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Ferratum Oyj: Ferratum Group lowers 2018 fiscal guidance

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Ferratum Oyj: Ferratum Group lowers 2018 fiscal guidance

- 2018 Group revenue guidance revised to a range of EUR 260-280 million
- Previously published 2018 EBIT profitability guidance maintained in the range of 13%-16%

Helsinki, 27 June 2018 - Following a recent decline in loan approval rates, and therefore lower than expected Group revenues for Q2 2018, the Board of Ferratum Oyj (ISIN: FI4000106299, WKN: A1W9NS) ("Ferratum" or the "Group") has reviewed recently implemented changes to the Group's credit scoring processes and concluded that Ferratum's risk assessment criteria have become unnecessarily restrictive. The Board has determined that these should be adjusted to

ensure that the Group does not reject credit risks that have in the past proven to be acceptable.

The Board is confident that these measures will not impact the overall impairment profile of the Group's loan portfolio, but has decided that it would be prudent to lower its expectations for 2018 Group revenue growth to allow these risk assessment enhancements and a recovery in loan approval volumes to take effect.

Accordingly, the Board now estimates revenues for the fiscal year 2018 will range between EUR 260 million (previously EUR 280 million) and EUR 280 million (previously EUR 310 million), while the estimate for operating profit margin (EBIT margin) is reconfirmed within the range of 13% and 16%.

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 2018 contribution of new revenue streams from partnerships, mobile bank innovations
- Ferratum Business (SME) continues to grow as market share in the 8 existing markets is small and expected to increase.
- Ferratum Mobile Bank is to be introduced in additional countries and will generate new customers, increased customer loyalty, cross-selling opportunities, increased deposit volume and diversified deposit currencies.
- No material negative changes in the consumer and business credit markets
- Stable capital market conditions
- No unexpected significant new regulatory challenges or changes

Disclaimer

All of the estimates presented herein are based on the Group's current opinion. The information presented above may include forward-looking statements. These statements are not a guarantee of the development of the Group's result of operations and financial position in the future, and the Group's actual result of operations and financial position could differ significantly from any information expressly or indirectly presented in forward-looking statements due to numerous factors. Investors are advised to take a qualified view of the aforementioned statements.

END OF AD-HOC ANNOUNCEMENT

Contacts:

Ferratum Group Dr. Clemens Krause Chief Financial Officer T: + 49 (0) 30 921005844 E: clemens.krause@ferratum.com	Ferratum Group Paul Wasastjerna Head of Investor Relations T: +358 40 7248247 E: paul.wasastjerna@ferratum.com
<u>UK / European media enquiries:</u> Smithfield, A Daniel J Edelman Company Alex Simmons Brett Jacobs T: +44 20 3047 2543 +44 20 3047 2537 E: asimmons@smithfieldgroup.com E: bjacobs@smithfieldgroup.com	

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Language:	English
Company:	Ferratum Oyj
	Ratamestarinkatu 11 A
	00520 Helsinki
	Finland
Phone:	+49 (0) 30 9210058-44
Fax:	+49 (0)30 9210058-49
E-mail:	ir@ferratum.com
Internet:	https://www.ferratumgroup.com
ISIN:	FI4000106299
WKN:	A1W9NS
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