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Interim Report January – March 2017

Ferratum Group reports 50.6% year-on-year revenue growth in Q1 2017

Helsinki, May 11, 2017 - Ferratum Oyj (ISIN: FI4000106299, WKN: A1W9NS) ("Ferratum" or the "Group") announces preliminary unaudited results for the 3 months ended 31 March 2017 ("Q1 2017").

Q1 2017 highlights

- Revenue of EUR 50.0 million – up 50.6% year-on-year
- Operating profit (EBIT) of EUR 6.8 million – up 31.9% year-on-year
- EBIT margin of 13.7%
- Positive operating cash flow of EUR 1.9 million
- Profit before tax (EBT) of EUR 6.0 million – up 56.8% year-on-year
- EPS (basic and diluted) increased 53.3% to EUR 0.23 per share
- Maturing EUR 20 million Ferratum Bank p.l.c. bond (WKN: A1Z4JU) repaid with proceeds from the EUR 25 million senior unsecured bond (WKN: A189MG) issued in Q4 2016
- Net financing costs decreased by 36% to EUR 0.9 million (Q1 2016: EUR 1.4 million) due to currency gains
- Net book value of loan portfolio grew by 11.9% to EUR 206 million (Q4 2016: EUR 184 million)
- Deposits from customers further increased by 17.1% to EUR 118.8 million
- Active/former customers increased by 335,967 (25.6%) to 1.65 million (Q1 2016: 1.31 million)



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Key Figures

	3 months ended March 31,	
EUR '000	2017	2016
<i>Revenue</i>	50,009	33,213
<i>Operating profit (EBIT)</i>	6,849	5,193
<i>Profit before tax</i>	5,946	3,792
<i>Profit before tax %</i>	11.9%	11.4%
<i>Net cash flows from operating activities before movements in portfolio and deposits received</i>	23,706	13,171
<i>Net cash flows from operating activities</i>	1,940	(11,401)
<i>Net cash flows from investing activities</i>	(2,172)	(2,041)
<i>Net cash flows from financing activities</i>	(8,487)	7,813
<i>Net increase/decrease in cash and cash equivalents</i>	(8,719)	(5,629)
<i>Earnings per share, basic (EUR)</i>	0.23	0.15
<i>Earnings per share, diluted (EUR)</i>	0.23	0.15



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EUR '000	March 31, 2017	December 31, 2016
<i>Accounts receivable – consumer loans (net)</i>	206,290	184,346
<i>Deposits from customers</i>	118,795	101,436
<i>Cash and cash equivalents</i>	64,600	73,059
<i>Total assets</i>	311,683	295,683
<i>Non-current liabilities</i>	73,362	72,246
<i>Current liabilities</i>	144,873	135,563
<i>Equity</i>	93,447	87,875
<i>Equity ratio %</i>	30.0	29.7
<i>Net debt to equity ratio</i>	1.64	1.53

Key Developments and Progress

Ferratum continued last year's growth trend during the first three months of 2017: The Group's revenue rose to EUR 50.0 million, an increase of 50.6% compared to the respective period of the previous year (Q1 2016: 33.2 million). Growth drivers were product diversification and optimization in consumer lending as well as the further development of business lending. The number of active and former customers increased by 25.6% year-on-year to 1.65 million as of 31 March 2017.

The operating profit (EBIT) increased by 31.9% year-on-year to EUR 6.8 million. Optimization of marketing efforts have improved significantly, pushing down marketing costs from 20.2% of revenues in Q4 2016 to 15.8% in Q1 2017. Impairments on loans have, as expected, increased from 28.7% of revenues in Q1 2016 to 34.4% in Q1 2017.

The profit before tax (EBT) grew significantly by 56.8% y-o-y to EUR 5.9 million, benefiting from a foreign exchange gain of EUR 842 thousand as part of net finance costs. In the first quarter of 2016 a currency loss of EUR 338 thousand was realized.

Equity increased to EUR 93.4 million from EUR 87.9 million as of 31 December 2016, while the equity ratio remained strong at 30.0%. Net receivables from customers grew by 11.9 % to EUR 206.3 from EUR 184.3 million. The loan coverage ratio remained stable, decreasing slightly from 25.4% in Q4 2016 to 24.2% in Q1 2017.



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Deposits from customers further increased by 17.1% from EUR 101.4 million to EUR 118.8 million. The interest offered for deposits has been reduced in Q1 2017 in order to slow down the inflow of deposits. The Mobile Bank is planned to be launched in further countries during 2017.

On January 21, 2017, Ferratum Bank p.l.c. repaid its EUR 20 million bond (ISIN: MT0000911207) with the proceeds from the EUR 25 million senior unsecured bond issued in the final quarter of 2016.

As of March 1, 2017, the two bonds issued by Ferratum Capital Germany GmbH – Ferratum Capital Germany GmbH 8% 2018 (WKN: A1X3VZ) and Ferratum Capital Germany 4.875% 2019 (WKN: A2AAR2) – have commenced trading on Scale, Deutsche Börse's new market segment for small and medium-sized enterprises.

Ferratum's group rating of BBB+ from Creditreform AG was confirmed during Q1 in its regular annual review.

Subsequent Events

During the first quarter, Ferratum focused preparations for market entry into Brazil and the launch of a new consumer lending product in Finland.

Ferratum is pleased to report that in May, Ferratum Brasil commenced consumer lending operations in Brazil with credits of up to BRL 3,000 (EUR 850).

Ferratum is also pleased to announce that a new loan product "Primeloan" was launched in May in Finland. Primeloan is an unsecured personal loan with amounts of EUR 3,000 to EUR 20,000 and lending terms of 1 to 10 years. The product uses a new risk model which links pricing to the risk profile of the customer.

During the Annual General Meeting held in Helsinki on May 4, 2017, Christopher Wang was appointed as a new board member. Mr Wang is a Managing Partner at J&W Partners Co. Ltd., a private equity firm based in Seoul, South Korea that he co-founded in 2014. He has more than 15 years' experience as a transactional lawyer and investor operating in the Asian market.

During the Annual General Meeting shareholders also approved the payment of a final dividend of EUR 0.12 per share for the financial year 2016.

CEO and Founder Jorma Jokela commented:

"We have made a positive start to 2017 with robust revenue and profit growth in the first quarter that maintains the momentum we saw in the final quarter of 2016. The strong performance of our Credit Limit and PlusLoan products continues to validate the strategy of offering a range of innovative lending solutions across multiple markets. Growth for these products is partly driven by Microloan customers who now take advantage of our larger, longer term products, but our addressable market also continues to grow with the launch in May of Primeloan, and entry into the strategically important Brazilian market.

Following the successful launch of our mobile bank in three countries last year, customer deposits have continued to grow, reaching 118.8 million euros at the end of the first quarter. With further market entries planned for 2017, and exciting plans in the pipeline to enhance the range of Mobile Bank services through third-



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party partnerships, 2017 promises to be another transformative year for Ferratum and we remain fully confident in achieving our 2017 full year revenue and EBIT margin guidance.”

About Ferratum Group:

Ferratum is an international provider of consumer and small business loans, distributed and managed by mobile devices. Founded in 2005 and headquartered in Helsinki, Finland, Ferratum is a pioneer in the fields of financial technology and mobile lending and has expanded rapidly to operate in 24 countries (as at May 11, 2017). Ferratum's customers utilize digital media to apply for consumer credit in amounts varying between EUR 25 and EUR 20,000 and small businesses instalment loans up to EUR 100,000 with a term of six to twelve months. Led by its founder, Jorma Jokela, Ferratum has more than 1.6 million active and former customers who have been granted one or more loans in the past (as at March 31, 2017).

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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