

4finance Investor presentation

September, 2015

ABG SUNDAL COLLIER

Introduction to 4finance

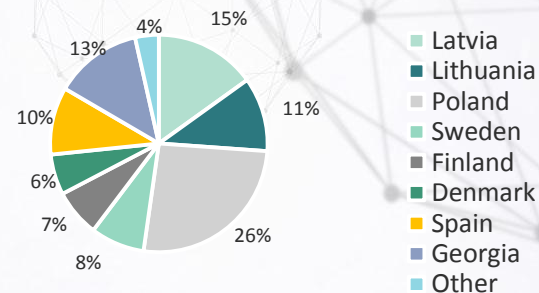
Overview of Operations

- Online and mobile consumer lending business
- Data and Technology Driven company
- Large scale:
 - Over 15.8m applications reviewed
 - More than 8.1m loans for over EUR 2.5 billion granted since inception in 2008
 - Over 4m registered customers (1H'2015)
 - Operations in 13 countries
- Net profit from operations for 1H'2015 of EUR 35.4m
- Strong geographical, product and customer diversification
- Profitable business:
 - 20% Return on average assets
 - 57% Return on average equity
- High capital to assets ratio: 37% as at 30/06/2015
- Flexible business model:
 - 86% of assets are self-liquidating
 - 90% of expenses are variable
- Highly experienced management team
- Centralized and data driven underwriting

Financial summary

Key financials, EURm	2012	2013	2014	1H'2015
Revenue	76.2	152.8	220.8	146.1
Net profit	25.5	35.8	46.3	35.4
Net margin ⁽¹⁾ , %	33%	23%	21%	24%
Total loan issuance	309	538	805	524
Capital/assets ratio ⁽²⁾	35%	29%	35%	37%

Revenue split by Country, 1H'2015



(1) Calculated as Net profit to Interest income

(2) Total equity / total assets; excluding effect from 2015 Senior Notes defeasance

History and development

2008

- The Company established, active product development
- Launch of www.smscredit.lv website
- First foreign expansion to Lithuania (launch of www.smscredit.lt website)

2009

- First large-scale marketing campaign
- Launch of operations in Finland (www.vivus.fi)
- Launch of www.vivus.lv website offering larger loans with longer maturity in Latvia
- Business amount tripled during the first year of operations
- Served 100,000 customers

2010

- Continuous work to improve customer service - all Company's websites redesigned and moved to a new IT platform
- First "offline" loan granted
- CSR activities - launch of social projects Labie Darbi / Geri Darbai
- Operations launched in Sweden (www.vivus.se)
- Number of loans issued tripled compared to 2009

2011

- Total cumulative amount of loans issued reached EUR 100m
- Launch of www.vivus.lt website offering larger loans with longer maturity in Lithuania
- At the end of 2011, financial investor Finstar attracted to fuel the development potential and execute expansion strategy
- 450,000 registered customers

2012

- Launch of www.4spar.se website, offering online deposit-taking in Sweden
- Launch of www.vivus.dk, www.vivus.pl, www.vivus.es, www.onea.se
- > 10,000 loans issued per day for the first time
- > 4,000 registrations per day for the first time
- 1 million registered customers

2013

- > EUR 1 billion total issued loans
- Cumulative number of issued loans - 4.2 million
- 670 employees
- Launch of www.vivus.ge, www.zaplo.cz, www.vivus.bg
- 2.3 million registered customers

2014

- Launch of 24 month product in Finland www.onnen.fi
- Launch of 12 month product in Poland www.zaplo.pl
- Restructured management model
- 6.8m loans granted
- 3.8 million registered customers

2015

- Acquisition of operations in Armenia and Argentina
- Launch of operations in Romania (www.zaplo.ro)
- Launch of 12 month product in Denmark www.zaplo.dk
- Over 1,300 employees
- 8.1m loans granted
- 4 million registered customers



Jul 2008 Nov 2008 May 2009 Aug 2010 Apr 2012 Jul 2012 Dec 2012 Feb 2013 May 2013 Dec 2013 Mar 2014 May 2014 Apr 2015 May 2015 Jun 2015 Jun 2015

Product overview - convenient and transparent

	Single payment loan	Instalment loan
Term	<ul style="list-style-type: none"> Up to 30 days 	<ul style="list-style-type: none"> Up to 36 months
Fee	<ul style="list-style-type: none"> Transparent and simple pricing No hidden fees Single fee payable at maturity Ranges by country from 9% to 33% per month ⁽¹⁾ 	<ul style="list-style-type: none"> Transparent and simple pricing No hidden fees Monthly interest payments Nominal annual interest rate ranges from 61.9% to 108.0%⁽¹⁾
Size	<ul style="list-style-type: none"> Amounts from EUR 5 to 2,010 Average loan size EUR 307 as of 1H'2015 	<ul style="list-style-type: none"> Amounts from EUR 50 to 3,846 Average loan size EUR 686 as of 1H'2015
Repayment	<ul style="list-style-type: none"> Bullet repayment at maturity Early repayment option without penalty 	<ul style="list-style-type: none"> Repayment in multiple instalments Option to repay early without penalty
Extension	<ul style="list-style-type: none"> Option to extend up to 30 days Extension fee is payable before extension 28% of customers extend for 3.9 times on average 	<ul style="list-style-type: none"> Option to reset scheduled repayment by a month
Markets	<ul style="list-style-type: none"> Latvia, Lithuania, Finland, Sweden, Poland, Denmark, Georgia, Spain, Czech Republic, Bulgaria, Romania, Argentina 	<ul style="list-style-type: none"> Latvia, Lithuania, Finland, Sweden, Poland, Denmark, Armenia
Share in total portfolio	<ul style="list-style-type: none"> 68% of 4finance's performing loan portfolio as of 30/06/2015 	<ul style="list-style-type: none"> Growing part of 4finance's portfolio with 32% of performing loan portfolio as at 30/06/2015



Business Overview

Marketing

- Customer Acquisition
- Distribution Channels

Underwriting

- Scorecards
- Credit bureaus
- Proprietary database

Process

- Customer Service
- Debt Collection
- Fulfillment

Data

IT

Operational Risk

Compliance

Finance

Legal

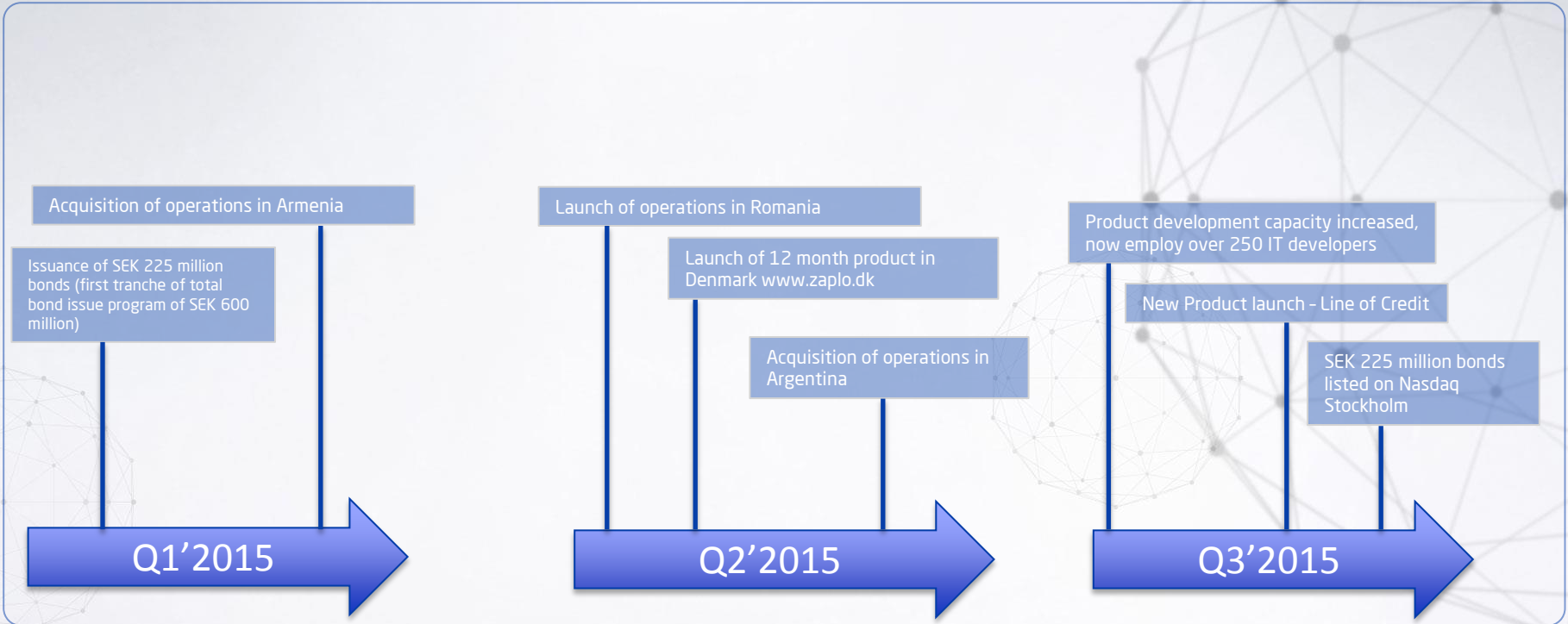
Business Analysis

Strategy

Profitable growth & development



Strategy implementation

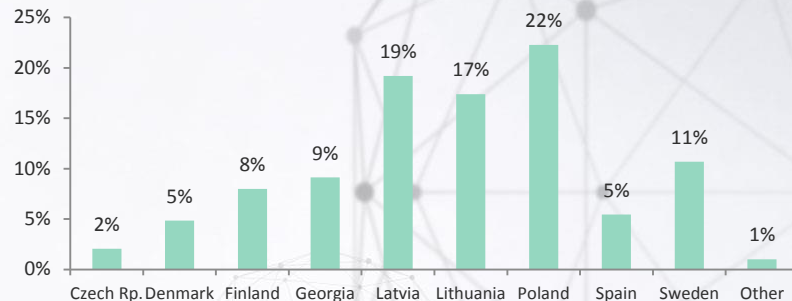


Portfolio statistics

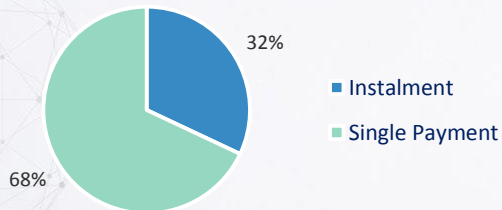
Summary

- Total loans issued in in 1H'2015 - EUR 524m (growth of 40% from EUR 377m in 1H'2014)
- Net loan portfolio reached EUR 283.3m as at 30/06/2015
- High velocity of portfolio - total capital turnover 3.0x
- Client proportional split by gender: 53% male / 47% female
- Average loan size varies from EUR 159 in Georgia to EUR 1,728 in Sweden for instalment product
- 58% of portfolio consists of loans below EUR 500

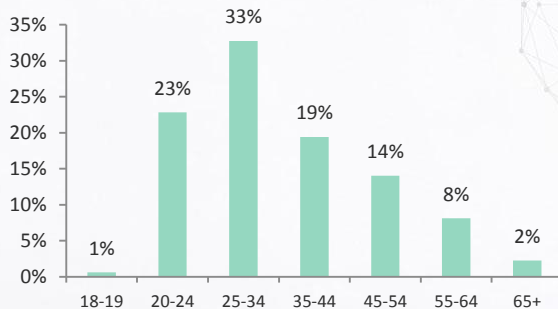
Net Loan Portfolio by Country, % (30/06/2015)



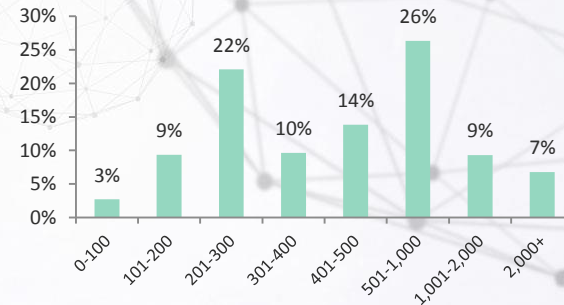
Portfolio Split by Product Type %, (30/06/2015) ⁽¹⁾



Portfolio Split by Customer Age Group (30/06/2015)

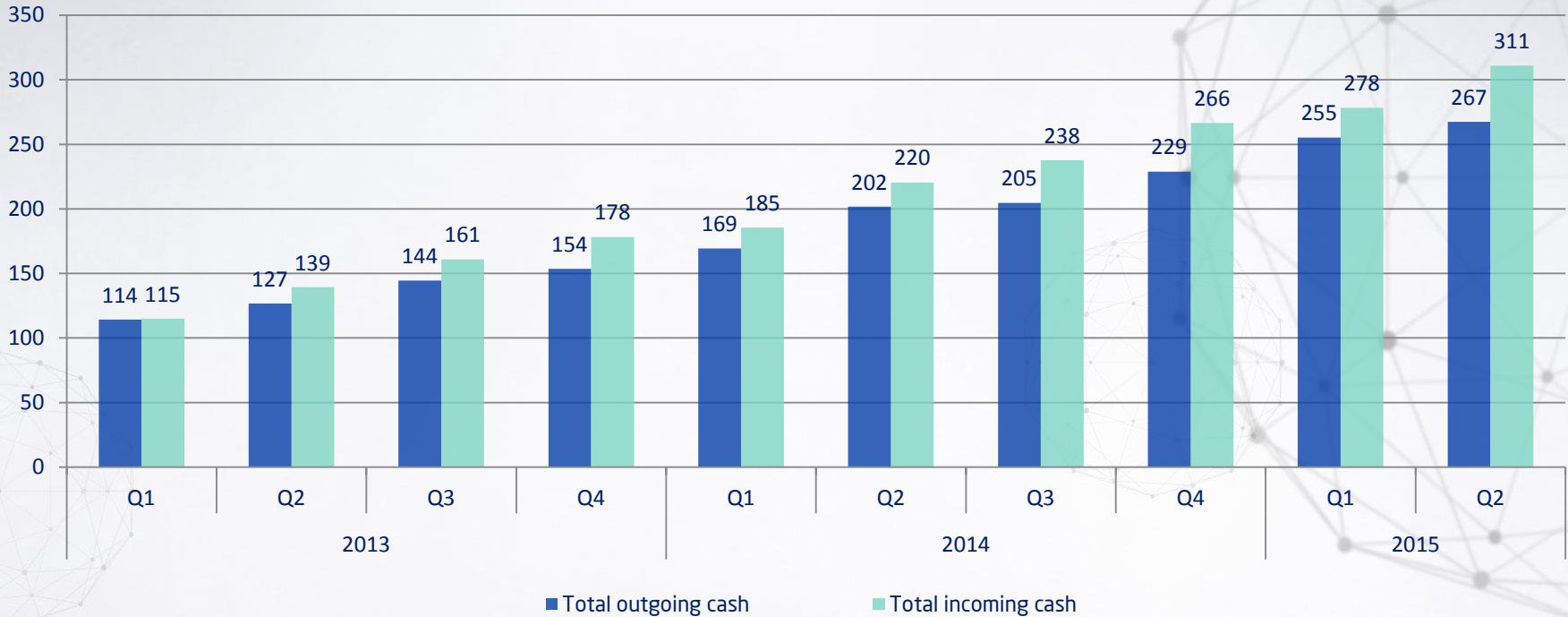


Portfolio Split by Average Loan Amount % / EUR (30/06/2015)



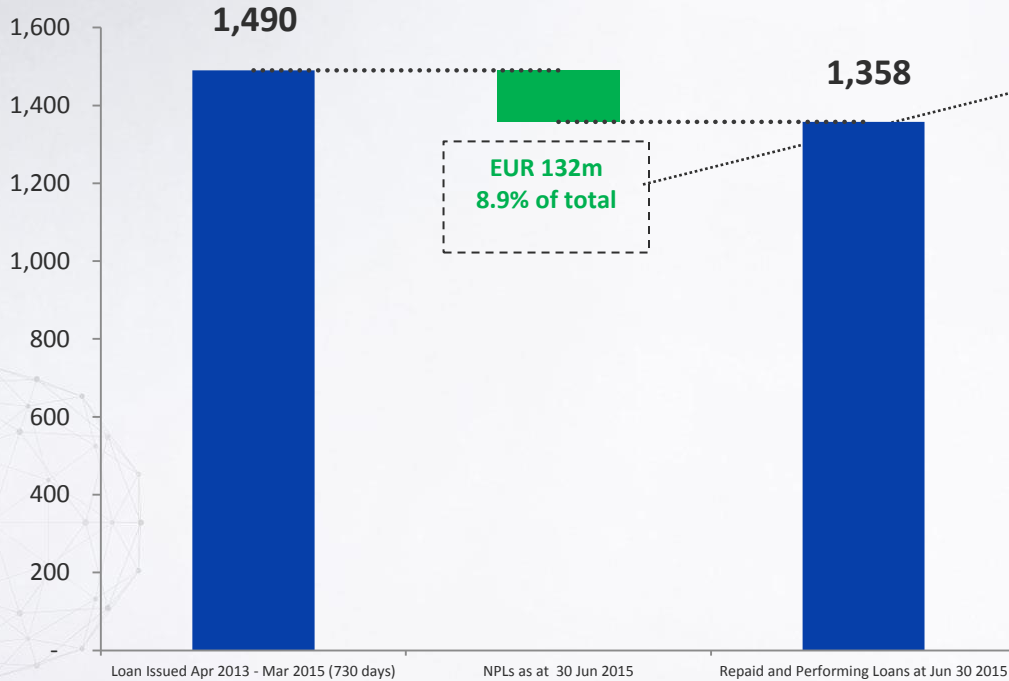
Loan portfolio - cash flows

LTM net incoming cash 137.3m EUR

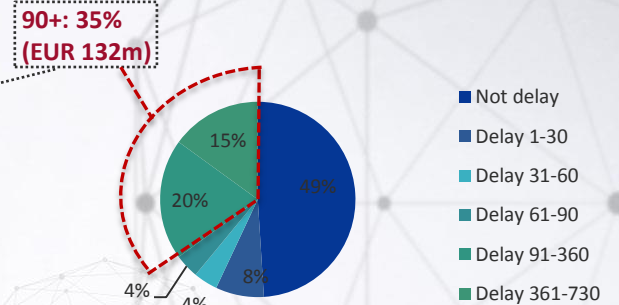


Non-performing loans

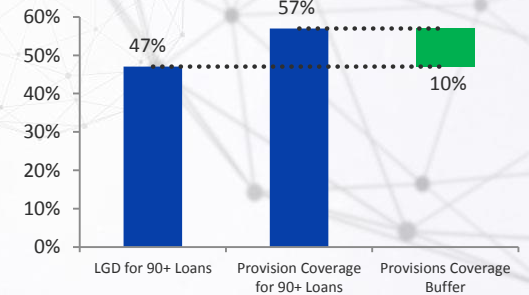
NPL Percentage of Total Loans Issued (EUR m)



Portfolio Structure (30/06/2015)

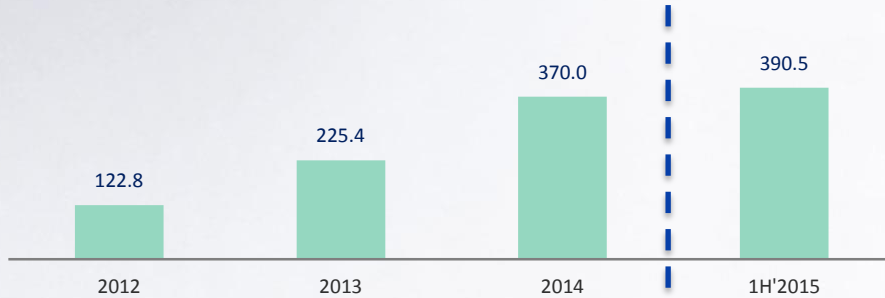


Conservative Provision Coverage (30/06/2015)

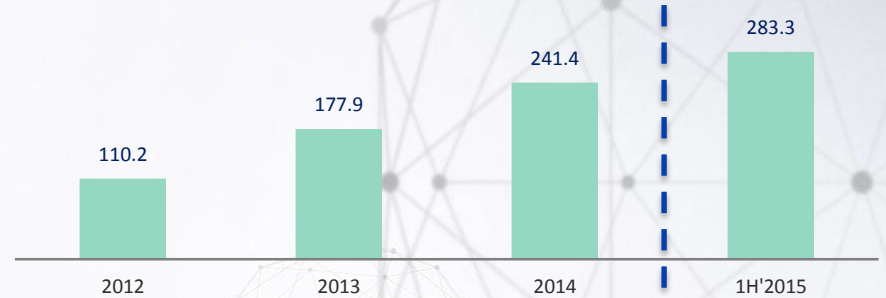


Strong balance sheet

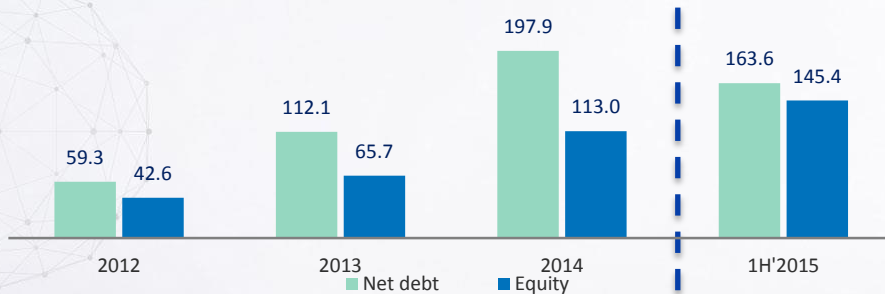
Total Assets (EURm)



Net loan portfolio (EURm)



Net debt⁽¹⁾ and Total equity (EURm)

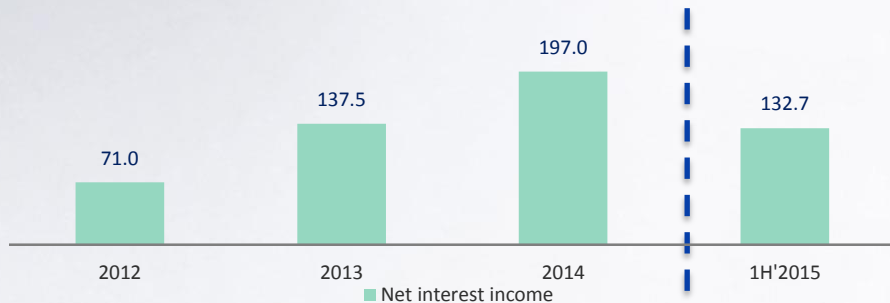


Proactive Liability Management

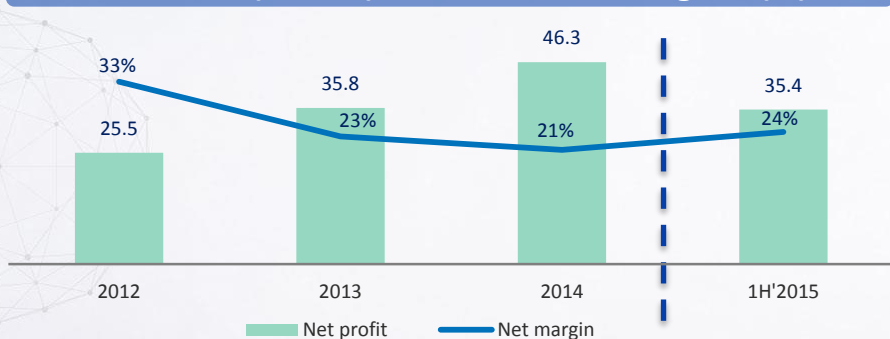
- On August 14 4finance S.A. issued USD 200 million 11.75% 144A/RegS Senior Notes due 2019 listed on the Irish Stock Exchange
- Simultaneously 4finance completed a tender offer for the 2015 Notes. As a result of the tender USD 97.3 million bonds were tendered and released using proceeds from the 2019 Notes
- On March 2015 4finance S.A. issued SEK 225 million 11.75% Senior unsecured callable fixed rate bonds due 2018 listed on NASDAQ Stockholm

Highly profitable business model

Net Interest Income (EUR m)



Net Profit (EUR m) and Net Profit Margin⁽²⁾ (%)



- 4 Profitable every month since June 2009
- 4 High profitability with strong capitalization:
 - ROE 47%
 - CA ratio⁽¹⁾ 37%
- 4 40% CAGR in net profits from 2012 to 1H'2015 (annualized)

Historical financials

In millions of EUR ⁽¹⁾	2012	2013	2014	1H'2015
Interest income	76.2	152.8	220.8	146.1
Interest expense	(5.2)	(15.3)	(23.8)	(13.4)
Net interest income	71.0	137.5	197.0	132.7
Profit before tax	32.4	52.8	60.0	37.5
<i>PBT Margin</i>	43%	35%	27%	26%
Profit from continuing operations	26.2	44.5	48.4	29.8
Discontinued operations, net of tax	(0.7)	(8.7)	(2.1)	5.6
Profit for the period	25.5	35.8	46.3	35.4
Adjusted EBITDA ⁽²⁾	37.9	69.4	83.2	46.8
Total debt	66.6	129.2	231.6	214.2
Net debt	59.3	112.1	197.9	163.6
Equity	42.6	65.7	113.0	145.4
Total assets	122.8	225.4	370.0	390.5
of which loans and advances	110.2	177.9	241.4	283.3
Capital / assets ratio ⁽³⁾ , (%)	35%	29%	35%	37%
Interest coverage ratio ⁽⁴⁾ , (x)	7.3	4.5	3.5	3.5

(1) All ratios calculated adjusted for discontinued operations and assets held for sales

(2) Consolidated EBITDA is a non-IFRS measure that represents profits from continuing operations plus tax, plus interest, plus depreciation and amortisation, as adjusted to 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.

(3) Total equity/total assets excluding the effect from 2015 Notes' defeasance




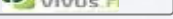
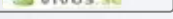

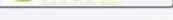

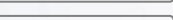

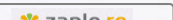


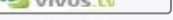
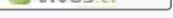
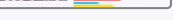

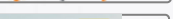

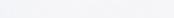
(4) Calculated as Adjusted EBITDA divided by interest expense



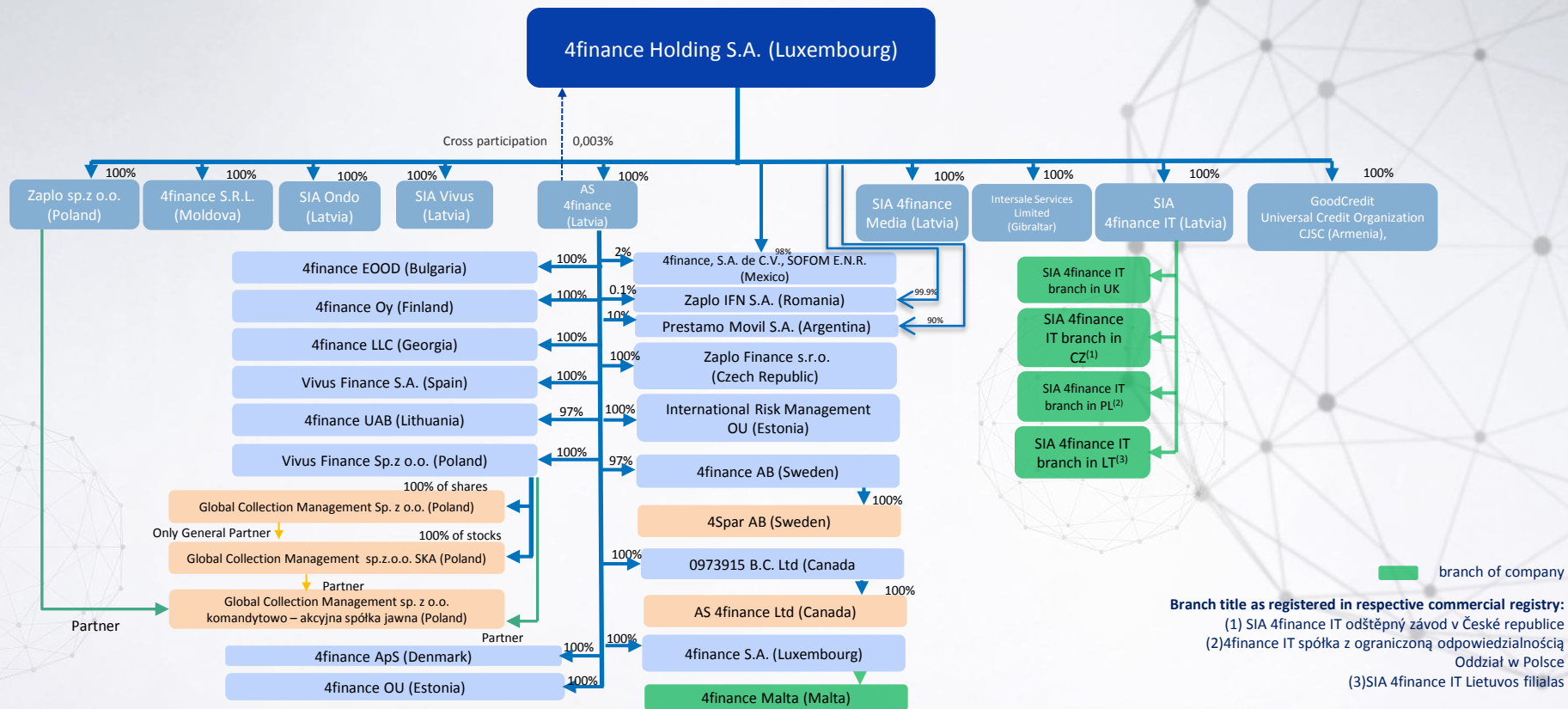
Appendix



Summary of product ranges by country

Product range				
Country	Product	Distribution channel	Available Loan ⁽¹⁾	Available Term
Single payment loans				
Latvia		Internet, phone, SMS, offline (partners)	EUR 5-425	1-30d
Latvia		Internet, phone, SMS	EUR 5-425	1-30d
Lithuania		Internet, phone, SMS, offline (kiosks and other partners), smartphone app	EUR 50-750	14-30d
Finland		Internet, phone	EUR 10-2,010	3-30d
Sweden		Internet, phone	EUR 5-1,710	1-30d
Poland		Internet, phone, offline (broker, partners), smartphone app	EUR 24-964	1-30d
Denmark		Internet	EUR 14-1,340	1-30d
Spain		Internet, phone, offline (loan shop & stand, broker)	EUR 50-800	7-30d
Georgia		Internet, phone, offline (loan shop & stand)	EUR 20-262	1-30d
Czech Republic		Internet, phone, offline (transfer)	EUR 37-554	7-30d
Bulgaria		Internet, phone, offline (partner, broker)	EUR 25-329	5-30d
Romania		Internet	EUR 34-339	5-30d
Argentina		Internet	EUR 10-300	15d or 30d
Instalment loans				
Latvia		Internet	EUR 50-1,500	1-24m
Lithuania		Internet, offline (kiosks and transfer), broker	EUR 75 – 3,000	1-36m
Sweden		Internet, phone	EUR 54 – 3,204	1-24m
Finland		Internet	EUR 2,000 – 3,000	12-24m
Poland		Internet, phone, Broker	EUR 121 – 964	3-12m
Denmark		Internet	EUR 670 – 2,680	1-12 m
Armenia		Offline	EUR 96 - 3,846	1-18 m

Ownership structure





Thank you!