



Ferratum™

More than money **to everyone**

STATEMENT FOR THE FIRST NINE MONTHS

For the period January 1, 2016 - September 30, 2016

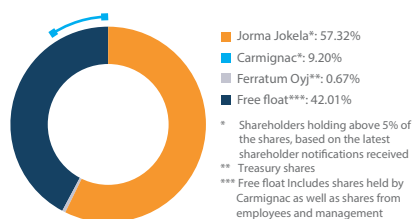
SHARE FACT SHEET 9M 2016

ISIN	FI4000106299
WKN / Stock Exchange symbol	A1W9NS/ FRU
Stock Exchange	Frankfurt Stock Exchange
Market segment	Regulated Market/ Prime Standard
Index	SDAX
Designated sponsor	ICF BANK AG ODDO SEYDLER BANK AG
Opening / closing price (9M 2016)	EUR 29,59 / EUR 17,90
High / Low (9M 2016)	EUR 29,86 / EUR 17,25
Number and class of shares	21,723,960 ordinary shares with no nominal value

SHARE PRICE PERFORMANCE



SHAREHOLDER STRUCTURE



FINANCIAL CALENDAR 2016 / 2017

November 21, 2016	German Equity Forum 2016
March 7, 2017	Preliminary unaudited financial figures 2016
March 30, 2017	Annual report 2016
May 4, 2017	Annual General Meeting 2017
May 11, 2017	Report for the first three months of 2017
August 17, 2017	Report for the first half-year of 2017
November 16, 2017	Report for the first nine months of 2017

FERRATUM OYJ - BUSINESS MODEL

Ferratum Group is leading international provider of mobile consumer loans and small business lending. As a pioneer in the field of financial technology and mobile lending, Ferratum has expanded its operations to 23 countries in Europe, North America and the APAC regions since 2005. The Group has 1.5 million active and former customers who have been granted one or more loans in the past and a total of 4.3 million user accounts in its database.

As one of the forerunners in developing the credibility of mobile consumer lending and shaping common industry processes, Ferratum Group operates under generally accepted ethical principles. It has geared its business model and processes to being efficient and customer-orientated. The identification and scoring (assessment of creditworthiness) of customers are key factors in conducting the business globally.

FINANCIAL HIGHLIGHTS

Financial highlights, EUR '000

	Jan-Sep 2016	Jan-Sep 2015
Revenue	108,645	79,179
Operating profit	14,231	12,212
Profit before tax	9,456	9,395
Net cash flows from operating activities before movements in portfolio and deposits received	40,242	34,698*
Net cash flows from operating activities	43,806	(21,501)
Net cash flows from investing activities	(6,038)	(2,340)
Net cash flows from financing activities	17,958	47,690
Net increase / decrease in cash and cash equivalents	55,726	23,849
Profit before tax %	8.7	11.9

Financial highlights, EUR '000

	30-Sep-2016	31-Dec-2015
Accounts receivable – consumer loans (net)	153,615	106,758
Deposits from customers	88,661	3,009
Cash and cash equivalents	71,765	17,452
Total assets	256,785	140,127
Non-current liabilities	47,673	48,927
Current liabilities	125,862	13,562
Equity	83,250	77,638
Equity ratio %	32.4	55.4
Net debt to equity ratio	1.22	0.58

* Restated: the amount of increase / decrease in interests accrued was taken out and included to Net cash flows from operating activities (after movements in portfolio)

KEY ACTIONS AND DEVELOPMENTS

Ferratum continued its growth in the third quarter 2016 with revenues of EUR 38.3 million (Q3 2015: EUR 29.4 million). In the first nine months of 2016 revenues increased by 37.3% compared to the respective period during the previous year (9M 2016: EUR 79.2 million) to EUR 108.7 million. EBIT rose by 16.4% to EUR 14.2 million (9M 2016: EUR 12.2 million). Profit before tax (EBT) in the first nine months increased by 1.1% to EUR 9.5 million (9M 2015: 9.4).

Since the start of the year Ferratum has introduced its CreditLimit product in both Spain and Poland while introducing the PLUS Loan product to the Finnish market. Ferratum Business (SME), has been launched in Denmark and the Netherlands during 2016. The group has also introduced a completely new member to its product family, marketplace lending (Ferratum P2P). The deposit volume collected by Ferratum Bank Plc has increased to EUR 88.6 million in Q3 which shows a strong acceptance in both the Swedish and German markets.

Ferratum achieved earlier this year a group credit rating of BBB by Creditreform AG whereas Ferratum earlier, only had a financial instrument rating, for the bond issued in 2013 by Ferratum Capital Germany GmbH (WKN: A1X3VZ). Both ratings got upgraded during Q2 from BBB to BBB+. Ferratum Capital Germany GmbH placed a new bond (WKN: A2AAR2) during the second quarter of 2016. EUR 25 million was raised, the proceeds will mainly be used to expand Ferratum's growth in the non-bank sphere.

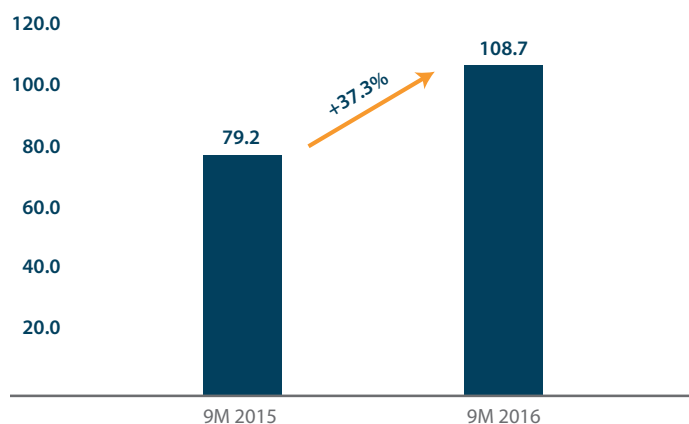
A Growth Acceleration Program has been initialized in order to increase profitability and growth. Ferratum has as part of this program conducted significant organizational and operational changes during the third quarter. The company's management structure is now oriented towards products, instead of regions and the number of directors team members has been reduced. Thereby existing capacities can be used more efficiently than before. As further means to increase efficiency the company is focusing on core activities and is to stop non-core projects and products, i. e. FerBuy will be discontinued and lending will be suspended in Slovakia. This also led to the decision to cancel the acquisition of Firmen Credit Bank GmbH in Q3 and that the group is to operate with one European banking license only.

The IT strategy has been changed in order to migrate to more scalable systems and IT architecture. Furthermore the management has started a strategic review of its three main growth drivers:

- **New countries:** As a result Ferratum decided to postpone market entries and modified the international strategy to include joint ventures and new cooperations to gain faster and more efficient access to other markets.
- **Products:** In addition to the development and launch of further products, a stronger emphasis is given to optimizing the existing products. The target is to further increase the Customer Lifetime Value, for example by higher loan amounts and longer terms and optimized scoring.
- **Mobile Bank:** The product ownership for the mobile bank has been empowered and the marketing for the Mobile Bank has started in three markets: Germany, Sweden and Norway.

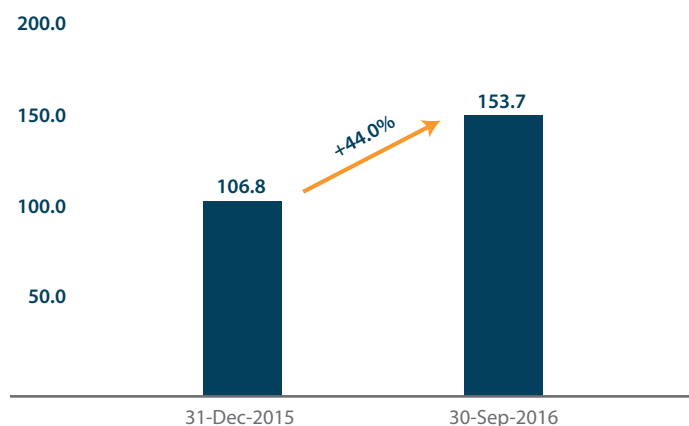
REVENUE

in EUR million



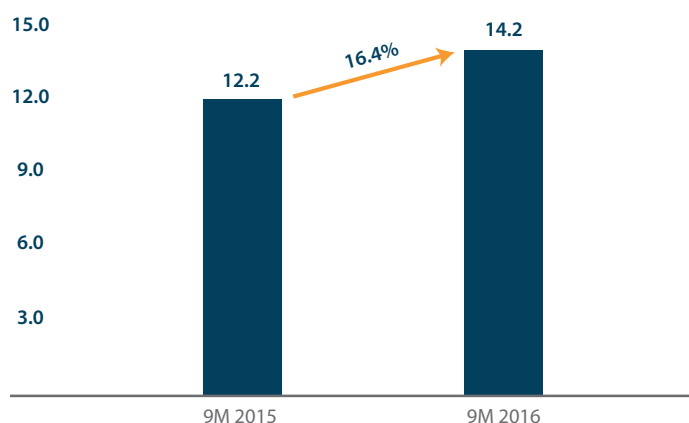
NET RECEIVABLES

in EUR million



EBIT

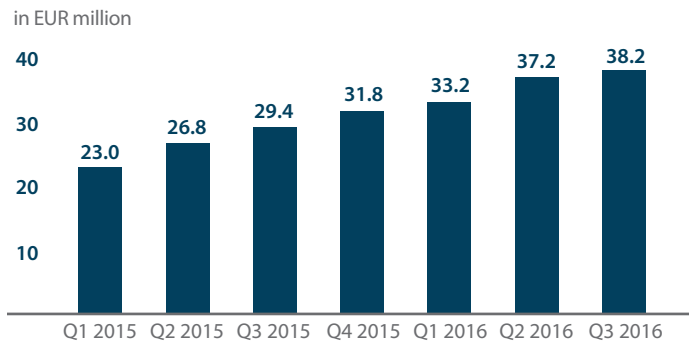
in EUR million





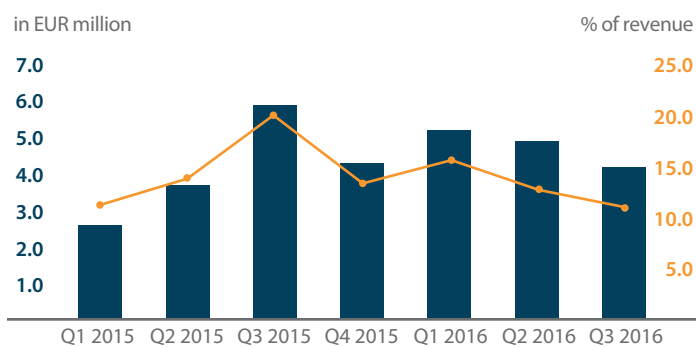
ECONOMIC REPORT

REVENUE



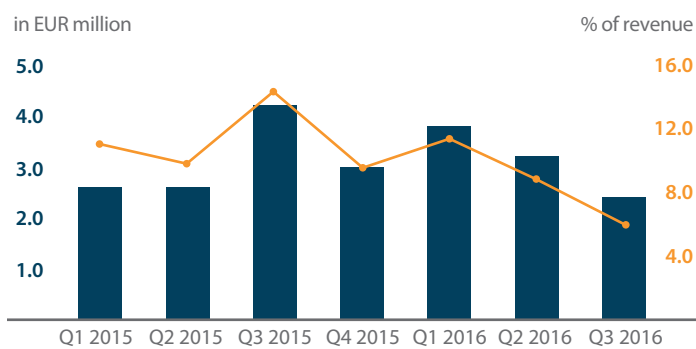
- Continued quarterly revenue growth
- Year-on-year revenue growth of 37.3 % in 9M/2016
- Revenue share of microloans business decreased from 55.4 % to 35.8 % y-o-y
- Revenue share of PlusLoans (incl. SME business) increased from 10.6 % to 21.6 % y-o-y
- Revenue share of Credit Limit (incl. ferBuy) increase from 34.0 % to 42.6 % y-o-y

OPERATING PROFIT (EBIT)



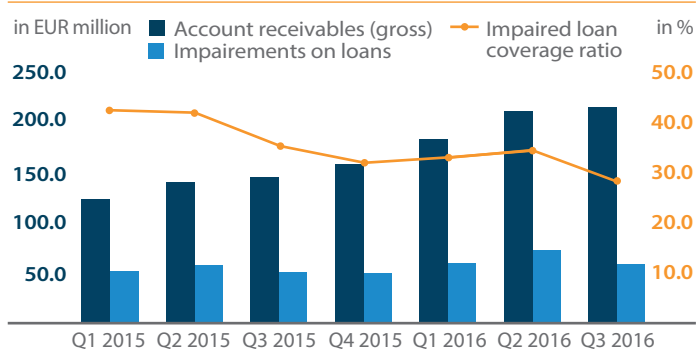
- 9M/2016 EBIT increased by 16.4 % y-o-y (from EUR 12.2 million to EUR 14.2 million)
- EBIT margin decreases from 15.4 % in 9M/2015 to 13.1 % in 9M/2016
- Operative profitability impacted by slower than expected growth, increased cost as part of the launch of our Mobile Bank, relatively high marketing cost - as part of the Growth Acceleration Program

PROFIT BEFORE TAX (EBT)



- 9M/2016 EBT grew slightly by 1.1 % y-o-y (from EUR 9.4 million to EUR 9.5 million)
- EBT has been impacted by further increasing FX losses of EUR 1.1 million as per end of the third quarter

ACCOUNT RECEIVABLE / IMPAIREMENTS ON LOANS



- Declining loan coverage ratio (from 34.9 % in 9M/2015 to 27.6 % in 9M/2016) due to improving credit portfolio quality
- Impaired loan coverage ratio for loan receivables due longer than 181 days improved, too
- Net receivables grew year-on-year by 64.1 % (from EUR 93.6 million in 9M/2015 to EUR 153.6 million in 9M/2016)



CONSOLIDATED INCOME STATEMENT

9 months ended September 30

EUR'000	2016 (unaudited)	2015 (restated unaudited)
Revenue	108,645	79,179
Other income	113	49
Impairments on loans	(35,232)	(24,803)
Operating expenses:	-	-
Personnel expenses	(17,672)	(11,714)
Selling and marketing expenses	(20,990)	(13,845)*
Lending costs	(5,801)	(5,024)
Other administrative expenses	(1,457)	(643)*
Depreciations and amortization	(1,304)	(952)
Other operating expenses	(12,072)	(10,033)
Operating profit	14,231	12,212
Finance income	49	285
Finance costs	(4,823)**	(3,102)**
Finance costs – net	(4,774)	(2,817)
Profit before income tax	9,456	9,395
Income tax expense	(1,135)	(1,127)
Profit for the period	8,322	8,268
Earnings per share, basic	0.39	0.39
Earnings per share, diluted	0.39	0.38
Profit attributable to:		
• owners of the parent company	8,322	8,268
• non-controlling interests	0	0

* Sales commissions of EUR 2,693 thousand during the nine months ended September 30, 2015 were reclassified from Other administrative expenses to Selling and marketing expenses

** Including foreign exchange losses of EUR 1,053 thousand during the nine months ended September 30, 2016 and EUR 116 thousand during the nine months ended September 30, 2015



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR'000	30-Sep-2016 (unaudited)	31-Dec-2015 (audited)
Assets		
Non-current assets		
Property, plant and equipment	2,606	560
Intangible assets	10,911	8,232
Government stocks	8,506	-
Deferred income tax assets	2,654	2,692
Total non-current assets	24,678	11,484
Current assets		
Account receivables - consumer loans (net)	153,615	106,758
Other receivables	6,217	4,309
Income tax assets	510	124
Cash and cash equivalents (excluding bank overdrafts)	71,765	17,452
Total current assets	232,108	128,643
Total assets	256,785	140,127
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	40,134	10,134
Treasury shares	(142)	(142)
Reserves	(1,732)	(638)
Unrestricted equity reserve	14,708	44,708
Retained earnings	30,283	23,577
Total equity	83,250	77,638
Liabilities		
Non-current liabilities		
Borrowings	47,435	48,739
Other payables	-	4
Deferred income tax liabilities	238	184
Total non-current liabilities	47,673	48,927
Current liabilities		
Income tax liabilities	1,485	1,002
Deposits from customers*	88,661	3,009
Borrowings	22,181	533
Trade payables	3,919	2,727
Other current liabilities	9,615	6,290
Total current liabilities	125,862	13,562
Total liabilities	173,535	62,489
Total equity and liabilities	256,785	140,127

* In previous published reports Deposits from customers were included to Borrowings



CONSOLIDATED STATEMENT OF CASH FLOW

9 months ended September 30

EUR'000	2016 (unaudited)	2015 (unaudited)
Cash flows from operating activities		
PROFIT/LOSS FOR THE PERIOD	8,322	8,268
<u>Adjustments for:</u>		
Depreciation and amortization	1,304	952
Finance costs, net	4,774	2,817
Tax on income from operations	1,135	1,127
Transactions without cash flow	(645)	(103)
Impairments on loans	35,232	24,803
<u>Working capital changes:</u>		
Increase (-)/decrease(+) in other current receivables	(12,290)	(892)
Increase (+)/decrease (-) in trade payables and other current liabilities	4,517	(978)
Interest paid	(1,515)	(896)
Interest received	232	12
Other financing items	(155)	(98)
Income taxes paid	(668)	(317)
Net cash from operating activities before movements in the portfolio and deposits received	40,242	34,698
Deposits received	85,652	709
<u>Movements in the portfolio:</u>		
Movements in gross portfolio	(56,174)	(38,212)
Fully impaired portfolio write-offs	(25,915)	(18,695)
Net cash from operating activities	43,806	(21,501)
Cash flows from investing activities		
Purchase of tangible and intangible assets	(6,038)	(2,345)
Proceeds from the sale of tangible and intangible assets	-	-
Proceeds from the sale of other assets	-	5
Net cash used in investing activities	(6,038)	(2,340)
Cash flows from financing activities		
Proceeds from shares issue	-	48,171
Expenses related to share issue	-	(1,923)
Proceeds from short-term borrowings	-	-
Repayment of short-term borrowings	(2,800)	(17,540)
Proceeds from long-term borrowings	23,321	20,062
Repayment of long-term borrowings	(406)	-
Dividends paid / distribution of equity reserve	(2,158)	(1,079)
Net cash used in financing activities	17,958	47,690
Net increase / decrease in cash and cash equivalents	55,726	23,849
Cash and cash equivalents at the beginning of the period	17,452	8,026
Exchange gains/(losses) on cash and cash equivalents	(1,413)	(602)
Net increase/decrease in cash and cash equivalents	55,726	23,849
Cash and cash equivalents at the end of the period	71,765	31,274



BUSINESS SEGMENTS IN 9M 2016

EUR '000	Microloan	PLUS Loan	Credit Limit	Ferratum Business (SME)	Other*	Total
Revenue	38,935	20,776	46,180	2,541	213	108,645
Share in Revenue, %	35.8	19.1	42.5	2.3	0.2	100.0
<u>Directly attributable costs:</u>						
Impairments	(15,545)	(7,204)	(11,714)	(540)	(229)	(35,232)
Marketing	(4,354)	(5,112)	(9,557)	(972)	(994)	(20,990)
Attributable Product Margin	19,036	8,459	24,909	1,029	(1,010)	52,423
<u>Non-directly attributable costs:</u>						
Personnel expenses	(6,122)	(3,267)	(7,261)	(400)	(622)	(17,672)
Lending costs	(2,083)	(1,111)	(2,471)	(136)	-	(5,801)
Other administrative expenses	(506)	(270)	(600)	(33)	(49)	(1,457)
Depreciation and amortization	(306)	(163)	(363)	(20)	(453)	(1,304)
Other operating expenses	(3,670)	(1,958)	(4,353)	(239)	(1,739)	(11,959)
Total Non-directly attributable costs	(12,686)	(6,769)	(15,047)	(828)	(2,862)	(38,193)
Gross Product Margin	6,350	1,690	9,862	201	(3,872)	14,231
Gross Product Margin, %	16.3	8.1	21.4			
Unallocated finance income						49
Finance expenses	(735)	(878)	(1,862)	(237)	(17)	(3,729)
Unallocated finance expense	-	-	-	-	-	(1,094)
Finance costs, net	(735)	(878)	(1,862)	(237)	(17)	(4,774)
Net Product Margin	5,614	812	8,000	(36)	(3,889)	9,456
Net Product Margin, %	14.4	3.9	17.3			
Accounts receivable – consumer loans	30,301	36,154	76,707	9,750	704	153,615
Unallocated assets						103,170
Unallocated liabilities						173,535

*Includes Mobile Bank, FerBuy and Ferratum P2P



BUSINESS SEGMENTS IN 9M 2015

EUR '000	Microloan	PLUS Loan	Credit Limit	Ferratum Business (SME)	Other*	Total
Revenue	43,877	8,279	26,889	105	28	79,179
Share in Revenue, %	55.4	10.5	34.0	0.1	0.0	100.0
<u>Directly attributable costs:</u>						
Impairments	(17,166)	(2,312)	(5,195)	(75)	(56)	(24,803)
Marketing	(4,054)	(2,181)	(6,784)	(9)	(818)	(13,845)
Attributable Product Margin	22,657	3,786	14,911	21	(845)	40,530
<u>Non-directly attributable costs:</u>						
Personnel expenses	(6,325)	(1,194)	(3,876)	(15)	(303)	(11,714)
Lending costs	(2,785)	(526)	(1,707)	(7)	-	(5,024)
Other administrative expenses	(344)	(65)	(211)	(1)	(23)	(643)
Depreciation and amortization	(528)	(100)	(323)	(1)	(0)	(952)
Other operating expenses	(5,357)	(1,011)	(3,283)	(13)	(320)	(9,984)
Total Non-directly attributable costs	(15,340)	(2,894)	(9,401)	(37)	(647)	(28,318)
Gross Product Margin	7,318	892	5,511	(15)	(1,492)	12,212
Gross Product Margin, %	16.7	10.8	20.5			
Unallocated finance income						285
Finance expenses	(1,025)	(335)	(1,584)	(40)	(2)	(2,986)
Unallocated finance expense						(116)
Finance costs, net	(1,025)	(335)	(1,584)	(40)	(2)	(2,817)
Net Product Margin	6,293	557	3,926	(56)	(1,494)	9,395
Net Product Margin, %	14.3	6.7	14.6			
Accounts receivable – consumer loans	32,136	10,498	49,674	1,265	60	93,633
Unallocated assets						43,488
Unallocated liabilities						62,452

*Includes Mobile Bank, FerBuy and Ferratum P2P



REVENUE DOMESTIC

EUR'000	Jan - Sept 2016	Jan - Sept 2015
Revenue, international	84,538	60,452
Revenue, domestic	24,107	18,727
Total revenue	108,645	79,179

REVENUE OF BUSINESS SEGMENTS GEOGRAPHICALLY

Additionally to operating segments represented by different types of products the management of Ferratum Group continues analysis of revenue by geographical principle. All the countries where the Group has operating activities are combined into the following four regions: Nordics, BCN, Northeast,

Southeast and West. The detailed list of countries within each region together with the total regions' revenues for the nine months ended September 30, 2016 and nine months ended September 30, 2015 are presented in the following table.

EUR'000		Jan - Sept 2016	Jan - Sept 2015
Nordics	Finland, Sweden, Denmark, Norway	43,072	27,756
BCN	Netherlands, UK, New Zealand, Australia, Canada	18,010	15,880
Northeast	Estonia, Latvia, Lithuania, Poland, Czech, Slovakia, Russia	32,913	27,880
Other (Southeast, West)	Bulgaria, Romania, Croatia, Spain, Germany, France, Mexico	14,650	7,664
Total revenue		108,645	79,179



ACCOUNTS RECEIVABLE – CONSUMER LOANS

EUR'000	Sept. 30, 2016	Dec. 31, 2015
Accounts receivable – consumer loans (gross)	212,064	155,890
Less: provision for impairment of loan receivables	(58,448)	(49,131)
Accounts receivable – consumer loans (net)	153,615	106,758

The Group does not have a material amount of individually impaired loan receivables. The ageing analysis of loan receivables that are collectively assessed for impairment is as follows:

EUR'000	Sept. 30, 2016				Dec. 31, 2015			
	GBV	Impairments	NBV	Impaired loan coverage ratio in %	GBV	Impairments	NBV	Impaired loan coverage ratio in %
Not due	124,939	(6,038)	118,901	4.8	81,686	(3,991)	77,695	4.9
1-90 days due	18,078	(4,823)	13,255	26.7	16,800	(4,769)	12,031	28.4
91-180 days due	14,772	(6,687)	8,085	45.3	11,832	(5,661)	6,172	47.8
> 181 days due	54,275	(40,901)	13,374	75.4	45,571	(34,711)	10,860	76.2
Total	212,064	(58,448)	153,615	27.6	155,890	(49,131)	106,758	31.5

The Group uses an allowance account to recognise the impairment losses on consumer loans. Reconciliation of movements in the allowance account is as follows:

EUR'000	Jan - Sept 2016	Jan – Sept 2015
Provision for impairment as of January 1	(49,131)	(44,181)
Provisions accruals	(35,232)	(24,803)
Amounts fully reserved and booked out	25,915	18,695
Provision for impairment as of September 30	(58,448)	(50,289)



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Editorial

cometis AG, Wiesbaden

Publication

This Interim Report was published in English on November 10, 2016 and is available for download on our website: www.ferratumgroup.com