Saxo Payments A/S

Philip Heymans Allé 15

2900 Hellerup

CVR no. 32 33 88 95

Annual Report 2016

Approved at the Company's general meeting on 23 March 2017

Chairman:

Thomas Kræmer

Contents

Statement by the Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of Saxo Payments A/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report is approved at the annual general meeting.

Hellerup, 9 February 2017

Executive Board:

Laust Vrist Bertelsen CEO	Anders la Cour CEO

Board of Directors:

Søren Kyhl Chairman	Steen Blaafalk Board member
Paul Townsend Board member	Lars Torpe Christoffersen Board member

Independent auditors' report

To the shareholders of Saxo Payments A/S

Opinion

We have audited the financial statements of Saxo Payments A/S for the financial year 1 January – 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2016, and of the results of the company operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

Independent auditors' report

Auditors' responsibility (continued)

from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are in-adequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review

Management is responsible for Management's review.

Our opinion on the financial statements does not cover Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's review and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's review.

Copenhagen, 9 February 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard	Anders Duedahl-Olesen
State Authorised Public Accountant	State Authorised Public Accountant

Management's review

Company details

Name	Saxo Payments A/S
Address, zip code, city	Philip Heymans Allé 15, 2900, Hellerup
CVR no.	32 33 88 95
Established	27 June 2013
Registered office	Gentofte
Financial year	1 January – 31 December
Board of Directors	Søren Kyhl (Chairman) Steen Blaafalk Lars Torpe Christoffersen Paul Townsend
Executive Board	Laust Vrist Bertelsen Anders la Cour
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg

Management's review

Principal activities of the Company

The Company’s principal activity is to offer payment services and associated activities.

The Company operates a global account infrastructure by connecting with traditional banks to make cross border transactions through a one-stop-shop with reduced complexity, time, and costs.

The Company also provides access to the core banking services, allowing digital challengers to issue bank accounts to their merchants, make cross border bank transfers and enable merchants to transfer funds to almost any country in the world in their own name.

Financial development in 2016

Result for the year shows a loss of DKK 58,213 thousand after tax.

Loss for the year is not satisfactory compared to the expectations, but is acceptable as the costs are related to scaling up the business.

During the year the Company has issued shares for a total amount of DKK 49,333 thousand to the existing shareholders.

Expected financial development in 2017

Management expects a significantly improved net profit for 2017 compared to 2016.

The cash flow and capital budget for 2017 show that the Company has the necessary funds and capital to carry through planned activities in 2017 after inclusion of anticipated joint taxation contribution for 2016, cf. note 12 to the financial statements.

Based on the above the Executive Board and the Board of Directors believe the Company’s capital and liquidity base are sufficient to continue the operations throughout 2017.

Events after the balance sheet date

No events occurring after the balance sheet date have significant influence on the Company’s financial position at 31 December 2016.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK 1,000	2016	2015
3	Interest income	66	36
4	Interest expense	-842	-183
	Net interests	**-776**	**-147**
5	Fee and commission income	17,095	1,103
6	Fee and commission expense	-6,297	-173
	Net fees and commissions	**10,798**	**930**
7	Price and exchange rate adjustments	571	-157
8	Staff costs	-32,290	-30,191
	Other external costs	-42,744	-32,356
10,11	Depreciation and amortization	-7,925	-7,094
	Loss before tax	**-72,366**	**-69,015**
9	Tax on loss for the year	14,153	13,249
	Loss for the year	**-58,213**	**-55,766**
	Proposed distribution of loss		
	Retained earnings	-58,213	-55,766
		-58,213	**-55,766**

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK 1,000	2016	2015
	ASSETS		
	Non-current assets		
10	**Intangible assets**		
	Developed software	14,750	5,909
	Purchased software	82	105
	Knowhow	9,281	15,468
	Trademarks and licenses	214	357
	Development projects	0	0
		24,327	21,839
11	**Tangible assets**		
	Leasehold improvements	370	473
	Other plant, fixtures and equipment	7	44
		377	517
	Total non-current assets	**24,704**	**22,356**
	Current assets		
	Receivables		
	Trade receivables	1,368	84
	Receivables from group enterprises	264	0
12	Current tax assets, joint taxation	26,673	1,803
12	Deferred tax assets	0	11,767
	Deposits	382	644
	Other receivables	1,031	161
	Prepayments	7,964	9,862
	Total receivables	**37,682**	**24,321**
13	**Cash at hand and in bank**	**1,072,803**	**76,713**
	Total current assets	**1,110,485**	**101,034**
	TOTAL ASSETS	**1,135,189**	**123,390**

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK 1,000	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,445	1,340
	Reserve for development costs	10,154	0
	Retained earnings	46,384	64,701
	Total equity	**57,983**	**66,041**
	Provisions		
12	Deferred tax	382	0
	Total provisions	**382**	**0**
	Liabilities		
	Current liabilities other than provisions		
	Payment accounts	1,055,960	44,045
	Trade payables	2,237	6,941
	Payables to group enterprises	217	197
	Corporation tax	477	381
	Other payables	17,933	5,785
	Total current liabilities	**1,076,824**	**57,349**
	TOTAL LIABILITIES	**1,135,189**	**123,390**

1 Accounting policies
2 Capital position
14 Mortgages and collateral
15 Contractual obligations and contingencies, etc.
16 Related party disclosures
17 Ownership

Financial statements for the period 1 January – 31 December

Equity

DKK 1,000	Share capital	Share premium	Reserve for develop-ment cost	Retained earnings	Total
Balance at 1 January 2015	**1,142**	**0**	**0**	**46,477**	**47,619**
Capital increase	198	69,288	0	0	69,486
Share premium transferred to retained earnings	0	-69,288	0	69,288	0
Tax exempt subsidy	0	0	0	1,865	1,865
Share-based payments	0	0	0	2,837	2,837
Transferred; see distribution of loss	0	0	0	-55,766	-55,766
Balance at 31 December 2015	**1,340**	**0**	**0**	**64,701**	**66,041**
Capital increase	105	49,228	0	0	49,333
Share premium transferred to retained earnings	0	-49,228	0	49,228	0
Share-based payments	0	0	0	1,062	1,062
Exchange rate adjustments	0	0	0	-240	-240
Adjustment of reserve for development cost	0	0	10,273	-10.273	0
Transferred; see distribution of loss	0	0	-119	-58,094	-58,213
Balance at 31 December 2016	**1,445**	**0**	**10,154**	**46,384**	**57,983**

The share capital of 1,445,062 shares with a nominal value of DKK 1 per share is divided into the following classes: A, DKK 1,407,662 and B, DKK 37,400.

The costs associated with the capital increase for the year amount to DKK 44 thousand.

Changes in share capital since establishment on 27 June 2013 can be specified as follows:

DKK 1,000	31 December 2016	31 December 2015	31 December 2014	27 June 2013
Balance at 1 January	1,340	1,142	1,000	0
Cash capital increase	105	198	142	1,000
	1,445	1,340	1,142	1,000

A total number of 118,610 warrants (rights to subscribe for 118,610 class B shares) have been granted to Management and employees of the company. The warrants are measured at fair value at the grant date and are recognised as an expense in Staff costs over the vesting period. Expenses are set off against shareholders' equity. The warrants can be exercised in 2019.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Saxo Payments A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities. In addition, the provisions applying to class C entities in recognition and measurement of development projects have been adopted.

The format of the income statement is adapted to the Company's principal activity as financial payment services provider.

The accounting policies have been updated regarding the establishment of a reserve for development cost in the equity. This is to comply with the Executive Order No. 738 of 1 June 2015 with updates to the Danish Financial Statements Act.

Besides this update the accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements are presented in Danish kroner.

Generally about recognition and measurement
Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities, measured at fair value or at amortised cost.

Any costs, including depreciations, amortisation, impairment, provisions and reversals due to changed accounting estimates of amounts previously recognised in the income statement, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Foreign currency translation

The functional currency used is Danish kroner. Other currencies are considered foreign currencies.

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as price and exchange rate adjustments.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as price and exchange rate adjustments.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Interest, fees and commissions
Interest income and expenses are recognised in the income statement at the transaction date with the amounts that relate to the financial year. Fees and commissions income and expenses are recognised in the income statement at the transaction date with the amounts that relate to the financial year.

Price and exchange rate adjustments
Price and exchange rate adjustments of foreign currency positions and securities is measured at fair value on the balance sheet date and recognised in the income statement by the amounts that relate to the financial year.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pensions and other social security costs etc., for the Company's employees.

Share-based payments

The Board of Directors, the Board of Management and other employees have been granted warrants. The warrants are measured at fair value at the grant date and are recognised as an expense in Staff costs over the vesting period. Expenses are set off against shareholders' equity.

In connection with initial recognition of the warrants, the expected number of exercisable warrants is estimated. The fair value of the warrants is measured using the Black Scholes valuation method. The calculation takes into account the terms and conditions under which the warrants are granted. Subsequent fair value changes are not recognised in the income statement.

If subsequent modifications to a warrant program increase the value of the warrants granted, measured before and after the modification, the increase is recognised as an expense. If the modification occurs before the vesting period, the increase in value is recognised as an expense over the period for services to be received. If the modification occurs after vesting date, the increase in value is recognised as an expense immediately or over the new vesting period if conditional on additional period of services is to be completed.

Other external costs

Other external costs comprise costs for premises and operating leases, insurance, consultancy costs, phone and internet, travel, advertising, office supplies, etc.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Software, knowhow, trademarks and licenses

On initial recognition, intangible assets are measured at cost.

Software, knowhow, trademarks and licences are subsequently measured at cost less accumulated amortisation. Amortisation is done on a straight-line basis over the estimated useful life estimated at 5 years.

Cost comprises the purchase price and any costs directly attributable to the acquisition.

Gains or losses on disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement.

Development projects

Development costs comprise salaries that are directly and indirectly attributable to the development projects.

Development projects that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling and administrative expenses and development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation/-impairment losses and the recoverable amount.

Following the completion of the projects, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is maximum 5 years.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tangible assets

On initial recognition tangible assets are measured at cost.

Leasehold improvements and other plant, fixtures and equipment are subsequently measured at cost less accumulated depreciation. The basis of depreciation is cost less expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is done on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvements	5 years
Other plant, fixtures and equipment	3 years

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments, recognised as assets, comprise costs incurred concerning subsequent financial years.

Securities

Bonds, traded in active markets, are measured at fair value using the quoted market price at the balance sheet date.

Equity

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Reserve for development costs

Reserve for development costs is measured as the value of capitalized development cost since 1 January 2016 less accumulated depreciations for the development projects that are finished after this date. If impairment losses are recognized for development projects the reserve for development is reduced by the same amount. The reserve for development cost cannot be used for distributing dividends or cover losses in the retained earnings.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax and deferred tax

The Company is covered by the Danish rules on compulsory joint taxation. Saxo Bank A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid to the administrative company including expected utilization of tax losses by the parent company. The expected utilization is based on a preliminary tax calculation.

Deferred tax is measured on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax is measured according to the tax rules at the balance sheet date and at the tax rates applicable when the deferred tax is expected to materialize as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Payment accounts

Payment accounts include the clients' foreign currency holdings and are used exclusively for payment transactions.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are initially recognised at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost, which is usually corresponding to the nominal debt.

Other liabilities are measured at net realisable value.

2 Capital position

Result for the year shows a loss of DKK 58,213 thousand after tax.

During the year the Company has issued shares for a total amount of DKK 49,333 thousand to the existing shareholders.

Management expects a significantly improved net profit for 2017 compared to 2016.

The cash flow and capital budget for 2017 show that the Company has the necessary funds and capital to carry through planned activities in 2017 after inclusion of anticipated joint taxation contribution for 2016, cf. note 12.

Based on the above the Executive Board and the Board of Directors believe the Company's capital and liquidity base are sufficient to continue the operations throughout 2017.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

DKK 1,000	2016	2015
3 Interest income		
Interest income, bonds	0	4
Other interest income	66	32
	66	**36**
4 Interest expense		
Other interest expense	-842	-183
	-842	**-183**
5 Fee and commission income		
Commission income from group enterprises	264	0
Fee and commission income from payment activity	16,831	1,103
	17,095	**1,103**
6 Fee and commission expense		
Fee and commission expense from payment activity	-6,297	-173
	-6,297	**-173**
7 Price and exchange rate adjustments		
Bonds	0	-4
Foreign exchange	571	-153
	571	**-157**
8 Staff costs		
Wages and salaries	-36,355	-27,405
Warrants	-1,062	-2,760
Pensions	-57	-39
Other social security costs	-5,089	-3,083
Wages and salaries transferred to development projects	10,273	3,096
	-32,290	**-30,191**
Average number of full-time employees	51	33

Financial statements for the period 1 January – 31 December

Notes to the financial statements

DKK 1,000	2016	2015
9 Tax on loss for the year		
Computed tax on the taxable income for the year	26,264	1,490
Adjustment of deferred tax for the year	-12,035	11,766
Adjustment of deferred tax for prior years	-115	0
Adjustment of prior year's tax	39	-7
	14,153	**13,249**

10 Intangible assets

DKK 1,000	Developed software	Purchased Software	Knowhow	Trade-marks and licenses	Develop-ment projects
Cost at 1 January 2016	6,565	117	30,935	715	0
Additions	0	0	0	0	10,273
Transferred from development projects	10,273	0	0	0	-10,273
Cost at 31 December 2016	16,838	117	30,935	715	0
Amortisation at 1 January 2016	-656	-12	-15,467	-358	0
Amortisation	-1,432	-23	-6,187	-143	0
Amortisation at 31 December 2016	-2,088	-35	-21,654	-501	0
Carrying amount at 31 December 2016	**14,750**	**82**	**9,281**	**214**	**0**

11 Tangible assets

DKK 1,000	Leasehold improve-ments	Other plant, fixtures and equipment
Cost at 1 January 2016	516	160
Additions	0	0
Cost at 31 December 2016	516	160
Depreciation at 1 January 2016	-43	-116
Depreciation	-103	-37
Depreciation at 31 December 2016	-146	-153
Carrying amount at 31 December 2016	**370**	**7**

Financial statements for the period 1 January – 31 December

Notes to the financial statements

12 Deferred tax

DKK 1,000	2016	2015
Deferred tax at 1 January	-11,767	-1
Changes in deferred tax for the year	12,150	-11,766
Exchange rate adjustment	-1	0
Deferred tax at 31 December	**382**	**-11,767**
Deferred tax relates to:		
Intangible assets	3,263	1,323
Tangible assets	-19	12
Tax loss carryforwards	-2,862	-13,102
Total	**382**	**-11,767**

The company's current tax asset at 31 December 2016 of DKK 26,673 thousand is based on the expected utilisation in the joint taxation of Saxo Payments A/S' significant tax losses carried forward. Depending on the actual tax filing for 2016 by the parent company, the split between current and deferred tax assets in Saxo Payments A/S may change and the impact may be significant.

13 Cash at hand and in bank

DKK 1,000	2016	2015
Segregated client deposits in banks	1,055,960	44,045
Company's own funds in banks	16,843	32,668
Cash at hand and in bank at 31 December	**1,072,803**	**76,713**

Client deposits are segregated from the Company's own funds by placement in separate safeguarded accounts with credit institutions.

14 Mortgages and collateral

The Company has at 31 December 2016 no mortgages or provided collateral.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

15 Contractual obligations and contingencies, etc.

The Company is jointly taxed with other Danish entities in Saxo Bank Group. Saxo Bank A/S is the administrative company for the joint taxation. As a subsidiary the Company is joint and unlimited liable for payments of Danish corporation taxes and withholding taxes on dividends, interests and royalties.

Operating lease liabilities

The Company has entered into a service agreement with Saxo Bank A/ S, which can only be terminated (i) if Saxo Bank A/S' ownership is below 10%, (ii) if demanded by the Danish FSA or other relevant authorities, or (iii) the services are not performed in accordance with the agreement. The estimated service agreement commitment amounted to DKK 626 thousand at 31 December 2016 in the termination period.

The Company has entered into tenancy agreements which can be terminated with 3 months' notice. The commitment amounted to DKK 585 thousand at 31 December 2016 in the termination period.

The Company has entered into a leasing and implementation agreement on IT which can be terminated on 1 March 2019. The leasing and implementation agreement commitment amounted to DKK 26,030 thousand at 31 December 2016 in the termination period.

The Company has entered into several hosting and service agreements with an IT provider with expiry in the period from 28 February 2018 – 1 April 2019. The hosting and service agreement commitment amounted to DKK 367 thousand at 31 December 2016 in the termination period. If the agreement is terminated early, the Company will in addition be subject to a termination fee of DKK 406 thousand.

The Company has entered into a car lease agreement with a value of DKK 40 thousand.

The Company has no other contractual or contingent liabilities.

16 Related party disclosures

Saxo Payments A/S' related parties comprise of the parent company Saxo Bank A/S and subsidiaries hereof.

All transactions and agreements with related parties are settled on an arms-length basis.

17 Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

- Saxo Bank A/S, Philip Heymans Allé 15, 2900 Hellerup
- Aktieselskabet af 20. Maj 2013, Høbjergvej 29B, 3200 Helsinge

The Company is included in the consolidated financial statements of Saxo Bank A/S, Philip Heymans Allé 15, 2900 Hellerup.