Ferratum Denmark ApS

Bredgade 35 C, 1260 København K

ANNUAL REPORT 2015

For the year ended 31 December 2015

The annual report has been presented and adopted at the Company's Annual General Meeting.

20 / 6 2016

Chairman of Meeting

CVR No: 32 26 33 05

Content

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements of Ferratum Denmark ApS (the "Company") for the year ended 31 December 2015.

Principal activities
The principal activity of the Company, which is unchanged since last year, is to provide mobile consumer loans and short term consumer credit facilities.

Results and dividends
The results for the year are shown in the statement of comprehensive income on page 7.

The directors recommend that a dividend for 2015 is distributed in the amount of DKK 7,000,000. No dividend was distributed in 2014.

Since year-end 2015, no significant changes in the Company's financial position have taken place. The liquidity of the Company is sound and, according to the Board, the proposed dividend distribution does not jeopardize the solvency of the Company.

Review of business
The directors are optimistic with the future. The Company has obtained some good results within scope of what they expected for 2015.

Currency
The accounts are prepared in Danish Kroner *(DKK)*, in which the Company's share capital is denominated.

Directors
The directors of the Company who served during the year were:

Jorma Olavi Jokela
Lea Liigus
Saku Eero Juhana Timonen
Mikkel Winston

Subsequent to year-end the Company has registered a change of Directors on 16 March 2016. The following are now registered as directors of the Company:

Stefan Agergård Hansen
Saku Eero Juhana Timonen
Mikkel Winston

Copenhagen ***20 june 2016***

Stefan Agergård Hansen
Director

Saku Eero Juhana Timonen
Director

Mikkel Winston
Director

Registered office:
Bredgade 35C, 1260 Copenhagen K, Denmark

Statement of Management's responsibility

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Ferratum Denmark ApS for the financial year 1 January – 31 December 2015.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU. Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of Company operations and cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Signed on behalf of the Executive Board.

Copenhagen, 20 June 2016:

Stefan Agergård Hansen Director	Saku Eero Juhana Timonen Director	Mikkel Winston Director
Stefan Agergård Hansen Member of the Board	Saku Eero Juhana Timonen Chairman	Mikkel Winston Member of the Board

Independent Auditor's Reports

To the Shareholders of Ferratum Denmark ApS

Report on the Financial Statements

We have audited the Financial Statements of Ferratum Denmark ApS for the financial year 1 January - 31 December 2015, which comprise statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies. The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Hellerup, 20 June 2016
PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jesper Wiinholt
State Authorised Public Accountant

Statement of Comprehensive Income for the year ending 31 December 2015

	Note	1 Jan – 31 Dec 2015 DKK	1 Jan – 31 Dec 2014 DKK
Revenues			
Process fee		**40,835,068**	15,085,592
Other fees		**6,936,227**	7,370,690
		47,771,295	22,456,282
Expenditures			
Direct costs		**(3,344,566)**	(2,951,546)
Credit loss reserves	8	**(10,187,685)**	(6,404,943)
		(13,532,251)	(9,356,489)
Gross profit		**34,239,044**	13,099,793
Selling and distribution expenses		**(11.834,246)**	(2,962,520)
Administrative expenses		**(7,487,274)**	(3,660,800)
Finance costs	5	**(2,171,007)**	(883,049)
Profit before income tax		**12,746,517**	5,593,424
Income tax expense	6	**(3,099,024)**	(1,340,895)
Profit for the year		**9,647,493**	4,252,529
Other comprehensive income, net of income tax			
Total comprehensive profit/ for the year		**9,647,493**	4,252,529

Statement of Financial Position for the year ending 31 December 2015

	Note	31 Dec 2015 DKK	31 Dec 2014 As restated DKK	1 Jan 2014 As restated DKK
ASSETS				
Non - current assets				
Deferred tax	7	2,416,938	1,508,301	1,835,530
Total non - current assets		2,416,938	1,508,301	1,835,530
Current assets				
Trade receivables	8	71,681,156	21,283,198	15,556,680
Other receivables		907,687	99,702	99,702
Receivables from group related parties		2,892	-	-
Prepayments		494,054	207,511	118,208
Cash and cash equivalent	12	1,250,457	3,261,651	807,715
Total current assets		74,336,246	24,852,062	16,582,305
Total assets		76,753,184	26,360,363	18,417,835
EQUITY AND LIABILITIES				
Equity				
Share capital	9	200,000	200,000	200,000
Share premium		-	-	7,425,000
Retained earnings		13,733,813	11,086,320	(493,016)
Proposed dividend		7,000,000	-	-
Total equity		20,933,813	11,286,320	7,131,984
Current liabilities				
Trade payables	10	300,610	390,778	711,081
Other payables	10	7,190,320	1,045,730	1,223,184
Borrowings	11	44,234,103	12,611,686	8,783,669
Taxation payable		4,094,338	1,025,849	567,917
Total current liabilities		55,819,371	15,074,043	11,285,851
Total equity and liabilities		76,753,184	26,360,363	18,417,835

Statement of Changes in Equity for the year ending 31 December 2015

	Share capital DKK	Share premium DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Balance at 1 January 2014	**200,000**	**7,425,000**	**(493,016)**	**-**	**7,131,984**
Transfer from share premium account		(7,425,000)	7,425,000		-
Total comprehensive profit/(loss) for the year			4,252,529	-	4,252,529
Adjustment due to IFRS adoption			(98,193)	-	(98,193)
Balance at 31 December 2014	**200,000**	**-**	**11,086,320**	**-**	**11,286,320**
Total comprehensive profit/(loss) for the year			9,647,493	-	9,647,493
Proposed dividend			(7,000,000)	7,000,000	-
Balance at 31 December 2015	**200,000**	**-**	**13,733,813**	**7,000,000**	**20,933,813**

Statement of Cash Flow for the year ending 31 December 2015

	Note	31 Dec 2015 DKK	31 Dec 2014 DKK
Cash flow from operating activities			
Profit before tax for the year		12,746,517	5,593,424
Adjustments for:			
Finance expense		2,171,007	883,049
		14,917,524	6,476,473
Movements in working capital			
(Increase) / decrease in trade receivables		(50,397,958)	(5,857,442)
(Increase) / decrease in other receivables		(807,985)	-
(Increase) / decrease in prepayments		(286,543)	(89,303)
Increase / (decrease) in deferred revenue	10	2,735,554	-
Increase / (decrease) in trade payables		(90,168)	(320,303)
Increase / (decrease) in other payables		3,409,036	(177,454)
Cash generated used in operating activities		(30,520,540)	31,971
Interest paid		(1,994,704)	(883,049)
Taxation paid		(1,118,367)	(523,003)
Net cash used in operating activities		(33,633,611)	(1,374,081)
Cash flows from financing activities			
Increase / (decrease) in borrowings	11	31,622,417	3,828,017
Net cash generated from financing activities		31,622,417	3,828,017
Net (decrease) / increase in cash and cash equivalent		(2,011,194)	2,453,936
Cash and cash equivalents at the beginning of the year		3,261,651	807,715
Cash and cash equivalents at the end of the year	12	1,250,457	3,261,651

Notes to the Financial Statements

1. General information
Ferratum Denmark ApS (the "Company") operates in Denmark. It is part of an international group and is providing mobile short-term consumer loans and short-term (up to 1 year) credit facilities to private persons. The company is registered in Denmark and trades under the names of Ferratum Denmark ApS and Kvikautomaten.

2. Significant accounting policies
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as adopted by EU.

The report "Statement of cash flow" is prepared based on the indirect method.

The financial statements have been prepared on a going concern basis, applying a historical cost convention.

(a) New and amended standards adopted by the company

The following standards have been adopted by the Company for the first time for the financial year on or after 1 January 2014:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities
This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have any impact on the Company's financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets
This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment did not have any impact on the Company's financial statements.

Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting.
This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Company has no hedging instruments and therefore there is no impact on the Company's financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'.
The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to levies and therefore there is no impact on the Company's financial statements.

Notes to the Financial Statements - continued

(b) *New standards and interpretations not yet adopted by the company:*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial Instruments'
Addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The Company will adopt IFRS 9 when it becomes effective. Due to the short-term lending activities the Company do not expect the adoption of the expected credit loss model I IFRS 9 to have a significant impact on the Company's loan loss provisioning. It also contains a new impairment model which will result in earlier recognition of losses (expected credit loss model). The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

IFRS 15, 'Revenue from contracts with customers'
Deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier adoption is permitted. The Company does not expect the adoption of IFRS 15 to have any impact on the Company's financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.2 Financial Assets
The terms of financial instruments that are issued, the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument are evaluated to determine whether the financial instruments are financial liabilities, financial assets or equity instruments or whether they contain separate components, in which case such components are classified separately as financial liabilities, financial assets and equity instruments.

Financial instruments issued by the company.

(a) The financial instruments include no contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the company

2.2.1 Loans and Receivables
Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period, which are classified as non-current assets. Management reviews these loans and advances monthly and where doubt exists about collectability an allowance is made to reduce the carrying value to its realisable value.

2.2.2 Impairment of financial assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is

Notes to the Financial Statements - continued

objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Assets carried at amortized cost (account receivable – consumer loans)
The criteria that the Company uses to determine that there is objective evidence of impairment loss include:

a) a significant financial difficulty of the issuer or obligor;

b) a breach of contract, such as a default or delinquency in interest or principal payments;

c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider or;

d) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

e) adverse changes in the payment status of borrowers in the portfolio; and

f) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that consider on the basis of the Company's grading process asset type, past-due status and other relevant factors). The Company tracks its historical data of collected amounts and unpaid amounts on receivables. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

The provision for impairment of loan receivables is recognized in the financial statements based on historical trends and collective assessment of groups of microloans with similar credit risk characteristics. These loan receivables include the loan principal amount as well as related accrued fees (processing, prolonging, reminders and overdue fees). When receivables are impaired, the receivable's carrying amount is reduced to the receivable's recoverable amount. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in P&L. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account through P&L for the year. When the loans have been 100% impaired, they are written off.

Regular purchases and sales of financial assets are recognised on the trade-date. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.3 Prepayments
Prepayments are classified expenses paid in advance for subsequent years. These are recognised as current assets and recognised as an expenses in the year incurred.

2.4 Cash and cash equivalents
Cash and cash equivalents includes cash in hand and bank deposits.

Notes to the Financial Statements - continued

2.5 Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.6 Dividends
Dividends that are expected to be paid during the year are shown as a separate item in equity after decision at the Annual General Meeting.

2.7 Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non - current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Loans from related party
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs, after which it is included in the amortised cost of the loan. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.9 Deferred income
Deferred income comprises payments received in respect of income in subsequent years.

2.10 Foreign currency translation
The financial statements of the company are presented in its functional currency, DKK, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in P&L. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined.

Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in P&L for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

Foreign exchange gains and losses are included within administrative expenses, except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

Notes to the Financial Statements - continued

2.11 Revenue recognition
The company generates its revenue from its microloan and credit facility financing activities, by charging one or more of the following fees to the customer: process fee (representing interest yield on initial microloan period and credit facilities), prolonging fees (representing interest yield for any extension of the repayment date for the original maturity date of the microloan and credit facility), reminder fees and overdue fees. The fees mentioned are an integral part of the creation of the financial asset (Trade and other receivables) and represent interest income in nature.

Revenues are recognised when:

(a) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(b) the amount of the revenue can be measured reliably.

The recognition of revenues is based on effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. After signing the contract with the customer, the Company first assesses the probability that the fees charged can be recovered and that the economic benefits from the fees (i.e. the effective interest income accrued on the basis of the contractual fees) will flow to the Company. This assessment involves uncertainty estimation as it is based on the Company's statistics and historical information on customer behavior. The identification and credit scoring model allows the Company to create a customer default and risk profile for every single customer any time a loan request comes in. This is a critical step in the assessment whether or not the economic benefits associated with the issuance of the consumer loan will flow to the company as the scoring model rejects non-creditworthy loan requests.

2.12 Direct costs
Direct costs include costs incurred during the year for credit scoring the persons that have applied to obtain a loan or credit facility as well as costs incurred in relation to transferring funds to the lender.

2.13 Selling, Distribution and Administrative costs
Sales and Distribution costs include costs incurred for the sale and distribution of loans and credit facilities and for sales campaigns during the year, etc. This includes costs for sales personnel and advertising costs.

Administrative costs include costs incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses as well as depreciation and amortization of tangible assets.

2.14 Expenses
Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

2.15 Employee benefits
In the normal course of business through salary deductions, the company makes payments to mandatory State run pension funds on behalf of its employees as required by the law. All contributions made to the mandatory pension funds are recorded as salary expenses when incurred. The State pension plans are defined contribution plans; future payments are the obligation of the State.

2.16 Finance income and costs
Interest income and expense for all interest-bearing financial instruments, except microloans and short-term credit facilities, are recognised within 'finance income' and 'finance costs' in P&L using the effective interest method.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

Notes to the Financial Statements - continued

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.17 Taxation
The tax expense for the period comprises current and deferred tax.

Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Statement of cash flow
The cash flow statement presents cash flows from operating and financing activities for the year, cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities is calculated using the indirect method based on profit after tax adjusted for non-cash operating items, changes in working capital, interest received and paid and paid company tax.

Cash flows from financing activities comprise changes in the size or composition of share capital and related costs as well as borrowing, repayment of interest-bearing debt, purchase and sale of own shares and payment of dividends to shareholders.

Cash flows from finance leases are recognized under financing activities as payment of interest and repayment of debt.

Cash and cash equivalent comprises of funds deposited on bank accounts.

2.19 Financial risk management
The company activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which the Company manages and measures these risks are disclosed below.

Currency risk
The Company operates mainly in Denmark however has some international connection mainly in Norway and is exposed to foreign exchange risk arising from various currency exposures. Transaction risk arises from future commercial transactions, recognised assets and liabilities. The Company's treasury's risk management policy is to hedge the main FX exposures in non-euro currencies. Management has set up a policy to manage their foreign exchange risk against their functional currency. At the reporting date, the Company mainly had transactions in it's respective functional currencies, and accordingly, the transaction risk in the Company was minimal.

Notes to the Financial Statements - continued

The Company has currency exposure arising through Intra-group loan with the parent company, which creates some transaction risks.

Market risk
The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rate.

Interest rate risk
The Company has taken out a loan facility from the parent company to finance its operations as disclosed in note 10. The interest rates thereon and the terms of such borrowings are disclosed accordingly. The effective interest rate on the loan measured at amortised cost is disclosed in notes 10.

The company is exposed to cash flow interest rate risk on borrowings and debt instruments carrying a floating interest rate and to fair value interest rate risk on borrowings and debt instruments carrying a fixed interest rate. Investments in equity instruments are not exposed to interest rate risk.

Credit risk
Financial assets which potentially subject the Company to concentrations of credit risk, consist principally of receivables and cash at bank.

Receivables are presented net of an allowance for doubtful debt. An allowance for doubtful debt is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flow. Credit risk with respect to receivables is limited due to credit control procedures and the large number of customers comprising the Company's debtor base.

Cash at bank is placed with a reliable financial institution.

The Company assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors, such as bank references and the customers' financial position.

Management considers the credit quality of these financial assets as being acceptable. These financial assets do not include any material balances with past default experience.

Included in the Company's trade receivable balance are the following debtors which are past due at the end of the reporting period for which the company has not provided for as the amounts are still considered recoverable:

	2015 DKK	2014 DKK
61 – 90 days	3,832,784	1,076,397
91 – 120 days	2,941,964	1,078,967
121 days and over	22,540,495	17,068,703
	29,315,343	19,224,266

Liquidity risk
The Company monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows and by matching the maturity of both its financial assets and financial liabilities.

Capital risk management
The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

Notes to the Financial Statements - continued

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 10 and 11, cash and cash equivalents as disclosed in note 12 and items presented within equity in the statement of financial position.

The Company's directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the Company balances its overall capital structure through the payments of dividends, new share issues as well as the obtaining of new debt or the redemption of existing debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

3 First time adoption of IFRS

The financial statements of the Company has been prepared in accordance with International Financial Reporting Standards ("IFRS") effective as at 31 December 2015 and adopted by European Union. The term IFRS refers to the IFRS and International Accounting Standards ("IAS") and SIC and IFRIC interpretations as issued by International Accounting Standards Board ("IASB") and adopted by European Union as at December 31, 2013. These have been applied retrospectively as from 1 January 2014.

The financial statements of the Company until 31 December 2014 have been prepared in accordance with Danish Generally Accepted Accounting Principles ("DK GAAP"). Since DK GAAP differs from IFRS in some respects, certain accounting, valuation and classification principles under DK GAAP have been adjusted for IFRS purposes.

The date of transition from DK GAAP to IFRS is 1 January 2014. The financial statements include comparative information for the financial year ended 31 December 2014, which is restated in accordance with IFRS.

Transition to IFRS did have impact on cash flows.

Revenue recognition

Under DK GAAP the Company recognises the fees associated with its microloan lending activities either on the date of loan issue (process fees, prolonging fees) or on cash basis (reminder fees, monthly fees). Under IFRS such fees are considered part of the loan origination that should be amortized from loan inception over the loan period using the effective interest method. Accordingly, the Company has adjusted the revenue, trade receivables and credit loss reserve. Adjustment to trade receivables, net of adjustment to credit loss reserve, in the opening balance sheet as at 1 January 2014 can be seen in the below table.

Financial assets and liabilities

Under IFRS the Company has recognised financial assets (net of credit loss reserve) of DKK 131 thousand as at 1 January 2014.

As of this year the Company adopted IFRS, this had a restrospective effect as from 1 January 2014. The effect of the changes have been reflected below:

Impact on assets, liabilities and equity as at 31 December 2014 as restated:

	1 Jan 14 DKK	Adjustments DKK	1 Jan 14 DKK
Trade receivables	15,556,680	(130,924)	15,425,756
Deferred tax liabilities	1,835,530	32,731	1,868,261
Equity	(493,016)	98,193	(591,209)

Notes to the Financial Statements - continued

4. Personel costs	**31 Dec 2015 DKK**	**31 Dec 2014 DKK**
Wages and Salaries	**2,509,800**	1,673,798
Employee benefits	**331,523**	85,602
Taxes and statutory contributions	**37,834**	37,236
Directors salaries	**988,926**	751,100
	3,867,583	2,547,736

	Number of employees		**Costs of employees**	
	2015	**2014**	**2015**	**2014**
Selling and distribution	**9**	10	**1,311,403**	928,551
Administration	**5**	3	**1,366,854**	818,311
Directors	**1**	2	**1,189,326**	800,874
	15	15	**3,867,583**	2,547,736

5. Finance costs	**31 Dec 2015 DKK**	**31 Dec 2014 DKK**
Bank interests	**1,541**	5,601
Other interests	**176,304**	45,114
Interest from group	**1,993,162**	832,334
	2,171,007	883,049

6. Income tax	**31 Dec 2015 DKK**	**31 Dec 2014 DKK**
Current tax (expense) for the year	**(4,007,861)**	(980,735)
Deferred tax (expense) / benefit for the year	**908,637**	(360,160)
	(3,099,224)	(1,340,895)

Tax charge for the year	**31 Dec 2015 DKK**	**31 Dec 2014 DKK**
Profit before tax	**12,746,517**	5,593,424
Tax calculated at the applicable rate	**(2,995,431)**	(1,370,389)
The taxable effect of expenses not deductible for tax purposes	**(1,012,430)**	369,654
Tax losses used / (carried forward)	**-**	-
Deferred tax (expense) / benefit	**908,637**	(360,160)
	(3,099,224)	(1,340,895)

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax basis.

Notes to the Financial Statements - continued

7. Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 22% (2014: 22%). Deferred income taxes are included as follows:

	2015 DKK	Movement for year DKK	2014 DKK	Movement for year DKK	2013 DKK
Provisions	2,416,938	908,637	1,508,301	(360,160)	1,868,261
	2,416,938	908,637	1,508,301	(360,160)	1,868,261

At 31 December 2015 the company had a deferred tax asset of DKK 2,416,938 (2014: 1,508,301) emanating from deductible temporary differences of DKK 10,837,306 (2014: DKK 6,707,136).

8. Trade receivables

	31 Dec 2015 DKK	31 Dec 2014 DKK
Trade receivables – consumer loans gross	82,518,462	27,990,334
Less provision for imparment of loan receivables	(10,837,306)	(6,707,136)
	71,681,156	21,283,198

The carried Amount corresponds to the fair value of the receivables.

Movement on the provision for report of trade receivables are on follows:

	31 Dec 2015 DKK	31 Dec 2014 DKK
At 1 January	(6,707,136)	(3,048,874)
Provision for impairment	(4,130,170)	(3,658,262)
At 31 December	(10,837,306)	(6,707,136)

The Company has realized a loss by selling a portfolio with a nominel value of DKK 6,715. The Company has received DKK 918k for the portfolio.

The creation and release of provision for impared receivables have been included in "Credit loss reserves " in the income statement. Amounts charged to the allowed account are generally written off, when there is no expection of recovering addiotionel cash.

The Company does not have a material amount of individually impaired loan receivables. The ageing credit loss percentage of loan receivables, which are collectively assessed for impairment, is as follows:

Micro Loans

Period	2015 Percentage	2014 Percentage
Current	7.6%	8.7%
1-30 days	15.9%	16.8%
31-60 days	25.1%	25.9%
61-90 days	31.6%	32.8%
91-180 days	43.5%	42.9%
181-360 days	57.2%	56.2%
Over 360	79.2%	76.4%

Notes to the Financial Statements - continued

Credit Facility

Period	2015 Percentage	2014 Percentage
Current	3.7%	8%
1-30 days	12.2%	0%
31-60 days	18.3%	0%
61-90 days	24.4%	0%
91-180 days	33.3%	0%
181-360 days	45.5%	0%
Over 360	0%	0%

9. Share Capital

	31 Dec 2015 DKK	31 Dec 2014 DKK
Authorised		
200,000 Ordinary Shares of DKK 1 each	200,000	200,000
Issued and fully paid up		
200,000 Ordinary Shares of DKK 1 each	200,000	200,000

10. Current liabilities

	31 Dec 2015 DKK	31 Dec 2014 DKK
Related party balances	16,011	111,558
Other payables	3,491	10,550
Social Costs and other taxes	467,448	234,673
Accruals	3,967,817	688,949
Deferred revenue	2,735,553	0
	7,190,320	1,045,730

Accruals are related to invoices which were not approved by the closing of the year 2015. Deferred revenue relates to change in recognition of revenue as per IFRS, where revenues comprise of process fees, prolonging fees and reminder fees.

11. Borrowings

	31 Dec 2015 DKK	31 Dec 2014 DKK
Borrowings from parent company	44,234,103	12,611,686

Related party loan is unsecured, interest is charged at 8%. The loan is repayable on demand but will be repaid by 2019. The effective interest rate used to discount the estimated future cash payments through the expected life of these loans to the net carrying amount is 8%.

12. Note to the statement of cash flows

Analysis of the balance of cash and cash equivalents as shown in the statement of cash flows:

	31 Dec 2015 DKK	31 Dec 2014 DKK
Cash at bank and in hand	1,250,457	3,261,652

Notes to the Financial Statements - continued

13. Related party transactions

The directors consider the ultimate controlling party to be Ferratum Oyj, who owns 100% of the issued share capital of Ferratum Denmark ApS, a company quoted on the Frankfurt stock exchange.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director.

The related party transactions in question were:

	2015		%	2014		%
	Related party activity	**Total activity**		Related party activity	Total activity	
	DKK	**DKK**		DKK	DKK	
Related party Balance Sheet transactions						
Intragroup receivable	**2,892**	**2,892**	**100**	2.892	2.892	100
Intragroup borrowings	**44,234,103**	**44,234,103**	**100**	12,611,686	12,611,686	100
Total Balance sheet	**44,236,995**	**44,236,995**	**100**	12,614,578	12,614,578	100
Related party P&L transactions with parent						
Intragroup Recharging	**2,822,336**	**2,822,336**	**100**	658,647	658,647	100
Finance costs	**1,993,162**	**2,083,654**	**96**	832,333	883,049	94
Other related parties P&L transactions						
Salary to key management personnel	**988,926**	**3,867,383**	**25**	751,100	2,547,736	29
Total expenses	**5,804,424**	**8,773,373**	**66**	2,242,080	4,089,432	55

14. Comparative figures

Certain comparative figures were reclassified to conform to the current period presentation.

15. Capital commitments

	2015	2014
	DKK	DKK
Authorised and contracted for:		
Office rent	**198,540**	51,000
Sponsorship and marketing	**995,000**	0
Other	**676,667**	0
Authorised and contracted for	**1,870,207**	51,000

Should the company want to terminate the contract a 6 months notice is required amounting to DKK 198,540

Notes to the Financial Statements - continued

16. Contingent liabilities

The Company's debtors have been given as security for loan made by the Company's business partner.

Besides the above the Company had no claims for contingent liabilities during the year.

17. Events after the reporting period

With the exception of the change of Directors as mentioned in the Directors' report as per page 3, there were no other material events after the year-end, up to the date of issuing these financial statements, which would have a bearing on the understanding of these financial statements.