

Finans 247 ApS

Bredgade 75, 2.
1260 København K

CVR no. 38 14 38 24

**Annual report for the period 28 October 2016 – 31 December
2017**

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

18 June 2018

Mikkel Winston
chairman



Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 28 October 2016 – 31 December 2017	7
Income statement	7
Balance sheet	8
Notes	10

Finans 247 ApS
Annual report 2016/17
CVR no. 38 14 38 24

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Finans 247 ApS for the financial period 28 October 2016 – 31 December 2017.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial period 28 October 2016 – 31 December 2017.

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

I recommend that the annual report be approved at the annual general meeting.

Copenhagen, 18 June 2018
Executive Board:



Mikkel Winston
CEO



Independent auditor's report

To the shareholder of Finans 247 ApS

Opinion

We have audited the financial statements of Finans 247 ApS for the financial period 28 October 2016 – 31 December 2017 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 2017 and of the results of the Company's operations for the financial period 28 October 2016 – 31 December 2017 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.

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.



Independent auditor's report

- 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.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 18 June 2018

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant
MNE no. 34319

Jette Kjær Bach
State Authorised
Public Accountant
MNE no. 19812

Finans 247 ApS
Annual report 2016/17
CVR no. 38 14 38 24

Management's review

Company details

Finans 247 ApS
Bredgade 75, 2.
1260 København

CVR no.:	38 14 38 24
Established:	28 October 2016
Financial period:	28 October 2016 – 31 December 2017

Executive Board

Mikkel Winston, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

Finans 247 ApS is a consumer finance company that provides easy and easily accessible access to loans for online consumers in Scandinavia.

Finans 247 ApS specializes in offering short-term loans to consumers. Our key concept is to be practical and to lend people the money they need - in a responsible, fast and easy way.

We are based in Copenhagen and have served consumers in the financial sector since 2016.

We offer short-term loans to customers in Scandinavia, easily, quickly, safely and reliably through our two products:

- MiniFinans.dk
- Kassekreditten.dk

Finans 247 ApS has since its inception experienced an increasing demand for its loan products. This is partly because our price level is attractive and partly because of our positive customer-oriented approach in providing short-term loans. Our approach has been well received by our clients. We have advertised our products primarily through Facebook, the television programme TV2 and the radio station The Voice.

This has led to a high awareness of our brand and products and has formed the basis for the many loans in 2017. The Company started its lending activities in 2017 and has come off to a good start with approx. 25,000 loans to Danish borrowers.

Financial result and dividend

The operation is financed by equity and loans. For the financial year 2017 the profit before tax is DKK 812,692 and profit for the year is DKK 630,924.

The Board proposes a dividend of DKK 150,000 for the financial year 2017.

The accounts are prepared in Danish kroner (DKK).

Board of Directors

The company's Board of Directors consists of CEO Mikkel Winston.

Financial statements 28 October – 31 December

Income statement

DKK	Note	28 Oct 16 – 31 Dec 17
Gross profit		<u>4,933,165</u>
Staff costs	2	<u>-2,612,087</u>
Operating profit		<u>2,321,078</u>
Financial income		8,878
Financial expenses	3	<u>-1,517,264</u>
Profit before tax		<u>812,692</u>
Tax on profit for the year	4	<u>-181,768</u>
Profit for the year		<u><u>630,924</u></u>
Proposed profit appropriation		
Proposed dividends for the year		150,000
Retained earnings		<u>480,924</u>
		<u><u>630,924</u></u>

Financial statements 28 October – 31 December

Balance sheet

	Note	28. oct. 16 – 31. dec 17
DKK		
ASSETS		
Current assets		
Receivables		
Loan receivables		40,853,542
Receivables from group entities		591,897
Other receivables		642,362
Prepayments		<u>1,106,111</u>
		<u>43,193,912</u>
Cash at bank and in hand		<u>3,590,340</u>
Total current assets		<u>46,784,252</u>
TOTAL ASSETS		<u><u>46,784,252</u></u>

Financial statements 28 October – 31 December

Balance sheet

DKK	Note	28. oct. 16 – 31. dec 17
EQUITY AND LIABILITIES		
Equity		
Contributed capital		50,000
Proposed dividends for the financial year		150,000
Retained earnings		<u>480,924</u>
Total equity		<u>680,924</u>
Liabilities other than provisions		
Non-current liabilities other than provisions		
Subordinary loan capital from associates	5	8,000,000
Payables to associates		13,300,000
Other payables		<u>19,470,545</u>
		<u>40,770,545</u>
Current liabilities other than provisions		
Current portion of non-current liabilities	5	1,040,053
Other credit institutions, current liabilities		2,743,773
Corporation tax		181,768
Other payables		<u>1,367,189</u>
		<u>5,332,783</u>
Total liabilities other than provisions		<u>46,103,328</u>
TOTAL EQUITY AND LIABILITIES		<u><u>46,784,252</u></u>
Contractual obligations, contingencies, etc.	6	

Financial statements 28 October – 31 December

Notes

1 Accounting policies

The annual report of Finans 247 ApS for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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 external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated 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 28 October – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

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.

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 are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 28 October – 31 December

Notes

1 Accounting policies (continued)

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.
 Other liabilities are measured at net realisable value.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

2 Staff costs

	28 Oct 2016 – 31 Dec 2017
DKK	
Wages and salaries	2,244,949
Pensions	34,123
Other social security costs	18,801
Other staff costs	<u>314,214</u>
	<u>2,612,087</u>
	<u>6</u>
Average number of full-time employees	

3 Financial expenses

Interest expense to associates	853,027
Other financial expenses	<u>664,237</u>
	<u>1,517,264</u>

4 Tax on profit/loss for the year

Current tax for the year	<u>181,768</u>
	<u>181,768</u>

Financial statements 28 October – 31 December

Notes

5 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2017	Repayment, first year	Outstanding debt after five years
Subordinary loan to associates	8,000,000	0	8,000,000
Payables to associates	13,300,000	0	13,000,000
Loans	20,510,598	1,040,053	3,700,000
	<u>41,810,598</u>	<u>1,040,053</u>	<u>24,700,000</u>

Subordinated loan capital is subordinated for other liabilities.

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the parent company and its Danish affiliated companies. Together with the jointly taxed companies, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc. may entail an increase in the Company's liability.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 180 thousand within 1 years.