QUARTERLY STATEMENT FOR THE PERIOD 1 JANUARY – 31 MARCH, 2019

Q1 HIGHLIGHTS

EUR 73.2M	**Group revenue** up 19.1% year-on-year
EUR 6.2M	**Profit before tax** (EBT)
EUR 9.7M	**Operating profit** (EBIT)
EUR 0.24	**EPS** (basic)
13.3%	**EBIT margin**

> **SME offering** launched in Poland

> **New platform and Primeloan** introduced to Sweden

Financial Overview

Financial highlights, EUR '000	Jan - Mar 2019	Jan - Mar 2018 Restated
REVENUE	73,196	61,442
Operating profit	9,707	10,048
Profit before tax	6,204	6,506
Net cash flows from operating activities before movements in loan portfolio and deposits received	35,024	28,934
Net cash flow from operating activities	(21,551)	1,870
Net cash flow from investing activities	(2,567)	(2,047)
Net cash flow from financing activities	6,176	1,291
Net increase/decrease in cash and cash equivalents	(17,942)	1,114
Profit before tax %	8.5	10.6

Financial highlights, EUR '000	31 Mar 2019	31 Dec 2018 Restated
Accounts receivable – consumer and business loans (net)	347,724	320,538
Deposits from customers	182,687	183,405
Cash and cash equivalents	96,790	115,559
Total assets	525,087	500,192
Non-current liabilities	104,862	138,276
Current liabilities	308,287	254,536
Equity	111,938	107,380
Equity ratio %	21.3	21.5
Net debt to equity ratio	2.83	2.58

Calculation of key financial ratios

$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Total assets}}$$

$$\text{Net debt to equity ratio} = \frac{\text{Total liabilities – cash and cash equivalents}}{\text{Total equity}}$$

$$\text{Profit before tax (\%)} = 100 \times \frac{\text{Profit before tax}}{\text{Revenue}}$$

KEY DEVELOPMENTS & PERFORMANCE

Financial Performance

In Q1 2019, Ferratum Group's revenue increased to EUR 73.2 million, an increase of 19.1% compared to the respective period of the previous year (Q1 2018*: EUR 61.4 million), and in line with Ferratum's expectations for the period. The growth is mainly driven by the Credit Limit product with revenues of EUR 38.7 million in Q1 2019 (+34% year-on-year).

Operating profit (EBIT) for the quarter was stable year-on-year at EUR 9.7 million (EBIT-margin: 13.3%) compared to EUR 10.0 million in Q1 2018. In Q1 2019, the impairments on loans have been unusually high for the Group, these were mainly driven by a record level sales month in SME loans of EUR 10+ million in Q1 and delayed effects from consumer lending activities in Q4 2018, especially in the PlusLoan segment. The profit before tax (EBT) decreased slightly by EUR 0.3 million y-o-y to EUR 6.2 million.

Overall, in Q1 2019 the Group equity increased by 4.2% to EUR 111.9 million from EUR 107.4 million as of 31 December 2018. The net debt to equity ratio stood at 2.83 at the end of Q1 2019, being impacted by the implementation of IFRS16. Net receivables from customers grew by 8.5 % to EUR 347.7 million in Q1 2019 from EUR 320.5 million in FY 2018, mainly driven by Ferratum's Credit Limit and SME product and by increasing average loan values of all strategic product categories.

The loan coverage ratio remained stable at 32% in FY 2018 and in Q1 2019. Deposits from customers remained stable at EUR 182.7 million compared to EUR 183.4 million at the end of 2018. With an average interest of 0.6% paid on term deposits, it is of great advantage to be able to utilize the deposit funding for the lending business compared to financing by the capital markets in terms of bonds. The Group aims to bring Finland and Denmark under the bank in 2019 to be able to further utilize the deposit funding.

Key Business Developments

Ferratum has further expanded its operations of Ferratum Business to Poland in January. Ferratum Business is the offering of the Group for small and medium size enterprises (SME's). The offering in Poland provides SME´s with the possibility of invoice financing, a new concept to the Group with excellent potential and opportunities to leverage it to further markets. It is an attractive and a flexible alternative to installment lending with loan amounts between EUR 1,000 and EUR 100,000 with a duration of 30-90 days. The expansion to Poland marks the ninth country of operation for the SME business unit, which has been launched in 2015.

The new IT platform, the Ferratum Operating System (FerraOS), has after a successful launch in New Zealand in October 2018 and thorough testing of all functionalities of it, been also introduced to Sweden during March 2019. The new platform roll-out is part of the ongoing Smart IT program and builds the next generation IT foundation, on which the Group can further expand its business on, including its own and partner´s offering. As a subsequent event and part of the new platform roll-out, the Group has launched its Prime Loan offering in Sweden in April, marking the third country that this product is offered in. The Group plans to introduce the new platform to all countries of operation in the mid-term.

Ferratum's risk-based pricing model has been introduced in the Czech Republic in March 2019, with the intention of rolling the model out to further countries of operation. The risk-based pricing allows the Group to offer customers an even better individually risk adjusted offering in terms of loan amount and loan pricing. The model helps optimize the overall yield and risk exposure, and the implementation is important in the product evolution and expansion to Prime Loans, and in remaining competitive in this segment. In line with the Group´s aim to attract and keep more good customers longer, the ability to offer higher amounts will also contribute to this overall goal and cumulatively higher earnings per customer over time.

*all Q1-Q3 2018 figures refer to restated numbers

Personnel

At the end of the first quarter 2019, the Group had 881 employees, a slight decrease from Q1 2018 (891 employees) and a stronger decrease of 8% from a peak of 958 employees at the end of Q2 2018, when actions for streamlining staffing through increased automation and process improvement were announced. Personnel expenses were y-o-y flat at EUR 10m and came down from 17.5% of Revenues in Q1 2018 to 14.4% in Q1 2019. From the peak level in Q2 2018, the employee related expenses decreased by approx. EUR 0.7 million (6% decrease).

A new Share Performance Plan, a share-based incentive and commitment plan, has been introduced to executives and key personnel. The main incentive plan consists of a one-year performance period in 2019 that is followed by a one-year restriction period in 2020. In the performance period 2019, the plan has a maximum of 25 participants and the targets for the incentive plan are directly tied to the company's EBIT and sales growth targets.

Participants of the program will, after the performance period, be granted rights to shares of Ferratum. According to IFRS 2 (Share-based payment), since these individual investors are also employed by Ferratum, certain expenses need to be recorded in the income statement as equity settled share-based payments although the share ownership doesn't have any expense or cash impact on the company. The impact of the Perfomance Share Programm will be recorded from Q2 2019 on. These expenses reflect the potential upside for the minority shareholders in terms of a value increase of the shares. The fair value of this potential increase calculated is recognized annually as expenses over the vesting period. The plan is designed to provide long-term incentive for key management to deliver profitable shareholder returns and to increase commitment to the company. Under the plans, participants are granted shares which will only be distributed if the EBIT in the audited consolidated statements under IFRS9 of the company has reached the companies targets. The fair value of the options is independently determined on the grant date using the Black and Scholes model taking into consideration the terms and conditions of the grant.

Rating updates

The Group received a new BB- rating from Fitch Ratings in March 2019 and the same BB- rating was given to the latest bond (ISIN: SE0012453835) in April. 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.

Subsequent Events

Beginning of the second quarter, Ferratum successfully placed EUR 80 million of new senior unsecured bonds to refinance the Group's outstanding bonds maturing in June 2019 (EUR 25 million in total, issued by Ferratum Capital Germany GmbH, a subsidiary of Ferratum Oyj) and to finance continued growth of the Group. 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 shall be listed on Nasdaq Stockholm and at Frankfurt Stock Exchange Open Market with ISIN: SE0012453835.

During the Annual General Meeting held in Helsinki on 17 April 2019, shareholders approved the payment of a final dividend of EUR 0.18 per share to the total of EUR 3.883.997 for the financial year 2018. After payment of dividends in April 2019, the distributable equity of the parent company stood at EUR 42.817.249. No dividends were paid to the own shares held by the company (0.67% of total share capital).

The General Meeting resolved that the maximum number of Board members is nine (9). The General Meeting resolved to re-elect Pieter van Groos, Jorma Jokela, Lea Liigus, Juhani Vanhala and Christopher Wang as members of the Board and to elect Kati Hagros, Michael A. Cusumano, Goutam Challagalla and Frederik Strange as Board members for one term.

Michael Cusumano is the Sloan Management Review Distinguished Professor of Management at the Massachusetts Institute of Technology (MIT) and specializes in strategy, product development, and entrepreneurship in computer software and internet services as well as automobiles and consumer electronics. Professor Cusumano was educated at Princeton University and Harvard University (PhD and postdoctoral fellowship in Production & Operations Management). He is also author of 14 successful books, among others on platforms and strategy and will be a key contributor to the further development of Ferratum´s financial platform.

Goutam Challagalla is a Professor of Strategy and Marketing at IMD, Lausanne, Switzerland and the faculty director of the Digital Marketing Program thereof. His PhD is from the University of Texas, Austin, USA, and his teaching, consulting, and research focuses on strategy with an emphasis on digital transformation, business-to-business commercial management, value-based pricing, sales management, distribution channels, and customer and service excellence. Professor Challagalla will be a great contributor to the marketing strategy in the product evolution and expansion of the Group into the near prime segment.

Kati Hagros, Chief Digital Officer at Aalto University, Helsinki, Finland, holds a M.Sc. in Technology from the Helsinki University of Technology and a M.Sc. in Social Sciences from the University of Helsinki. She has extensive experience in the international high technology business with management positions in logistics, e-business, strategy, quality and IT internationally. Kati Hagros is seen as an important contributor to the further digitalization of the Groups operation and in its further strategic ambitions.

Frederik Strange holds a MSc. in International Business & Economics at Copenhagen Business School, a CEMS Masters in International Management from St. Gallen & CBS and is currently completing his executive MBA at IMD (Graduation June 2019). Frederik has, among others, held various positions in the financial services industry including management consulting and is currently, the Advisor to the Group CEO in PFA, Europe's 7th largest pension fund with 85 billion EUR in assets under management.

The full biographies of all new Board members can be found on the Group´s website among the AGM documentation.

The General Meeting approved the Board's proposals for its authorisation to decide on the acquisition of a maximum of 1.086.198 of the Group´s own shares, which corresponds to approx. 5% of all shares in the Group. It also authorized the Board of Directors to issue a maximum of 3.258.594 shares, which corresponds to approx. 15 % of the Company's total amount of shares. The Board of Directors may issue either new shares or transfer existing shares held by the Company.

All resolutions of the Annual General Meeting and the decisions of the Board's organisational meeting were communicated in more detail in a stock exchange release on 17 April 2019.

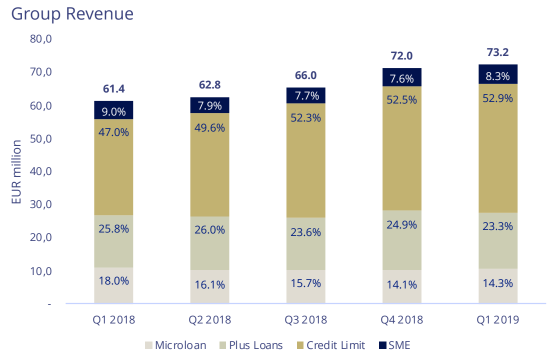
Subsequent key personnel changes

In April, Pieter van Groos was nominated as the new Ferratum Bank CEO and to lead the consumer lending business of the Group as one function. The appointment of Pieter van Groos is subject to approval from the Malta Financial Services Authority ("MFSA"). Pieter van Groos is succeeding Jussi Mekkonen as Bank CEO, who left Ferratum at the end of February 2019. Pieter has a strong international performance track record in banking, industry, management consulting, financial services and private equity from over 30 years, including senior roles at Exxon-Mobil, McKinsey & Company, General Electric and most recently as CEO of Techpilot. Combining the roles of Bank CEO and lead of the consumer lending business comes naturally at this time, when the majority of the Group´s consumer lending is already operating under the bank, and Finland and Denmark expected to follow in 2019.

Juhani Vanhala, a Group Board member since the Group´s foundation in 2005, has been appointed Chairman of the Board, succeeding Pieter van Groos. Juhani has extensive experience in senior management and Board positions and is an experienced platform strategist, making him a key contributor in guiding Ferratum on its journey in building its global financial platform. Juhani Vanhala works as part time senior advisor for Empower Group, Valor and Mantec and serves on the Boards of Vahanen International Oy, There Corporation Oy, GordionPro Oy and as Chairman of the Board of Fira Group Oy and Workspace Oy.

As of April, Klaus Schmidt has joined Ferratum as interim Chief Marketing Officer of the Group. Klaus Schmidt is a very experienced and successful marketing professional, with more than 20 years in executive positions in international retail banking. As Chief Marketing Officer, he has successfully led marketing operations for ING DiBa in Germany and Austria and led the expansion to various international markets for Bausparkasse, the largest German housing bank.

Revenue



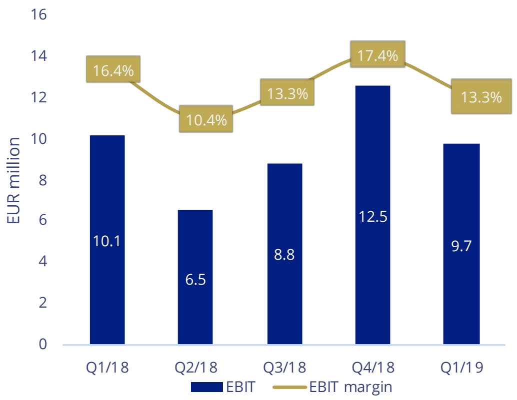
– Further y-o-y revenue growth of 19.1% to EUR 73.2m, mainly driven by the Credit Limit product

– Credit Limit revenues were y-o-y up by +34.0%, increasing the revenue share from 47.0% in Q1 2018 to 52.9% in Q1/19

– PlusLoan revenues were moderately up by +7.7% to EUR 17.0m, related to stricter scoring in selected markets

– SME y-o-y revenue growth stood at 9.1% (Q1 2019 revenues: EUR 6.1m), largely related to a high comparable figure in Q1 2018. In Q1 2018 revenues grew at an outstanding high number of +130.1% y-o-y

Operating profit (EBIT)



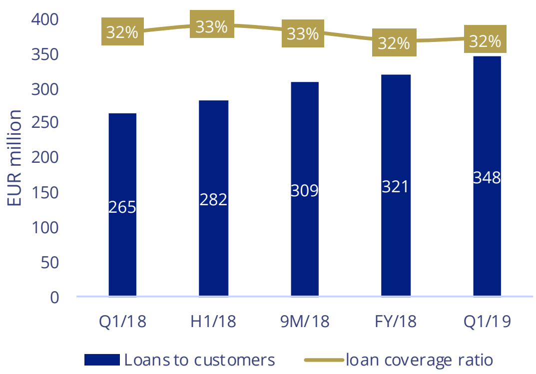
– EBIT performance in Q1 2019 was largely impacted by high movements in loan impairments

– Loan impairments grew y-o-y by +51.0% to EUR 28.6m (39% of revenues) which relate to (1) strong growth of loan sales in Business Lending in Q1 2019 and (2) delayed effects from consumer lending activities in Q4 2018, especially in the PlusLoan segment.

– Personnel expenses were y-o-y stable at EUR 10.6m and the personnel expense ratio decreased from 17.5% in Q1 2018 to 14.4% in Q1 2019

– Other operating expenses decreased y-o-y by 11.8% to EUR 6.4m

Loan to customers



– Loans to customers grew 8.5% y-o-y from EUR 320.5m as of December 2018 to EUR 347.7m as of 31 March 2019

– Loan volume for SME and Primeloan (combined) increased by 84.5% y-o-y to EUR 72.7m reflecting 21.0% of total loans to customers

Customer Base

	Jan - Mar 2019	Jan - Mar 2018	Growth in %
Active customers*	793'775	783'879	1.3%

** Customers with a Mobile Bank account and lending customers who have had an open balance in the last 12 months. If loans are >24m overdue, the customer is not considered active.*

The overall number of active customers increased by 1.3% to 793,775, reflecting a shrinking active customer base in Microloan and an increasing active customer numbers in the PlusLoan, Credit Limit, Primeloan and Ferratum Business (SME) product segments, consistent with Ferratum's strategy of shifting the customer focus towards lower risk and longer-term products and services.

Consolidated Income Statement for the Period 1 January to 31 March, 2019

	3 months ended 31 March	
EUR '000	2019	2018 Restated
REVENUE	73,196	61,442
Other income	5	6
Impairments on loans	(28,671)	(18,986)
Operating expenses:		
Personnel expenses	(10,642)	(10,826)
Selling and marketing expenses	(10,771)	(10,028)
Lending costs	(4,163)	(2,839)
Other administrative expenses	(645)	(407)
Depreciations and amortization	(2,226)	(1,082)
Other operating expenses	(6,377)	(7,233)
Operating profit	**9,707**	**10,048**
Financial income	31	15
Finance costs	(3,534)	(3,557)
Finance costs – net	(3,503)	(3,542)
Profit before income tax	**6,204**	**6,506**
Income tax expense	(1,000)	(976)
Profit for the period	**5,204**	**5,530**
Earnings per share, basic	**0.24**	**0.26**
Earnings per share, diluted	**0.25**	**0.25**
Profit attributable to:		
– owners of the parent company	5,204	5,530
– non-controlling interests (NCI)	0	0

Consolidated Statement of Comprehensive Income for the Period 1 January to 31 March, 2019

	3 months ended 31 March	
EUR '000	2019	2018 Restated
Profit for the period	5,204	5,530
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Translation difference	490	473
Total items that may be subsequently reclassified to profit or loss	490	473
Total comprehensive income	**5,694**	**6,003**
Allocation of total comprehensive income to:		
– owners of the parent company	5,694	6,003
– non-controlling interests (NCI)	0	0

Consolidated Statement of Financial Position

EUR '000	31 Mar 2019	31 Dec 2018
ASSETS		
Non-current assets		
Property, plant and equipment	4,022	4,155
Right-of-use assets	7,654	0
Intangible assets	31,216	30,227
Government stocks	8,452	8,533
Deferred income tax assets	9,310	10,622
Loans receivable	555	178
Total non-current assets	**61,209**	**53,714**
Current assets		
Loans and advances to customers	347,724	320,538
Other receivables	18,380	9,399
Derivative assets	106	21
Income tax assets	877	961
Cash and cash equivalents	96,790	115,559
Total current assets	**463,877**	**446,478**
Total assets	**525,087**	**500,192**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	40,134	40,134
Treasury shares	(142)	(142)
Reserves	(1,372)	(2,211)
Unrestricted equity reserve	14,708	14,708
Retained earnings	58,611	54,892
Total equity	**111,938**	**107,380**
of which related to non-controlling interests		
LIABILITIES		
Non-current liabilities		
Borrowings	98,144	137,695
Other payables	-	-
Lease liabilities	6,135	-
Deferred income tax liabilities	583	581
Total non-current liabilities	**104,862**	**138,276**
Current liabilities		
Income tax liabilities	3,754	3,372
Deposits from customers	182,687	183,405
Borrowings	90,609	44,882
Derivative liabilities	338	479
Trade payables	10,567	10,522
Lease liabilities	1,582	-
Other current liabilities	18,751	11,877
Total current liabilities	**308,287**	**254,536**
Total liabilities	**413,148**	**392,812**
Total equity and liabilities	**525,087**	**500,192**

Consolidated Statement of Cash flow

EUR '000	2019	2018 Restated
	3 months ended 31 March	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss for the period	**5,204**	**5,530**
Adjustments for:		
Depreciation and amortization	2,226	1,082
Finance costs, net	3,503	3,542
Tax on income from operations	1,000	976
Transactions without cash flow	401	436
Impairments on loans	**28,671**	**18,986**
Working capital changes:		
Increase (-) / decrease (+) in other current receivables and government bonds	(9,363)	2,013
Increase (+) / decrease (-) in trade payables and other liabilities	6,282	(1,201)
Interest paid	(2,230)	(1,018)
Interest received	22	-
Income taxes paid	(690)	(1,412)
Net cash from operating activities before movements in loan portfolio and deposits received	**35,024**	**28,934**
Deposits received	(718)	18,376
Movements in the portfolio:		
Movements in gross portfolio	(42,136)	(49,673)
Fully impaired portfolio write-offs	(13,720)	4,233
Net cash from operating activities	**(21,551)**	**1,870**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(2,567)	(2,047)
Proceeds from sale of tangible and intangible assets	-	-
Net cash used in investing activities	**(2,567)**	**(2,047)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	**6,080**	**1,354**
Repayment of short-term borrowings	**(35)**	**(63)**
Proceeds from long-term borrowings	**131**	
Repayment of long-term borrowings		
Dividends paid / distribution of funds		
Net cash used in financing activities	**6,176**	**1,291**
Net increase/decrease in cash and cash equivalents	**(17,942)**	**1,114**
Cash and cash equivalents at the beginning of the period	**115,559**	**131,832**
Exchange gains/(losses) on cash and cash equivalents	**(826)**	**1,741**
Net increase/decrease in cash and cash equivalents	**(17,942)**	**1,114**
Cash and cash equivalents at the end of the period	**96,790**	**134,688**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Presentation

Ferratum Group's interim financial statements have been prepared in accordance with the accounting policies set out in the annual report for the year ended 31 December 2018, except for the adoption of IFRS 16 Leases as set out below. Other new standards and interpretations have not had a material impact to the accounting policies. The group has chosen not to apply IAS 34 Interim Financial Reporting in preparing these interim financial statements but applies the recognition and measurement principles of IFRS. The interim report for the first quarter of 2019 are materially prepared using the same accounting principles and calculation methods as described in the Annual Report 2018.

IFRS 16 Leases

On January 1, 2019, Ferratum Group adopted IFRS 16, "Leases." The Group applied the modified retrospective approach and did not restate comparative figures for prior periods. IFRS 16 defines the recognition, measurement, presentation and disclosure requirements on leases. The standard introduces a single lessee accounting model requiring lessees to recognize assets and liabilities for all leases, unless the lease term is 12 months or less or, the underlying asset has a low value.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Ferratum Group has assessed the impact upon adoption of the new standard, which mainly impacts the group's operating leases. These operating leases impacted by the IFRS 16 adoption are mainly related to the Group's office rent agreements. These lease agreements were assessed by management to be in use for longer than stated lease term (12 months or less) and were calculated under the new methodology with an average lease term of 36 months.

Reconciliation of lease liability is as follows:

EUR '000	01 Jan 2019
Operating lease commitments disclosed as at 31 December 2018	3,399
(Less): low-value leases recognised on a straight-line basis as expense	(1)
Add/(less): adjustments as a result of a different treatment of extension and termination options	4,833
Lease liability recognised as at 1 January 2019	**8,231**
Of which are:	
Current lease liabilities	2,096
Non-current lease liabilities	6,135
	8,231

2. SEGMENT INFORMATION

Operating segments are based on the major product types provided by Ferratum: Microloans, PlusLoans, Credit Limit, Ferratum Business (SME) and Mobile bank incl. Primeloan.

Attributable product margin is defined and calculated as a difference between the revenue, other income and directly attributable costs of each product segment. Non-directly attributable costs are allocated according the share in revenue and finance costs are allocated according the portfolio size of related types of products, i.e. their share in loans and advances to customers.

2.1 Business Segments in Q1 2019

EUR '000	Microloan	PlusLoan	Credit Limit	SME	Mobile bank*	Total
REVENUE	10,478	17,088	38,718	6,083	830	73,196
Share in Revenue, %	14.3	23.3	52.9	8.3	1.1	100.0
Other income	1	1	2	0	-	5
Directly attributable costs:						
Impairments	(4,948)	(7,126)	(12,437)	(3,113)	(1,046)	(28,671)
Marketing	(1,210)	(1,941)	(5,837)	(1,388)	(375)	(10,771)
Attributable Product Margin	**4,320**	**8,021**	**20,426**	**1,583**	**(592)**	**33,758**
Attributable Product Margin, %	41.2	46.9	52.8	26.0		46.1
Non-directly attributable costs:						
Personnel expenses	(1,497)	(2,442)	(5,533)	(869)	(300)	(10,642)
Lending costs	(603)	(983)	(2,227)	(350)	-	(4,163)
Other administrative expenses	(53)	(86)	(195)	(31)	(280)	(645)
Depreciation and amortization	(274)	(447)	(1,013)	(159)	(332)	(2,226)
Other operating income and expenses	(888)	(1,448)	(3,281)	(516)	(244)	(6,377)
Total Non-directly attributable costs	**(3,315)**	**(5,406)**	**(12,250)**	**(1,925)**	**(1,156)**	**(24,052)**
Operating profit	**1,005**	**2,615**	**8,176**	**(342)**	**(1,747)**	**9,707**
Gross Product Margin, %	9.6	15.3	21.1	(5.6)		13.3
Unallocated finance income						31
Finance expenses	(318)	(594)	(1,348)	(510)	(89)	(2,859)
Unallocated finance expense						(675)
Finance costs, net	(318)	(594)	(1,348)	(510)	(89)	(3,503)
Profit before income tax	**686**	**2,022**	**6,826**	**(852)**	**(1,836)**	**6,204**
Net Profit Margin, %	6.6	11.8	17.6	(14.0)		8.5
Loans and advances to customers	38,709	72,184	163,971	62,075	10,786	347,724
Unallocated assets						177,363
Unallocated liabilities						413,148

*Includes Mobile Bank and Primeloan

2.2 Business Segments in Q1 2018 - Restated

EUR '000	Microloan	PlusLoan	Credit Limit	SME	Mobile bank*	Total
REVENUE	11,058	15,852	28,901	5,508	123	61,442
Share in Revenue, %	18.0	25.8	47.0	9.0	0.2	100.0
Other income	1	2	3	1	-	6
Directly attributable costs:						
Impairments	(4,708)	(5,234)	(7,886)	(1,134)	(25)	(18,986)
Marketing	(1,293)	(2,568)	(4,371)	(1,247)	(550)	(10,028)
Attributable Product Margin	**5,058**	**8,052**	**16,648**	**3,128**	**(451)**	**32,435**
Attributable Product Margin, %	45.7	50.8	57.6	56.8		52.8
Non-directly attributable costs:						
Personnel expenses	(1,852)	(2,655)	(4,840)	(922)	(556)	(10,826)
Lending costs	(512)	(734)	(1,338)	(255)	-	(2,839)
Other administrative expenses	(43)	(62)	(112)	(21)	(168)	(407)
Depreciation and amortization	(142)	(203)	(370)	(71)	(296)	(1,082)
Other operating income and expenses	(1,253)	(1,797)	(3,276)	(624)	(283)	(7,233)
Total Non-directly attributable costs	**(3,802)**	**(5,450)**	**(9,937)**	**(1,894)**	**(1,304)**	**(22,386)**
Operating profit	**1,256**	**2,602**	**6,711**	**1,234**	**(1,755)**	**10,048**
Gross Product Margin, %	11.4	16.4	23.2	22.4		16.4
Unallocated finance income						15
Finance expenses	(283)	(624)	(1,124)	(351)	(21)	(2,403)
Unallocated finance expense						(1,154)
Finance costs, net	(283)	(624)	(1,124)	(351)	(21)	(3,542)
Profit before income tax	**973**	**1,978**	**5,587**	**883**	**(1,775)**	**6,506**
Net Profit Margin, %	8.8	12.5	19.3	16.0		10.6
Loans and advances to customers	29,969	66,120	119,140	37,194	2,174	254,597
Unallocated assets						185,316
Unallocated liabilities						344,497

*Includes Mobile Bank, Primeloan and Ferratum P2P

2.3 Revenue – Geographic Split

EUR '000	Jan – Mar 2019	Jan – Mar 2018 Restated
Revenue, international	61,438	51,181
Revenue, domestic	11,758	10,261
Total revenue	**73,196**	**61,442**

2.4 Revenue of business segments geographically

In addition to presenting the performance of operating segments by product type, Ferratum Group also reports revenue by geographic region. While geographical reporting has previously been based on the coverage of the Group's previous international management structure, in 2018 the Group adopted new geographical splits which organise Ferratum's countries of operation into more conventional geographic regions.

All countries where Ferratum has operating activities are now grouped into the following four regions: Northern Europe, Western Europe, Eastern Europe and Rest of the World. The full list of countries within each region, together with the total revenues generated by each region for the three months ended 31 March 2019 and three months ended 31 March 2018 (restated), are presented in the following table.

EUR '000		Jan – Mar 2019	Jan – Mar 2018 Restated
Nothern Europe	Finland, Sweden, Denmark, Norway	30,867	25,656
Western Europe	France, Germany, Netherlands, Spain, UK	15,485	14,374
Eastern Europe	Bulgaria, Croatia, Czech, Estonia, Latvia, Lithuania, Poland, Romania, Russia, Slovakia	23,815	18,932
Rest of the World	Australia, Brazil, Canada, Mexico, New Zealand, Nigeria	3,029	2,480
Total revenue		**73,196**	**61,442**

3. FINANCE INCOME

EUR '000	Jan – Mar 2019	Jan – Mar 2018
Interest income from cash and cash equivalents	20	8
Derivatives held for trading – net gain / (loss)	11	7
Foreign exchange gain		
Total finance income	**31**	**15**

4. FINANCE COSTS

EUR '000	Jan – Mar 2019	Jan – Mar 2018
Interest on borrowings	(3,325)	(2,402)
Derivatives held for trading – net gain / (loss)		-
Foreign exchange loss on liabilities	(209)	(1,154)
Total finance costs	**(3,534)**	**(3,557)**

5. LOANS AND ADVANCES TO CUSTOMERS

Ferratum Group calculates the expected credit losses (ECL) for its loans and advances to customers on a collective basis, given that its portfolio of micro-credit facilities is composed of homogenous groups of loans that are not considered individually significant, using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). These three components are multiplied together effectively calculating the forward-looking ECL, which is then discounted back to the reporting date. The discount rate used in the ECL calculation is the originated effective interest rate or an approximation thereof.

The ECL is measured on either a 12-month or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). Group uses an allowance account to recognize the impairment losses on loans and advances to customers. The following tables shows the reconciliation of movements in the allowance account. For further information about loans and advances to customers and the ECL calculation methodology, please refer to Note 2 and 3 in the group's annual financial statements for the year ended 31 December 2018.

EUR '000	Jan – Mar 2019	Jan – Mar 2018
Loans and advances to customers (gross)	**509,948**	**376,503**
Provision for impairment on January 1	(147,273)	**(78,837)**
IFRS9 implementation impact	-	(20,912)
Impairments on loans for the period	(28,671)	(18,986)
Other movements	13,720	(3,171)
Provision for impairment on March 31	**(162,224)**	**(121,906)**
Loans and advances to customers (net)	**347,724**	**254,597**

Ferratum Group manages the credit quality of its loans and advances to customers by using internal riskgrades, which provide a progressively increasing risk profile ranging from 'Regular' (best quality, less risky) to 'Loss'. These risk grades are an essential tool for the Group to identify both non-performing exposures and better performing customers. The internal risk grades used by the Group are as follows:

- Performing: Internal grade 'Regular'
- Under performing: Internal grades 'Watch' and 'Substandard'; and
- Non-performing: Internal grades 'Doubtful' and 'Loss'.

Regular

The Group's loans and advances to customers which are categorised as 'Regular' are principally debts in respect of which payment is not overdue by 30 days and no recent history of customer default exists. Management does not expect any losses from non-performance by these customers, which are considered as fully performing.

Watch

Loans and advances that attract this category principally comprise those where payment becomes overdue by 30 days, but does not exceed 60 days for Microloans, and does not exceed 45 days for PlusLoans, Credit Limit and Primeloans.

Substandard

Exposures that are categorised within this category comprise those where payment becomes overdue by 61 days and over but not exceeding 90 days for Microloans, and where payment becomes overdue by 46 days but does not exceed 60 days for PlusLoan, Credit Limit and Primeloans.

Doubtful

Loans and advances which attract a 'Doubtful' grading are principally those assets in respect of which repayment becomes overdue by 61 days and over but not exceeding 180 days for PlusLoans, Credit Limit and Primeloans, and 91 days and over but not exceeding 180 days for Microloans.

Loss

Loans and advances in respect of which payment becomes overdue by 180 days.

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

EUR '000	31 Mar 2019				31 Dec 2018
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Total
Loans and advances to customers					
Regular	281,529	**-**	**-**	**281,529**	**262,280**
Watch	-	16,163	-	16,163	12,783
Substandard	-	11,381	-	11,381	11,576
Doubtful	-	-	41,304	41,304	35,173
Loss	**-**	**-**	**159,571**	**159,571**	**145,998**
Gross carrying amount	**281,529**	**27,543**	**200,875**	**509,948**	**467,811**
Loss allowance	**23,638**	**8,174**	**130,412**	**162,224**	**147,273**
Carrying amount	**257,892**	**19,369**	**70,463**	**347,724**	**320,538**
Impaired Loan Coverage Ratio (ICLR)	**8.4 %**	**29.7 %**	**64.9 %**	**3.8 %**	**31.5 %**

The following tables explain the changes in gross carrying amount between the beginning and the end of the period March 31, 2019:

EUR '000	31 Mar 2019			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers				
Gross carrying amount as at 1 January 2019	262,280	**24,359**	**181,172**	**467,811**
Total changes in gross carrying amounts arising				
From transfers in stages, originations and	19,358	3,159	20,107	42,661
Write-offs			(326)	(326)
FX and other movements	**(110)**	**(11)**	**(78)**	**(198)**
Total net change during the year	**19,249**	**3,184**	**19,703**	**42,136**
Gross carrying amount as at 31 March 2019	**281,529**	**27,543**	**200,875**	**509,948**

The following tables explain the changes in the loss allowance between the beginning and the end of the period March 31, 2019:

EUR '000	31 Mar 2019			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans and advances to customers				
Loss allowance as at 1 January 2019	22,325	**7,351**	**117,597**	**147,273**
Increases in allowances- charge to profit or loss	1,303	817	26,551	28,671
Total net P&L charge during the year	1,303	817	26,551	28,671
Other movements				
Loans and advances written off during the year	**-**	**-**	**(432)**	**(432)**
Impact of unwinding ECL provisions	**-**	**-**	**(13,832)**	**(13,832)**
Exchange differences	**10**	**6**	**528**	**544**
Loss allowance as at 31 March 2019	**23,638**	**8,174**	**130,412**	**162,224**

For further information about gross carrying amount and loss allowances please refer to note 3 in the Group's annual financial statements for the year ended 31 December 2018.

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