

Repay Finance A/S

Vestergade 18 E
1456 København K

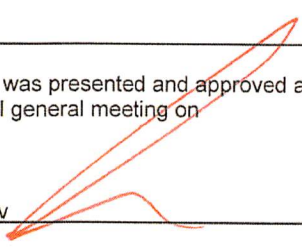
CVR no. 36 98 31 08

Annual report for the period 1 August 2015 – 31 December 2016

The annual report was presented and approved at the
Company's annual general meeting on

1 June 2017

Christian Hornskov
chairman



Repay Finance A/S
Annual report 2015/2016
CVR no. 36 98 31 08

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Repay Finance A/S for the financial period 1 August 2015 – 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 assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 August 2015 – 31 December 2016.

Copenhagen, 1 June 2017
Executive Board:



Mustapha Fauzi
Yassine

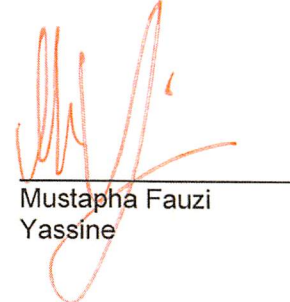
Board of Directors:



Christian Hornskov
Chairman



Ulrich Metz



Mustapha Fauzi
Yassine



Independent auditor's report

To the shareholders of Repay Finance A/S

Opinion

We have audited the financial statements of Repay Finance A/S for the financial period 1 August 2015 – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 August 2015 – 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 statements" 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 that 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.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 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 inadequate, to modify our opinion. Our conclusions are 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.



Independent auditor's report

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.

Copenhagen, 1 June 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Mark Palmberg', with a long horizontal flourish extending to the right.

Mark Palmberg
State Authorised
Public Accountant

Company details

Repay Finance A/S
Vestergade 18 E
1456 København K

CVR no.: 36 98 31 08
Registered office: København
Financial period: 1 August – 31 December

Board of Directors

Christian Hornskov, Chairman
Ulrich Metz
Mustapha Fauzi Yassine

Executive Board

Mustapha Fauzi Yassine

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Financial statements 1 August 2015 – 31 December 2016

Income statement

DKK	Note	1 August 2015 – 31 December 2016
Gross profit		<u>2.049.761</u>
Staff costs	3	-153.379
Depreciation, amortisation and impairment losses		<u>-61.800</u>
Operating profit		1.834.582
Financial income		425
Financial expenses		<u>-393.773</u>
Profit before tax		1.441.234
Tax on profit/loss for the year	4	<u>-317.071</u>
Profit for the year		<u>1.124.163</u>
Proposed profit appropriation		
Retained earnings		<u>1.124.163</u>
		<u>1.124.163</u>

Financial statements 1 August 2015 – 31 December 2016

Balance sheet

DKK	Note	2016
ASSETS		
Fixed assets		
Intangible assets	5	
Completed development projects		<u>247.200</u>
		<u>247.200</u>
Total fixed assets		<u>247.200</u>
Current assets		
Receivables		
Trade receivables		<u>9.171.646</u>
		<u>9.171.646</u>
Cash at bank and in hand		<u>1.436.196</u>
Total current assets		<u>10.607.842</u>
TOTAL ASSETS		<u><u>10.855.042</u></u>

Financial statements 1 August 2015 – 31 December 2016

Balance sheet

DKK	Note	2016
EQUITY AND LIABILITIES		
Equity		
	6	
Share capital		500.000
Reserve for development costs		247.200
Retained earnings		876.963
Total equity		1.624.163
Provisions		
Provisions for deferred tax		54.384
Total provisions		54.384
Liabilities other than provisions		
Non-current liabilities other than provisions		
	7	
Debt to credit institutions		8.266.667
		8.266.667
Current liabilities other than provisions		
Other credit institutions, current liabilities		200.000
Payables to group entities		344.896
Corporation tax		262.687
Other payables		102.245
		909.828
Total liabilities other than provisions		9.176.495
TOTAL EQUITY AND LIABILITIES		10.855.042
Main activities	2	
Related party disclosures	8	

Financial statements 1 August 2015 – 31 December 2016

Notes

1 Accounting policies

The annual report of Repay Finance A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015.

Income statement

Gross profit

The Company refers to the provisions in section 32 of the Danish Financial Statements Act, under which the Company's revenue is not disclosed.

Revenue

Revenue comprises interest and fees related to loans. Income is accrued over the period to which it relates and is included in the income statement at the amounts relating to the accounting period concerned.

Other external costs

Other expenses comprise expenses for sale, write-down of loan receivables, office premises and administration.

Financial income and expenses

Financial income and expenses comprise interest income and interest expenses, gains and losses on payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 August 2015 – 31 December 2016

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Completed development projects are amortised on a straight-line basis over the estimated useful life, however, not exceeding five years.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. Receivables are assessed for objective indication of impairment on a portfolio basis. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Impairment provision is calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as a discount rate.

Corporation tax and deferred tax

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 on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Financial statements 1 August 2015 – 31 December 2016

Notes

1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities comprise bank loans, trade payables and liabilities to group entities. Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

2 Main activities

The main activities of the Company include providing credit facilities to private individuals and all related activities.

3 Staff costs

DKK	1 August 2015 – 31 December 2016
Wages and salaries	152.811
Other social security costs	568
	<u>153.379</u>
Average number of full-time employees	<u>1</u>

4 Tax on profit/loss for the year

Current tax for the year	262.687
Adjustment of deferred tax for the year	54.384
	<u>317.071</u>

Financial statements 1 August 2015 – 31 December 2016

Notes

5 Intangible assets

DKK	Develop- ment projects in progress
Additions for the year	<u>309.000</u>
Cost at 31 December 2016	309.000
Amortisation	<u>-61.800</u>
Amortisation at 31 December 2016	-61.800
Carrying amount at 31 December 2016	<u><u>247.200</u></u>

6 Equity

The share capital consists of 50,000 shares of a nominal value of DKK 10. No shares carry any special rights.

7 Non-current liabilities other than provisions

Debt to credit institutions falls due in 2019.

8 Related party disclosures

Repay Finance A/S' related parties comprise the following:

Ownership

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

2bak ApS
Helgesvej 9, 4.th
2000 Frederiksberg

Hans Christian Hansen
Bellevuevej 7
4720 Præstø

W.H.Y. Group ApS
Vestergade 18E
1456 København K