

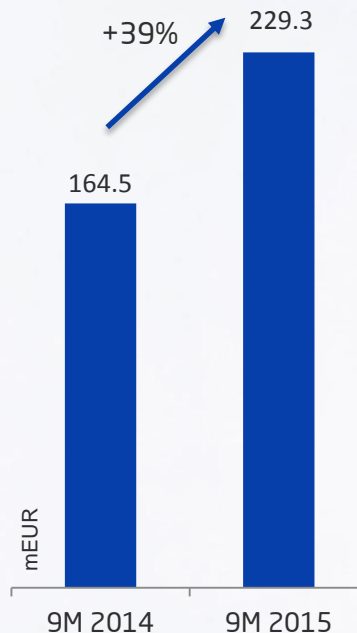
4finance investor presentation for 9 month 2015 results

10 November, 2015

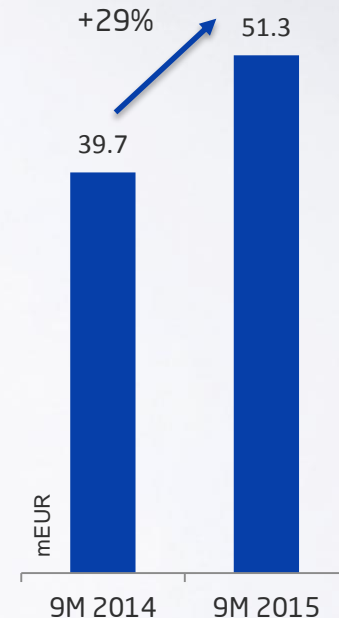
Highlights

- **Strong performance across the business**
 - Loan issuance up 33%
 - Revenue up 39%, growth in all countries
 - Net profit up 29% to EUR 51.3 million
- **Continuing to invest for the future**
 - People, platforms, data analytics
 - Marketing technology
- **Diversifying the business**
 - Launch of third product: Line of Credit
 - Launch of Vivus brand in Argentina
- **Strengthening management team**
 - Appointment of experienced Chief Risk Officer

Revenue



Net profit



Overview of 4finance

European online and mobile lending leader

Data and technology driven company

Large scale

- >EUR 2.5 bn loans granted since inception in 2008
- >4.3 million registered customers

Diversification

- Operations in 13 countries, key markets: CEE, Baltics, Nordics
- Largest single country share in net loan portfolio: 24%

Solid financial performance

- Profitable every month since end of 2009
- 45% return on equity, high equity to assets ratio

Outstanding growth

- Revenue tripled in 2014 vs. 2012
- EBITDA doubled during the same period

Flexible business model

- 82% of assets are self-liquidating
- 90% of expenses are variable

Highly experienced management team

- Extensive banking, asset management, risk and audit experience

KEY FIGURES, M EUR	2012	2013	2014	9M'2015
Interest income	76	153	221	229
EBITDA ⁽¹⁾	38	69	83	79
Net profit	26	36	46	51
Total loans issued	309	538	805	791
Net loan portfolio ⁽²⁾	110	178	241	299
Total equity	43	66	113	161
Net margin ⁽³⁾	33%	23%	21%	22%
Equity to assets ratio	35%	29%	35%	38%

Credit ratings

S&P: B+ stable

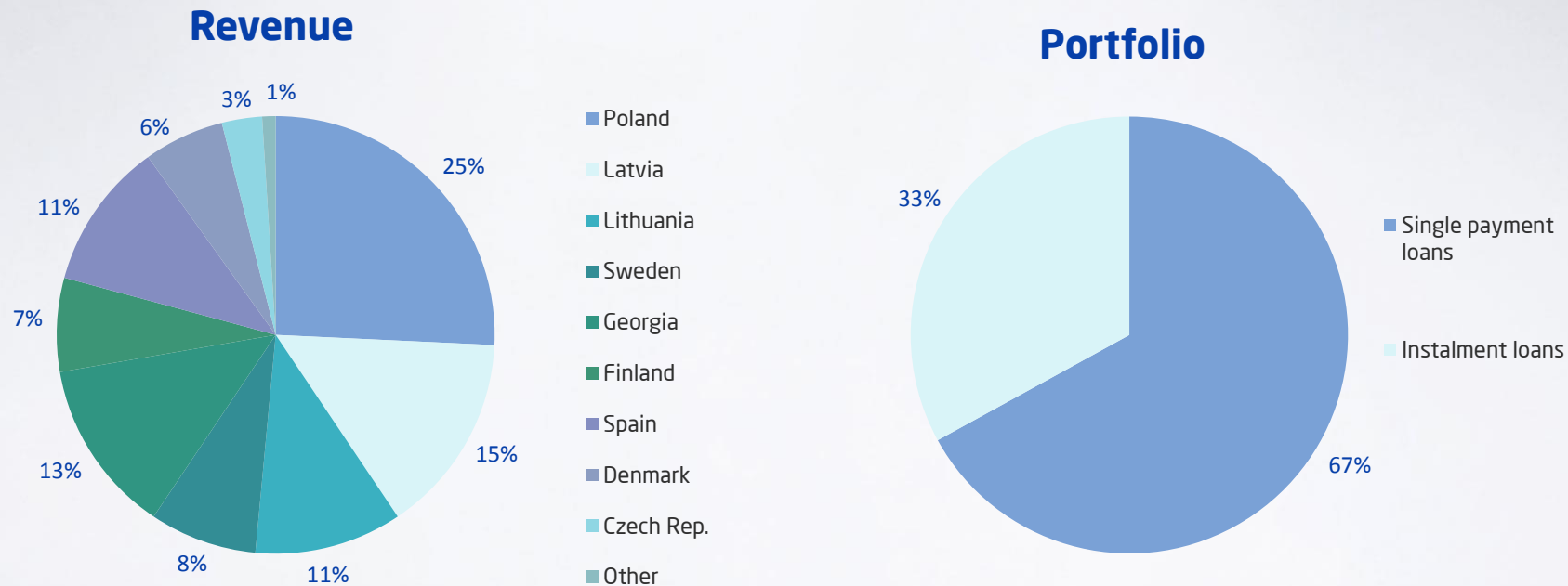
Moody's: B3 Positive

(1) EBITDA adjusted for income/ loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS and goodwill write-offs

(2) Gross loan portfolio less provisions for bad debts

(3) Calculated as net profit (reported) to interest income

Diversification by geography and product



Clear and simple products

	Single payment loan	Instalment loan	Line of credit
% in portfolio ⁽¹⁾	67%	33%	• n/a (initial launch September 2015)
Loan amount	• EUR 5–2'010	• EUR 50–3'846	• Limit up to EUR 3'000
Term	• Up to 30 days	• Up to 36 months	• Open-ended revolving credit line
Average loan size ⁽¹⁾	• 307 EUR	• 686 EUR	• n/a
Fee structure	• Single fee payable at maturity	• Monthly interest payments • Repayment in multiple instalments	• Minimum monthly repayment (MRP) • Withdrawal fees
Interest rate	• Monthly interest rate: 9%–33% ⁽²⁾	• Nominal annual interest rate: 61.9%–108.0% ⁽²⁾	• Monthly interest rate: 8.5%
Extension	• Option to extend up to 30 days • Extension fee payable before extension	• Option to reset scheduled repayment by a month • Extension fee payable before extension	• Flexible payment options as long as MRP is met • Customers can change their repayment date
Markets	• Latvia, Lithuania, Finland, Sweden, Poland, Denmark, Georgia, Spain, Czech Republic, Bulgaria, Romania, Argentina	• Latvia, Lithuania, Finland, Sweden, Poland, Denmark, Armenia	• First launched in Finland
Distribution channels	• Websites (mobile / tablet / web) • Apple & Android native apps • Phone call and SMS • Offline: agents, loan shops and other partners		• Online / mobile

IT and data analytics: innovations released in 2015

Mobile apps: new sales channel, increased return rate

- Available in iOS and Android
- Quicker signup, improved return rate, better service
- Full roll-out in progress
- Built using User Experience (UX) best practices from London UX team



Risk systems: device fingerprinting, configurable rules

- Reducing fraud with device fingerprinting technology (Iovation)
- Building and deploying risk strategies without IT support using Experian Risk Suite
- Champion/Challenger scorecards
- Dynamic lending rules
- Configurable product features based on risk levels

Partner app: channel diversification

- Partners can be added within seconds
- Full visibility on partner performance
- Customer applies with the agent
- Partner tracks sales & manages users
- Fully integrated into 4finance platform
- Fully international: roll-out to new countries in progress
- KYC engine for resellers: they can re-sell our loans



New websites: higher conversions, increased organic traffic

- Available in majority of countries (mobile, tablet and PC)
- Uses latest tech stack for rapid development
- Built using UX best practices from London UX team
- Improved self-service features to reduce call center demand
- SEO Platform & UX A/B Testing Platform using Optimizely
- Extensive analytics with Web Trends



Strategy for sustainable growth



Financial Review

Income statement

INCOME STATEMENT, M EUR	9M'2014	9M'2015	% Change
Interest income	164.5	229.3	39%
Interest expense	(16.4)	(21.1)	29%
Net interest income	148.1	208.2	41%
Net impairment losses on loans and receivables	(41.7)	(57.0)	37%
General administrative expenses	(58.1)	(89.0)	53%
Other (expense)/income	(0.3)	(2.9)	>100%
Profit before tax	48.0	59.3	24%
Tax	(10.0)	(13.3)	33%
Net profit from continuing operations	38.0	46.0	21%
Discontinued operations, net of tax	1.7	5.3	>100%
Net profit	39.7	51.3	29%
Cost to income ratio %	35%	39%	
Net Margin, %	24%	22%	

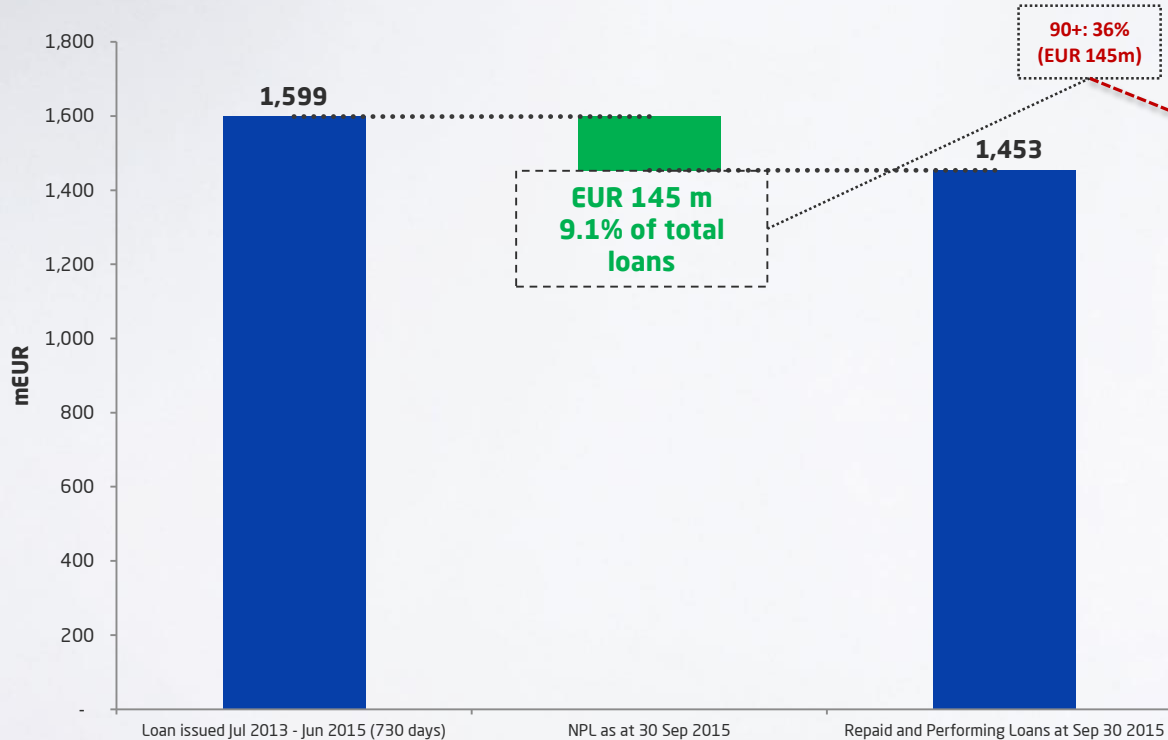
Balance sheet

BALANCE SHEET, M EUR	2014	9M'2015	% Change
Loans and advances	241.4	299.1	24%
Cash and cash equivalents	33.7	47.5	41%
Other assets	94.9	77.1	(19%)
Total assets	370.0	423.7	14%
Loans and borrowings	231.6	226.9	(2%)
Other liabilities	25.4	36.2	42%
Total liabilities	257.0	263.1	2%
Total equity	113.0	160.6	42%
Total equity and liabilities	370.0	423.7	14%

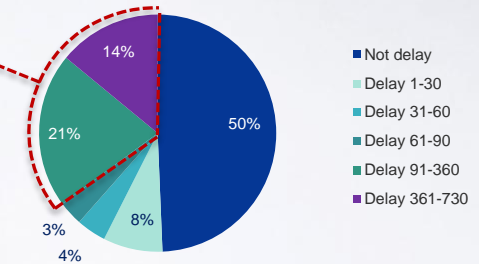
KEY RATIOS	2014	9M'2015
Equity/assets ratio ⁽¹⁾	35%	38%
Equity/net loan portfolio	47%	54%
Interest coverage ratio	3.5x	3.7x
Return on average equity ⁽²⁾	54%	45%

Non-performing loans analysis

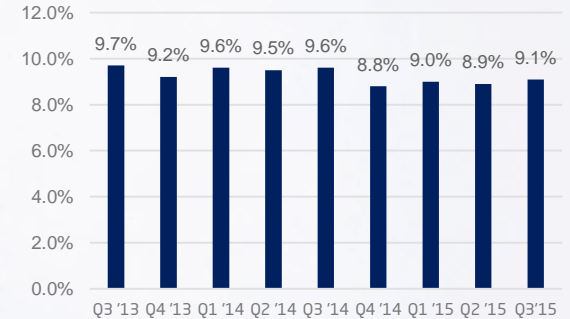
NPL Percentage of Total Loans Issued



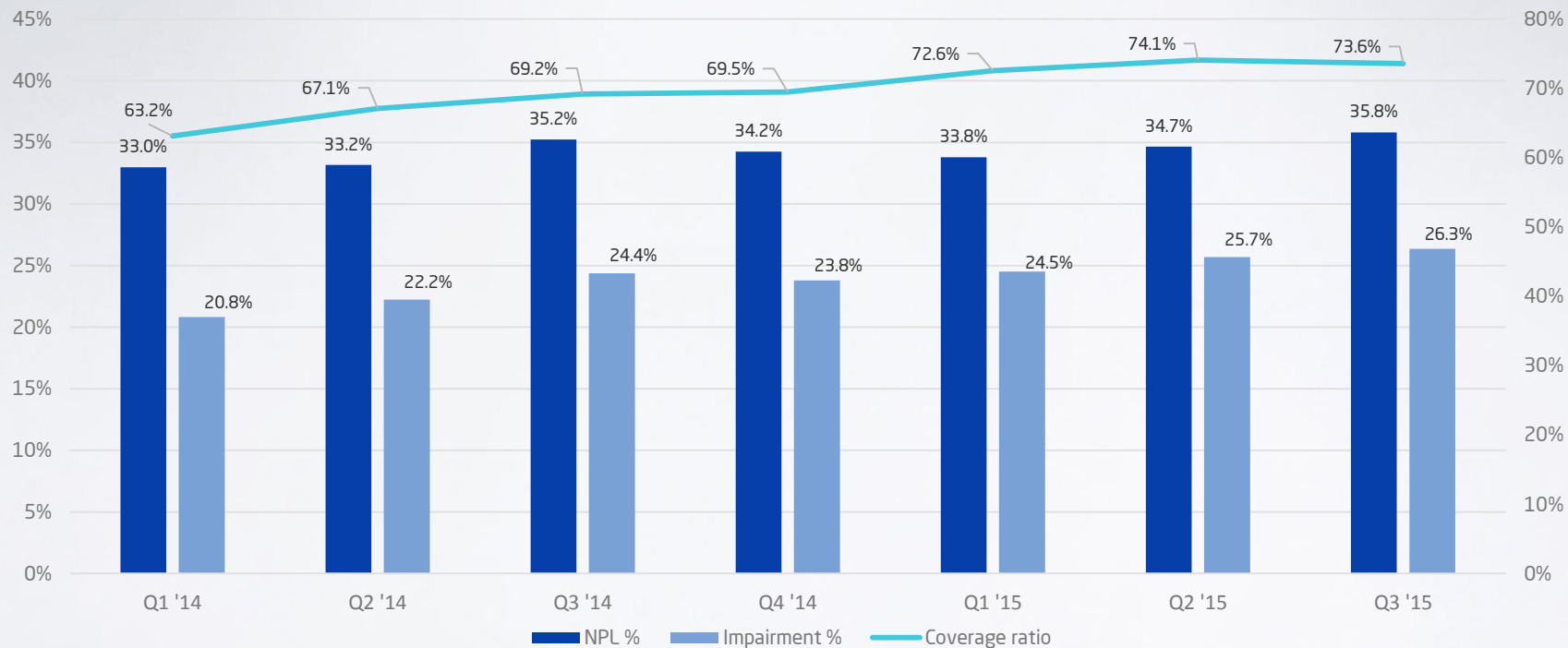
Portfolio Structure (30/09/2015)



NPL Percentage of Total Loans Issued in previous 2 years



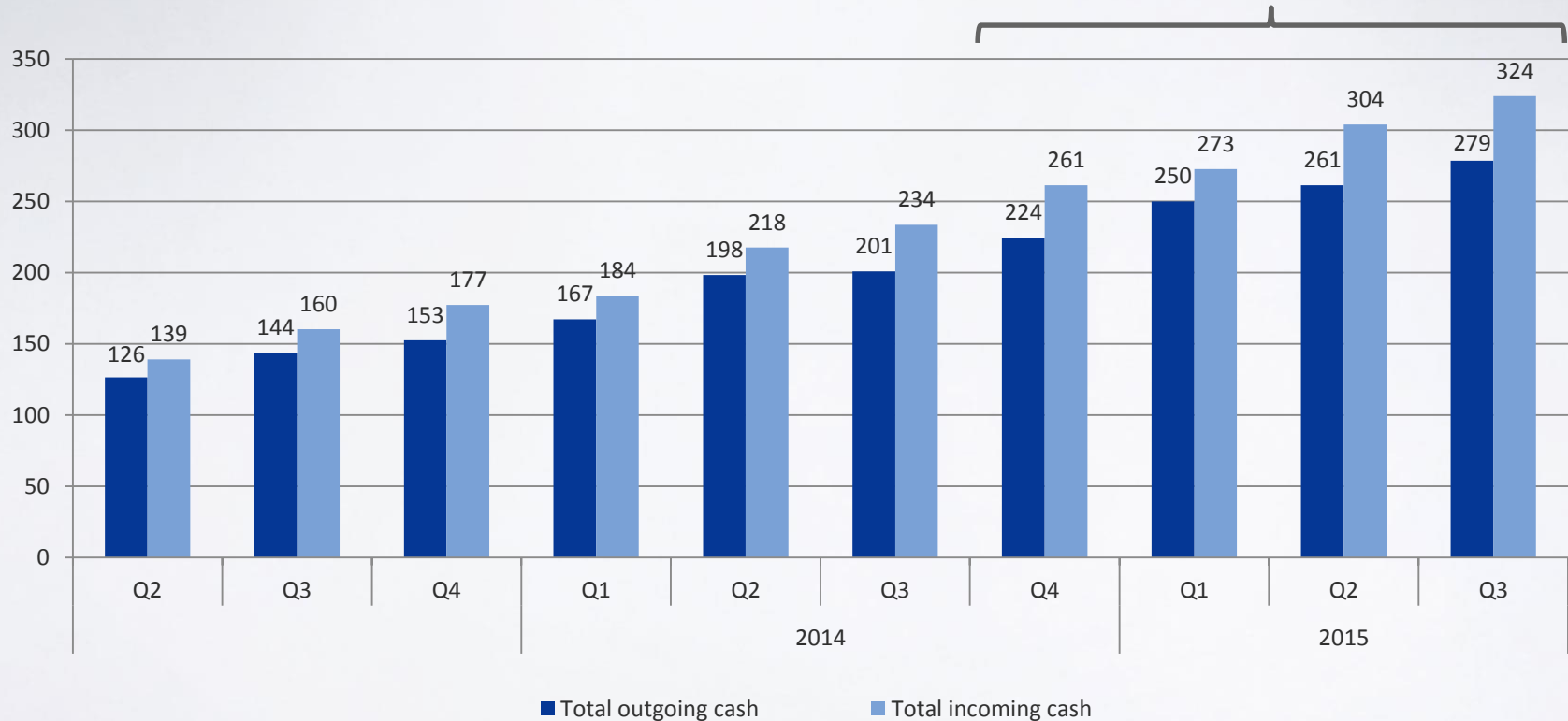
Asset quality and provisioning



Coverage ratio = Overall allowance for impairment / non-performing loan portfolio

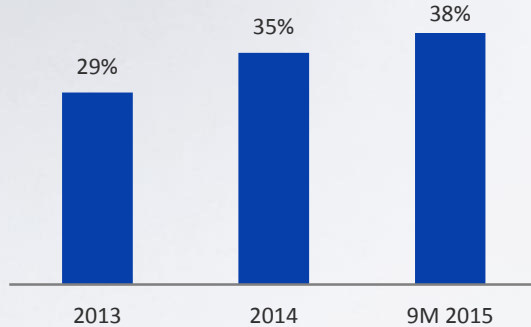
Loan portfolio cash flow

Last 12 months: net incoming cash* 148m EUR

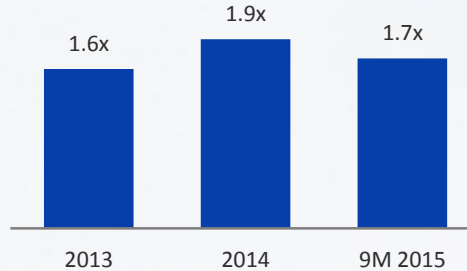


Solid credit metrics

Capital / Assets ⁽¹⁾



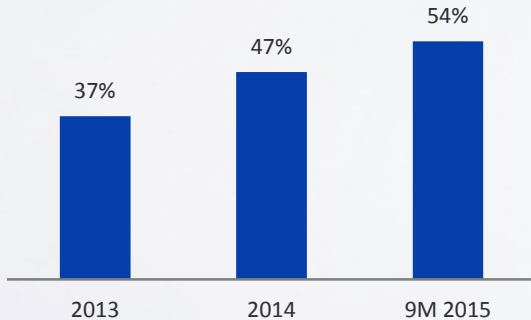
Net Debt / Adj.EBITDA ⁽¹⁾



Comments

- Financial strength enhanced with increased capital to assets and capital to net loans
- Stable interest coverage
- Funding diversification with Swedish bond issuance of SEK 375m in 2015 from a programme of SEK 600m
- Focused on reducing cost of funds (12.2% in 9M15)
- Good cashflow generation
- Substantial headroom to bond covenants

Capital / Net Loans



Interest Coverage ⁽²⁾

