

Repay Finance A/S

Vestergade 18 E, 1456 København K

Company reg. no. 36 98 31 08

Annual report

1 January - 31 December 2018

The annual report have been submitted and approved by the general meeting on the 15 February 2019.



Christian Hornskov
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Repay Finance A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

The annual report is recommended for approval by the general meeting.

Copenhagen, 15 February 2019

Managing Director



Mustapha Fauzi Yassine

Board of directors



Morten Schwartz Nielsen
Chairman



Christian Rützou Hornskov



Mustapha Fauzi Yassine



Wael Sulaiman Almaree

Independent auditor's report

To the shareholders of Repay Finance A/S

Opinion

We have audited the annual accounts of Repay Finance A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We refer to note 2 for further information.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Copenhagen, 15 February 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36


Claus Koskelin

State Authorised Public Accountant
mne30140

Company data

The company	Repay Finance A/S Vestergade 18 E 1456 København K
	Company reg. no. 36 98 31 08 Established: 1 August 2015 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Morten Schwartz Nielsen, Chairman Christian Rützou Hornskov Mustapha Fauzi Yassine Wael Sulaiman Almaree
Managing Director	Mustapha Fauzi Yassine
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	ACEA Capital A/S
Subsidiary	TBL Payments Norway IVS, København

Accounting policies used

The annual report for Repay Finance A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Change prior year

The company's management has adjusted write-downs on loans for 2017 as well as the company's tax and deferred tax has been affected by t.DKK 1.004 in 2017.

The management has chosen to make a correction and treat the circumstance, as a significant error and adjusts previous year's results. The management corrections are adjusted after the Danish Financial Statements Act §52. The adjustments have had the following consequences:

Corrections results of the year:

t.DKK.	<u>2018</u>	<u>2017</u>
Results of the year	134	4.135
Correction after the Danish Financial Statements Act § 52	0	-3.560
Corrected results of the year	<u>134</u>	<u>575</u>

Corrections on the equity:

t.DKK.	<u>31. december 2018</u>	<u>31. december 2017</u>
Equity (year opening)	2.935	1.624
Correction after the Danish Financial Statements Act § 52	0	0
Equity (year opening)	2.935	1.624
Results of the year	134	4.135
Capital increase		736
Correction after the Danish Financial Statements Act § 52	0	-3.560
Equity (year end)	<u>3.069</u>	<u>2.935</u>

Comparative figures are therefore adjusted.

Accounting policies used

The profit and loss account

Gross profit

The gross profit comprises revenue comprised of interest and fees related to loans, impairment on loans and other external costs in the form of costs for sales, advertisement, administration, premises and operational leasing cost. 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,

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects

Development projects 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

Accounting policies used

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Credit facilities to private individuals

Credit facilities to private individuals are measured at amortised cost which usually corresponds to face value.

Write-down is made for bad debt losses. Debtors are assessed on a portfolio basis. The objective indicators used in relation to portfolio losses are determined based on historical loss experience.

Other debtors

Other debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Share premium

Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Accounting policies used

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Repay Finance A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	23.557.874	6.269.625
3 Staff costs	-6.765.127	-2.655.051
Depreciation and writedown relating to fixed assets	-185.400	-61.800
Operating profit	16.607.347	3.552.774
Other financial income	5.083.251	188.273
Other financial costs	-21.516.152	-3.002.156
Results before tax	174.446	738.891
Tax on results	-40.621	-164.010
Results for the year	133.825	574.881
 Proposed distribution of the results:		
Allocated to results brought forward	278.437	574.881
Allocated to other statutory reserves	-144.612	0
Distribution in total	133.825	574.881

Balance sheet 31 December

All amounts in DKK.

Assets		2018	2017
<u>Note</u>		<u> </u>	<u> </u>
Fixed assets			
4	Development projects	0	185.400
	Intangible fixed assets in total	<u>0</u>	<u>185.400</u>
	Equity investments in group enterprises	1	1
	Equity investments in associated enterprises	0	20.000.000
	Financial fixed assets in total	<u>1</u>	<u>20.000.001</u>
	Fixed assets in total	<u>1</u>	<u>20.185.401</u>
Current assets			
	Credit facilities to private individuals	75.887.598	28.937.596
	Amounts owed by group enterprises	88.667.268	2.605.694
	Other debtors	0	696.562
	Debtors in total	<u>164.554.866</u>	<u>32.239.852</u>
	Available funds	<u>2.173.443</u>	<u>19.427.910</u>
	Current assets in total	<u>166.728.309</u>	<u>51.667.762</u>
	Assets in total	<u>166.728.310</u>	<u>71.853.163</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		<u>2018</u>	<u>2017</u>
<u>Note</u>			
Equity			
5	Contributed capital	588.333	588.333
	Share premium account	647.775	647.775
	Other statutory reserves	0	144.612
	Results brought forward	1.832.869	1.554.434
	Equity in total	<u>3.068.977</u>	<u>2.935.154</u>
Provisions			
	Provisions for deferred tax	0	40.788
	Provisions in total	<u>0</u>	<u>40.788</u>
Liabilities			
	Subordinate loan	108.148.000	35.000.000
	Other debts	50.000.000	32.541.438
	Long-term liabilities in total	<u>158.148.000</u>	<u>67.541.438</u>
	Short-term part of long-term liabilities	4.314.851	0
	Bank debts	62.490	26.781
	Trade creditors	7.325	583.475
	Debt to group enterprises	499.542	0
	Corporate tax	245.419	440.293
	Other debts	381.706	285.234
	Short-term liabilities in total	<u>5.511.333</u>	<u>1.335.783</u>
	Liabilities in total	<u>163.659.333</u>	<u>68.877.221</u>
	Equity and liabilities in total	<u>166.728.310</u>	<u>71.853.163</u>

- 1 The significant activities of the enterprise
- 2 Significant accounting estimates applied
- 6 Contingencies

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The main activities of the Company include providing credit facilities to private individuals and other debtors.

2. Significant accounting estimates applied

Receivables from group entities at the end of the accounting period are valued according to the ability for the lenders to pay back the amounts significantly based on expected positive future earnings within the group including future earnings from Repay Finance A/S.

Write-downs on credit facilities to private individuals are estimated based on limited historic data and therefore management assumptions complements the estimates.

	<u>2018</u>	<u>2017</u>
3. Staff costs		
Salaries and wages	6.487.409	2.589.780
Other costs for social security	103.801	39.076
Other staff costs	173.917	26.195
	<u>6.765.127</u>	<u>2.655.051</u>
 Average number of employees	 <u>14</u>	 <u>7</u>
4. Development projects		
Cost opening balance	<u>309.000</u>	<u>309.000</u>
Cost closing balance	<u>309.000</u>	<u>309.000</u>
 Amortisation and writedown opening balance	 -123.600	 -61.800
Amortisation for the year	<u>-185.400</u>	<u>-61.800</u>
Amortisation and writedown closing balance	<u>-309.000</u>	<u>-123.600</u>
 Book value closing balance	 <u>0</u>	 <u>185.400</u>

5. Contributed capital

The share capital consists of 588.333 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with a total obligation of t.DKK 2.135.

Joint taxation

ACEA Capital A/S, company reg. no 39146711 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.