed EUR 45 million and in June 2019 the Group gave a mid-term aspiration of reaching EUR 100 million in EBIT.

Ferratum Oyj bases this guidance on certain assumptions, including:

- Consumer credit volumes continue to grow, exceeding the market average, based on new customers, continued diversification of consumer lending products and growth in new markets

- Moderate expectations on the 2019 contribution of new revenue streams from partnerships and mobile bank innovations

- Ferratum Business (SME) continues to grow as market share in the 9 existing markets is small and expected to increase

- No material negative changes in the consumer and business credit markets

- Stable capital market conditions

- No unexpected significant new regulatory challenges or changes

Subsequent events after period end

On 04 July Ferratum received a notification that Universal Investment-Gesellschaft mbH as of 01 July 2019 holds 1,666,759 shares in Ferratum, representing 7.67% of the total issued share capital of Ferratum.

At the end of June, Bernd Egger was appointed as Chief Financial Officer for the Group, succeeding Dr. Clemens Krause who will focus fully on his responsibilities as Chief Risk Officer of the Group. Bernd joined Ferratum on 01 August 2019 and was appointed as a member of Ferratum's Leadership Team with effect from the same date. Bernd Egger is a senior executive with more than 20 years of experience in international banking, finance and corporate development, of which 15 years have been spent in leadership functions such as board member and chief financial officer roles in the banking, fintech, e-money and payments industries. As CFO and board member of Paysafecard Group from 2008 through 2015, Bernd substantially contributed to the successful transformation of the business into a leading global online prepaid solution for customers. From 1999 through 2004, Bernd was a member of the executive board of Volksbank International AG (now Sberbank Europe AG), with group-wide responsibilities covering corporate development, M&A and international expansion.

About Ferratum Group:

Ferratum Group is an international provider of mobile banking and digital consumer and small business loans, distributed and managed by mobile devices. Founded in 2005 and headquartered in Helsinki, Finland, Ferratum has expanded rapidly to operate in 23 countries across Europe, Africa, South and North America, Australia and Asia.

As a pioneer in digital and mobile financial services technology, Ferratum is at the forefront of the digital banking revolution.

Ferratum's mobile bank, launched in 2016, is an innovative mobile banking platform offering a range of banking services, including real time digital payments and transfers, within a single app. It is currently available in four European markets. Ferratum has approximately 784,000 active customers that have an open Mobile Bank account or an active loan balance in the last 12 months (as at 30 June 2019).

Ferratum Group is listed on the Prime Standard of Frankfurt Stock Exchange under symbol 'FRU.' For more information, visit www.ferratumgroup.com.

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