

# Finans 247 ApS

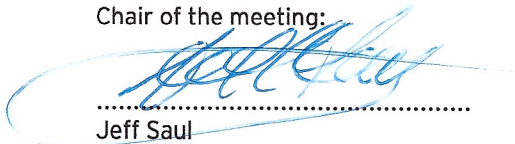
Vester Voldgade 83,2, 1552 København

CVR no. 38 14 38 24

## Annual report 2020

Approved at the Company's annual general meeting on 15 June 2021

Chair of the meeting:



.....  
Jeff Saul

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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## Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Finans 247 ApS for the financial year 1 January - 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 15 June 2021  
Executive Board:

A handwritten signature in blue ink, appearing to read 'P. Ørding', is written over a horizontal dotted line.

Peter Ørding Andreasen  
CEO

## Independent auditor's report

To the shareholders of Finans 247 ApS

### Opinion

We have audited the financial statements of Finans 247 ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### Management's responsibilities 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.

### 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 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 judgement and maintain professional scepticism 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 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.



## Independent auditor's report

- ▶ 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 note 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.

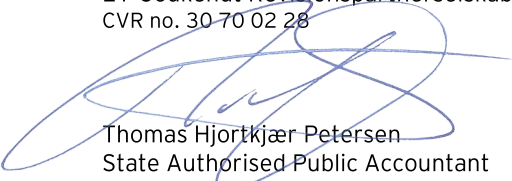
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 15 June 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Thomas Hjortkjær Petersen  
State Authorised Public Accountant  
mne33748



## Management's review

### Company details

Name	Finans 247 ApS
Address, Postal code, City	Vester Voldgade 83,2, 1552 København
CVR no.	38 14 38 24
Established	26 October 2016
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	<a href="http://www.lendomatic.com">www.lendomatic.com</a>
E-mail	<a href="mailto:info@lendomatic.com">info@lendomatic.com</a>
Telephone	+45 71 70 10 60
Executive Board	Peter Ørding Andreasen, CEO
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Vendsyssel Sparekasse

## Management's review

### Financial highlights

DKK'000	2020 12 months	2019 12 months	2018 12 mdr.(months)	2017 14 mdr.(months)
<b>Key figures</b>				
Gross profit	76,084	98,906	23,885	4,933
Profit before interest and tax (EBITA)	42,386	43,618	18,610	2,321
Net financials	-17,468	-15,764	-7,282	-1,508
Profit before tax	24,919	27,854	11,156	813
<b>Profit for the year</b>	<b>20,254</b>	<b>21,726</b>	<b>8,694</b>	<b>631</b>
<b>Balance sheet</b>				
Fixed assets	5,295	4,135	756	0
Non-fixed assets	206,751	182,109	117,930	46,784
<b>Total assets</b>	<b>212,046</b>	<b>186,244</b>	<b>118,686</b>	<b>46,784</b>
<b>Equity</b>	<b>51,355</b>	<b>31,101</b>	<b>9,375</b>	<b>681</b>
Non-current liabilities other than provisions	0	0	21,500	40,771
Current liabilities other than provisions	159,852	155,140	109,308	46,103
<b>Financial ratios</b>				
Return on assets	30.5%	53.6%	64.2%	5.0%
Current ratio	129.3%	117.4%	107.9%	101.5%
Equity ratio	24.2%	16.7%	7.9%	1.5%
Return on equity	49.1%	107.4%	172.9%	92.7%
<b>Average number of employees</b>				
	<b>29</b>	<b>29</b>	<b>11</b>	<b>6</b>

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

Finans 247 ApS provides affordable, easily and quickly accessible consumer finance products in Denmark for online customers who are inadequately served by the financial industry.

The Company is headquartered in Copenhagen.

#### Development in activities and financial matters

The income statement for 2020 shows a profit of DKK 20,254 thousand against a profit of DKK 21,726 thousand last year, and the balance sheet at 31 December 2020 shows an equity of DKK 51,355 thousand.

Clearly, 2020 was heavily impacted by the Covid-19 pandemic. In order to fully and accurately assess the impact of the health crisis, the Company deliberately reduced its monthly loan issuance from the highest level ever reached in February 2020, down to an almost full stop during March 2020. To manage the riskier outlook, the Company focused on risk mitigation rather than growth. Between April and June the Company speedily introduced additional functionalities and features to its automated credit processes to further reduce credit risk and initiated targeted loan repayment agreements in order to mitigate the impact of potential defaults. Thanks to these newly developed functionalities, the Company could actively and precisely reduce the balance sheet exposure to those specific client segments that were most severely impacted by the pandemic. From September onwards, the Company resumed its customer acquisition activities, albeit at somewhat lower levels than at the beginning of the year, treating carefully in the new highly unpredictable economic context.

Moreover, starting in March 2020, the Company reduced its expenses to compensate for reduced earnings due to the Covid-19 pandemic. The cost-cutting efforts included a substantial reduction of staff and the re-negotiation of various fixed expenses. The financial impact of these initiatives will materialize fully in 2021.

New regulation with effect from July 2020 introduced an APR ceiling of 25%. The regulatory change accelerated the Company's decision to offer loans with longer maturities.

The Company has maintained its effort to deliver fully automated processes, controls and reconciliations. This is a significant differentiator and driver of profitability, particularly in the current market environment. The Company has built its own data warehouse, and has considerably enhanced its functionalities during the year. By the end of 2020 several processes have been automated end-to-end with in-built controls, providing superior insights into clients, loans and cashflow, both on the individual level and the portfolio level.

Issues relating to residual manual processes have largely been remedied, and the Company continues to focus on maintaining and improving on fully automated front- and back-end processes, with the clear ambition of maintaining and improving on the highest level of digitization in the Danish market throughout 2021. This will appreciably strengthen the Company's competitive position in its core market: Consumer loans with a value up to DKK 50,000.

## Management's review

### Recognition and measurement uncertainties

The most significant uncertainty relate to the recognition and measurement of the Company's expected credit loss and its valuation of loan receivables. In 2020, the Company's existing IT infrastructure was augmented by the successful addition of a data warehouse solution. This has allowed for a detailed analysis of individual loans across the entire loan life-cycle. Based on the historic performance of closed loans, expected loss rates have been recalibrated and used to build a system-supported model for measuring expected loan losses based on behavioral and statistical evidence. As of 31 December 2020, this updated model is used as the basis for making loan loss provisions and has resulted in a substantial improvement compared to the historical provisioning model.

### Financial risks and use of financial instruments

The Company faces a number of risk factors that could potentially impact its future growth, activities, financial position and results. The description below is not exhaustive, but covers the most relevant risks.

#### Credit risk

As a lending company, the Company is naturally exposed to a level of credit risk. That risk is relatively high given that the Company specializes in providing smaller consumer finance loans without collateral. While the Company uses its technologies to minimize risk exposure and collect non-performing loans, it still faces a significant risk of losses on a portion of the loans it grants. This risk is reflected in the credit loss provisions, based on historic, behavioural and statistical evidence as at the date of the closing of the financial accounts.

#### Operational risk

The Company could theoretically be exposed to unforeseen losses due to inappropriate, inadequate or failed internal processes, people, system errors or external events. The Company's evolving risk management framework helps ensure proper safeguards are in place to protect the Company and its operations against such risks .

#### Liquidity and funding risk

The Company is funded via equity and debt instruments, and it is therefore exposed to liquidity risks were it not able to fulfil its payment obligation as they fall due.

### Research and development activities

The Company's internal research and development activities are directed at key areas where the Company can most clearly differentiate itself from its competitors, such as: digitizing and automating its processes; deploying machine learning solutions to perform credit assessments of its customers; and combining several unrelated systems, sources of data and services into clear, transparent and user-friendly loan products and loan processes for its users.

The Company also leverages external partnerships and capabilities to further improve its services, including for its client acquisition, credit decisioning and loan-delivery systems, as well as its payment infrastructure.

#### Knowledge resources

The Company's business model relies on highly digitized solutions to acquire and onboard customers, and to manage certain loan events and transactions. The IT infrastructure that supports these processes is therefore key, and system architects, front- and backend developers and Dev. Ops staff are critical resources. To ensure the Company's operations perform as intended and are resilient to potential adverse events, the company's IT infrastructure, resources and processes have been carefully documented, and all new code is thoroughly reviewed before being launched.

## Management's review

### Events after the balance sheet date

No events that could materially affect the Company's financial position have occurred in the period up to the presentation of the annual report.

### Outlook

The Company's results in January and February 2021 exceeded expectations and are above budget. As a result, for the remainder of 2021, the Company intends to focus primarily on; 1) continuing to improve and build on the automation of its processes, particularly in light of recent regulatory guidelines, and 2) on increasing the volume of loans it issues starting in Q4 2021. In this scenario, the Group expects to maintain a positive result before tax in line with 2020.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2020	2019
	<b>Gross profit</b>	76,084	98,906
4	Staff costs	-13,527	-13,025
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,139	-310
	Other operating expenses	-19,031	-41,953
	<b>Profit before net financials</b>	42,387	43,618
5	Financial income	12	5,548
6	Financial expenses	-17,480	-21,312
	<b>Profit before tax</b>	24,919	27,854
	Tax for the year	-4,665	-6,128
	<b>Profit for the year</b>	20,254	21,726

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2020	2019
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
7	<b>Intangible assets</b>		
	Acquired intangible assets	3,839	2,027
	Goodwill	307	387
		<u>4,146</u>	<u>2,414</u>
8	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	354	957
	Leasehold improvements	80	65
		<u>434</u>	<u>1,022</u>
	<b>Investments</b>		
	Investments in group enterprises	50	50
	Deposits, investments	665	649
		<u>715</u>	<u>699</u>
	<b>Total fixed assets</b>	<u>5,295</u>	<u>4,135</u>
	<b>Non-fixed assets</b>		
10	<b>Receivables</b>		
	Trade receivables	204,261	176,464
	Receivables from group enterprises	310	264
	Other receivables	225	45
9	<b>Prepayments</b>	722	1,060
		<u>205,518</u>	<u>177,833</u>
	<b>Cash</b>	1,233	4,276
	<b>Total non-fixed assets</b>	<u>206,751</u>	<u>182,109</u>
	<b>TOTAL ASSETS</b>	<u><u>212,046</u></u>	<u><u>186,244</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2020	2019
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	50	50
	Retained earnings	51,305	31,051
	<b>Total equity</b>	<b>51,355</b>	<b>31,101</b>
	<b>Provisions</b>		
	Deferred tax	839	3
	<b>Total provisions</b>	<b>839</b>	<b>3</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Short-term part of long-term liabilities other than provisions	18,500	20,500
	Trade payables	1,186	2,347
	Payables to group enterprises	120,782	105,470
	Corporation tax payable	3,833	6,128
	Other payables	15,551	20,695
		<b>159,852</b>	<b>155,140</b>
		<b>159,852</b>	<b>155,140</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>212,046</b>	<b>186,244</b>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Events after the balance sheet date
- 12 Contractual obligations and contingencies, etc.
- 13 Collateral
- 14 Related parties
- 15 Appropriation of profit

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2019	50	9,325	9,375
15	Transfer, see "Appropriation of profit"	0	21,726	21,726
	<b>Equity at 1 January 2020</b>	<b>50</b>	<b>31,051</b>	<b>31,101</b>
15	Transfer, see "Appropriation of profit"	0	20,254	20,254
	<b>Equity at 31 December 2020</b>	<b>50</b>	<b>51,305</b>	<b>51,355</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Finans 247 ApS for 2020 has been prepared in accordance with the Danish Financial Statements Act applying to reporting class C entities. The annual report prior year was prepared in accordance with the provisions applying to reporting class B entities.

Comparative figures for prior year have been corrected in order to give an correct comparative. This has not had any effect on profit/loss or equity in prior year.

No separate cash flow statement has been prepared for the company in accordance with section 86(4) of the Danish Financial Statement Act. See the consolidated cash flow statement in the group annual reports for Finans 247 Holding A/S.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

#### Income statement

##### 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.

##### Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
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Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

###### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 3 and 5 years.

Development costs and internally accumulated rights are recognised in the income statement as costs in the year of acquisition.

###### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the 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 discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised 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 in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties

The most significant uncertainty involved in recognition and measurement relates to the expected credit loss and valuation of loan receivables. During 2020 a Data Warehouse solution has been successfully added to the existing IT infrastructure. This has allowed a detailed analysis of the individual loans across the entire lifetime of the loans. Based on the historic performance of closed loans, expected loss rates have been calculated and used to build a system-supported model for measuring the expected loan losses, which has been used as the basis for the loan loss provisions per 31 December 2020.

#### 3 Events after the balance sheet date

No events have occurred in the period up to the presentation of the annual report which materially affect the financial position.

DKK'000	2020	2019
<b>4 Staff costs</b>		
Wages/salaries	11,701	10,638
Pensions	1,040	743
Other staff costs	786	1,644
	<u>13,527</u>	<u>13,025</u>
	<u>2020</u>	<u>2019</u>
Average number of full-time employees	<u>29</u>	<u>29</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

#### 5 Financial income

Other financial income	12	5,548
	<u>12</u>	<u>5,548</u>

#### 6 Financial expenses

Interest expenses, group entities	12,581	13,183
Other interest expenses	0	2,330
Exchange losses	19	0
Other financial expenses	4,880	5,799
	<u>17,480</u>	<u>21,312</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Intangible assets

DKK'000	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2020	2,027	387	2,414
Additions	2,555	0	2,555
Cost at 31 December 2020	4,582	387	4,969
Amortisation for the year	743	80	823
Impairment losses and amortisation at 31 December 2020	743	80	823
<b>Carrying amount at 31 December 2020</b>	<b>3,839</b>	<b>307</b>	<b>4,146</b>
Amortised over	3-5 years		

#### 8 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2020	1,167	81	1,248
Additions	0	31	31
Disposals	-394	0	-394
Cost at 31 December 2020	773	112	885
Impairment losses and depreciation at 1 January 2020	210	16	226
Impairment losses	51	0	51
Depreciation	248	16	264
Reversal of accumulated depreciation and impairment of assets disposed	-90	0	-90
Impairment losses and depreciation at 31 December 2020	419	32	451
<b>Carrying amount at 31 December 2020</b>	<b>354</b>	<b>80</b>	<b>434</b>
Depreciated over	3-5 years	5 years	

#### 9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years related to the operation of the Company, DKK 721,731 (2019: DKK 1,060,266).

#### 10 Receivables

The Company's loan receivables comprise of loan receivables before write-off, DKK 279,773 thousand, and write-off of DKK 75,513 thousand.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Share capital

The Company's share capital has remained DKK 50 thousand in the past year.

#### 12 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Finans 247 Holding A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

##### Other financial obligations

Other rent and lease liabilities:

DKK'000	2020	2019
Rent and lease liabilities	2,138	3,058

#### 13 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2020.

#### 14 Related parties

Finans 247 ApS' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Finans 247 Holding A/S		Participating interest

DKK'000	2020	2019
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#### 15 Appropriation of profit

##### Recommended appropriation of profit

Retained earnings	20,254	21,726
	20,254	21,726