Finans 247 Holding ApS

Kristianiagade 1
2100 København Ø

CVR no.: 38 61 67 06

Annual report 2018

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

on 22 May 2019

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chairman of the annual general meeting

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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 Finans 247 Holding ApS for the financial year 1 January – 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Copenhagen, 21 May 2019
Executive Board:

Mikkel Winston	Christian Sigurd Brammer

Board of Directors:

Thomas Nistrup Chairman	Peter Rene Kubicki	Jan Hansen
Mads Emil Fast Dahlerup	Casper Ravn-Sørensen	

Independent auditor's report

To the shareholders of Finans 247 Holding ApS

Report on the audit of the consolidated financial statements and the parent company financial statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Finans 247 Holding ApS for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 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 (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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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.

Emphasis of matter regarding matters in the consolidated financial statements and the parent company financial statements

Without modifying our opinion, we draw attention to note 2 on "Change in valuation method and related assumptions" to the financial statements enclosed, describing the changes made to the valuation method and related assumptions used to value the loan portfolio.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company 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.

Report on other legal and regulatory requirements

Non-compliance with the Danish Companies Act regarding purchase of own shares

The Company has purchased own shares without the general assembly's prior approval and has not disposed of these shares within 6 months of their purchase, which is a violation of articles 198 and 203 of the Danish Companies Act. Management may be held liable for this.

Non-compliance with the Danish Companies Act regarding financial assistance with a third-party purchase of shares in the company

In connection with the Company's financial assistance with a third-party purchase of shares in the company, there is a violation of article 206 of the Danish Companies Act for which the management may be held liable.

Copenhagen, 21 May 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jette Kjær Bach
State Authorised
Public Accountant
mne19812

Management's review

Company details

Finans 247 Holding ApS
Kristianiagade 1
2100 København Ø

Telephone:
Website:
E-mail:

CVR no.	38 61 67 06
Established:	4 May 2017
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Thomas Nistrup. Chairman
Peter Rene Kubicki
Jan Hansen
Mads Emil Fast Dahlerup
Casper Ravn-Sørensen

Executive Board

Mikkel Winston
Christian Sigurd Brammer

Auditor

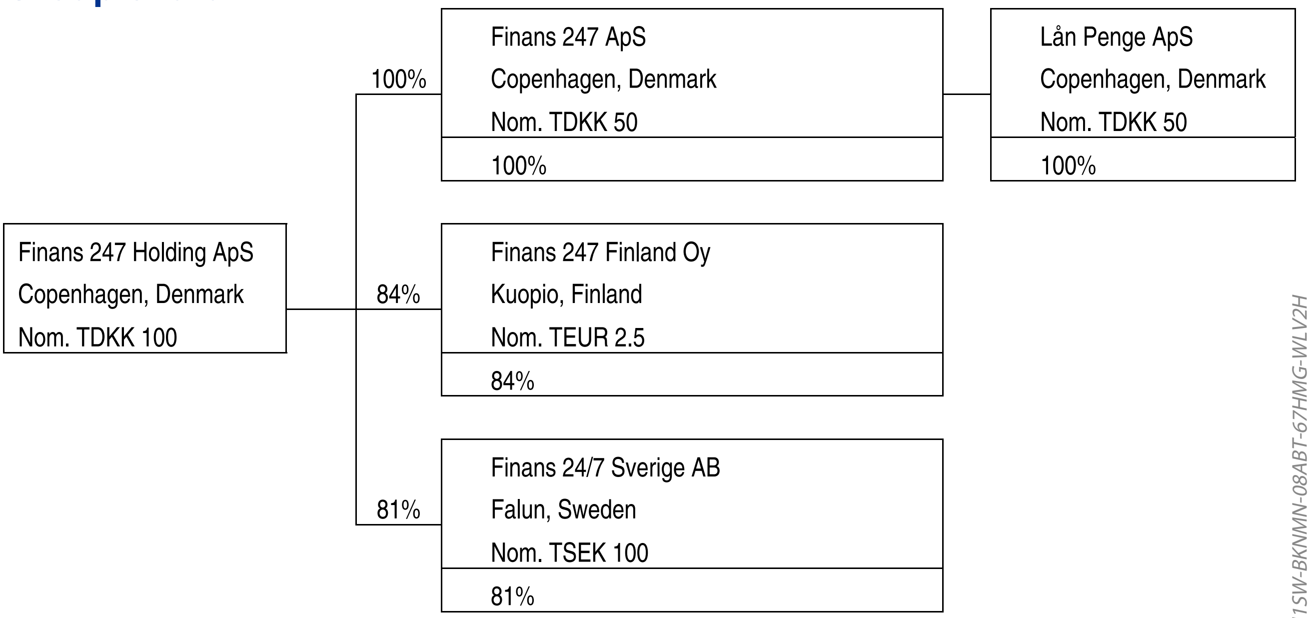
KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Annual general meeting

The annual general meeting will be held on 22 May 2019.

Management's review

Group chart



Management's review

Operating review

The Group's principal activities

Finans 247 Holding ApS is the Parent Company of Finans 247 ApS, Finans 24/7 AB, Finans 247 Oy and Lån Penge ApS which are all three consumer finance companies that provide easy accessible loans for online consumers in Denmark, Sweden and Finland.

Finans 247 Holding ApS provides a broad range of services for the three subsidiaries. These services include daily management, business intelligence/market analysis and IT license. Furthermore, Finans 247 Holding ApS is responsible for investor relations, and the Company channels funding for the loan business to the three subsidiaries.

The Company is based in Copenhagen and was established in 2017.

Changes regarding recognition and measurement

Management has implemented a new valuation method with related assumptions with effect from 1 January 2018, which has changed the estimated write-down on the loan portfolio. The background for changing the model and assumptions is due to better performance on the old loan portfolio than expected and better payment behavior by new customers.

The new method with relating assumptions has reduced write-down on loans at 31 December 2018 by DKK 22 million compared to the old model related assumptions used. At 31 December 2018, additional write-down of DKK 2.8 million (2017: DKK 1.5 million) was made to mitigate the uncertainty relating to the short payment history the Company has on its lending activities.

The overall write-down percentage on the loan portfolio is the same percentage as the one reflected in the annual report 2017 and are in line with benchmarks for short-term loan business in Denmark.

Management is of the opinion that the new valuation method and relating assumptions better illustrate the current risk of future losses on the loan portfolio.

Moreover, reference is made to note 2.

Compliance

In 2018, the Company has focused on compliance, particularly regarding GDPR and AML, in order to comply with national legislation. All data, processes and procedures have been revised, strengthened and documented. Regular routines and reporting have been established, and staff has been trained in relevant areas.

Events after the balance sheet date

No significant events have occured after the balance sheet date other than sale of treasury shares according to **S**ection "Treasury shares" below.

Development in activities and financial position

The operation is financed by equity and loans. For the financial year 2018, the profit before tax is DKK 15,014 thousand and profit for the year is DKK 12,981 thousand.

The Board of Directors proposes no dividend for the financial year 2018.

Management's review

Operating review

Treasury shares

The Company acquired nominal share capital of DKK 5,500 equal to 5.5% of the share capital in the Company at a price of DKK 300 per share, in total DKK 1,650 thousand at 16 July 2018.

The Company had entered into agreements with third party to sell 4.5% of the shares at the same day in an agreement where the buyer should provide substantial loans as part of the agreement. The counterpart did not fullfill the agreement.

Nominal 1,000 shares equal to 1,0% of the share capital in the Company were sold on 16 July 2018 at a price of DKK 300 per share, in total DKK 300 thousand.

At 28 December 2018, the Company sold nominal 1,000 shares equal to 1% of the share capital at a price of DKK 1,000 per share, in total DKK 1,000 thousand.

At 1 February 2019, the Company sold nominal 3,500 shares equal to 3,5% of the share capital at a price of DKK 1,000 per share, in total DKK 3,500 thousand.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK'000	Note	2018	2016/17	2018	2016/17
Gross profit/loss		22,257	4,791	-1,435	-140
Staff costs	3	-7,626	-2,612	-2,183	0
Depreciation, amortisation and impairment losses		-5	0	0	0
Ordinary operating profit/loss		14,626	2,179	-3,618	-140
Other operating income		0	0	1,432	0
Operating profit/loss		14,626	2,179	-2,186	-140
Income from investments in group entities		7,734	0	7,734	0
Other financial income	4	8	9	1,366	0
Other financial expenses	5	-7,354	-1,517	-1,358	-1
Profit/loss before tax		15,014	671	5,556	-141
Tax on profit/loss for the year	6	-2,033	-182	429	0
Profit/loss for the year		12,981	489	5,985	-141

Proposed profit appropriation/distribution of loss

Retained earnings		13,285	489	5,985	-141
Non-controlling interests' share of subsidiaries' profit/loss		-304	0	0	0
		12,981	489	5,985	-141

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2018	2016/17	2018	2016/17
ASSETS					
Fixed assets					
Intangible assets					
Patents, licences and trademarks	7	160	0	0	0
		160	0	0	0
Property, plant and equipment					
Fixtures and fittings, tools and equipment	8	64	0	0	0
		64	0	0	0
Investments					
Equity investments in group entities	9	0	0	125	144
Receivables from group entities		0	0	3,651	0
Receivables from shareholders and management	10	300	0	300	0
Deposits		758	0	100	0
		1058	0	4,176	144
Total fixed assets		1282	0	4,176	144
Current assets					
Receivables					
Loan receivables		115,494	42,603	389	0
Receivables from group entities		0	423	51,957	0
Receivables from associates		461	43	0	0
Other receivables		2,061	96	2,006	96
		118,016	43,165	54,352	96
Cash at bank and in hand		12,882	3,590	8,541	00
Total current assets		130,898	46,755	62,893	96
TOTAL ASSETS		132,180	46,755	67,069	240

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
DKK'000	Note	2018	2016/17	2018	2016/17
EQUITY AND LIABILITIES					
Equity					
Contributed capital	11	100	100	100	100
Retained earnings		13,728	489	5,494	-141
Shareholders in Finans 247 Holding ApS's share of equity		13,828	589	5,594	-41
Non-controlling interests		-304	0	0	0
Total equity		13,524	589	5,594	-41
Provisions					
Provisions for deferred tax	12	3	0	0	0
Total provisions		3	0	0	0
Liabilities other than provisions					
Non-current liabilities other than provisions					
Subordinated loan capital from associates		27,800	8,000	12,500	0
Payables to associates		0	13,300	0	0
Other payables		29,261	19,470	23,061	0
	13	57,061	40,770	35,561	0
Current liabilities other than provisions					
Current portion of non-current liabilities	13	44,026	1,040	24,026	0
Other credit institutions, current liabilities		9,530	2,744	0	0
Trade payables		6	0	0	0
Payables to group entities		0	0	745	218
Payables to associates		150	0	150	0
Other payables, including taxes payable		7,830	1,566	943	17
Payables to shareholders and management		50	46	50	46
		61,592	5,396	25,914	281
Total liabilities other than provisions		118,653	46,166	61,475	281
TOTAL EQUITY AND LIABILITIES		132,180	46,755	67,069	240

2 Change in valuation method and related assumptions
14 Contractual obligations, contingencies, etc.
15 Related parties

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Finans 247 Holding ApS for 2018 has been prepared in accordance with the provisions applying to reporting class B with opt-in from higher reporting classes.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Finans 247 Holding ApS, and subsidiaries in which Finans 247 Holding ApS directly or indirectly holds more than 50% of the votes or in some other way exercises control over. A group chart is included on page 8.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Non-controlling interests

Items of subsidiaries are fully recognised in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively, but is presented separately.

Foreign currency translation

On initial recognition, 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 the date of payment are recognised in the income statement as financial income or financial expenses.

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 the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Change in accounting estimates
Based on a reassessment of provision for doubtful loans, Management has changed the accounting estimate. This has resulted in a decrease in write-downs on loans of DKK 22 million compared to the recognised write-down at 31 December 2017. Please refer to note 2.

Income statement

Gross Profit
Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit consist of revenue and other external costs.

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.

Other operating income
Other operating income comprises items secondary to the activities of the Group, including gains on the disposal of intangible assets and property, plant and equipment and management fee.

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.

Income from equity investments in group entities
Dividends from equity investments in group entities measured at cost are recognised as income in the income statement in the financial year when the dividends are declared.

Gains of sale of shares in subsidiaries are also recognised as income the income statement

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year 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.

Balance sheet

Intangible assets

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 10 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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 is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Equity investments in associates with negative net asset values are measured at DKK 0, and any receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the residual amount is recognised as provisions.

Other receivables and deposits are recognised at amortised cost.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Loan receivables

Loan 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.

Prepayments and deferred income

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

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.

Equity

Dividends

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

Treasury shares

Treasury shares are recognised without value in the balance sheet. Purchase and sales are recognised directly under retained earnings.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 measured on the planned use of the asset or settlement of the liability, respectively. 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 the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. 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.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

2 Change in valuation method and related assumptions

Management has implemented a new valuation method with related assumptions with effect from 1 January 2018, which has changed the estimated write-down on the loan portfolio. The background for changing the model and assumptions is due to better performance on the old loan portfolio than expected and better payment behavior by new customers.

The new method with relating assumptions has reduced write-down on loans at 31 December 2018 by DKK 22 million compared to the old model related assumptions used. At 31 December 2018, additional write-down of DKK 2.8 million (2017: DKK 1.5 million) was made to mitigate the uncertainty relating to the short payment history the Company has on its lending activities.

3 Staff costs and incentive schemes

	Group		Parent Company	
DKK'000	2018	2016/17	2018	2016/17
Wages and salaries	6,604	2,226	2,022	0
Pensions	392	34	155	0
Other social security costs	77	38	6	0
Other staff costs	553	314	0	0
	7,626	2,612	2,183	0
Average number of full-time employees	13	6	2	0

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

DKK'000	Group 2018	Group 2016/17	Parent Company 2018	Parent Company 2016/17
4 Financial income				
Interest income from group entities	0	0	1,363	0
Foreign exchange gains	8	9	3	
	8	9	1,366	0

DKK'000	Group 2018	Group 2016/17	Parent Company 2018	Parent Company 2016/17
5 Financial expenses				
Interest expense to group entities	0	0	49	0
Other interest expense	7,354	1,517	1,309	1
	7,354	1,517	1,358	1

DKK'000	Group 2018	Group 2016/17	Parent Company 2018	Parent Company 2016/17
6 Tax on profit/loss for the year				
Current tax for the year	-2,030	-182	429	0
Deferred tax adjustment for the year	-3	0	0	0
	-2,033	-182	429	0

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

7 Intangible assets

DKK'000	Group Patents, licences and trademarks
Cost at 1 January 2018	0
Additions	160
Cost at 31 December 2018	160
Amortisation and impairment losses at 1 January 2018	0
Amortisation and impairment losses at 31 December 2018	0
Carrying amount at 31 December 2018	160

8 Property, plant and equipment

	Group	
DKK'000	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2018	0	0
Additions	69	69
Cost at 31 December 2018	69	69
Depreciation and impairment losses at 1 January 2018	0	0
Depreciation	-5	-5
Depreciation and impairment losses at 31 December 2018	-5	-5
Carrying amount at 31 December 2018	64	**64**

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

9 Investments

DKK'000	Parent Company 2018	Parent Company 2016/17
Equity investments in subsidiaries		
Cost at 1 January	144	0
Additions	0	144
Disposals	-19	0
Cost at 31 December	125	144
Impairment losses at 1 January	0	0
Impairment losses at 31 December	0	0
Carrying amount at 31 December	125	144

Name/legal form	Registered office	Equity interest	Equity*	Profit/loss for the year*
			DKK'000	DKK'000
Subsidiaries:				
Finans 247 ApS	Copenhagen	100%	9,375	8,694
Finans 24/7 Sverige AB	Falun	81%	1,409	-1,570
Finans 247 Finland Oy	Kuopio	84%	-124	-143
Lån Penge ApS*	Copenhagen	100%		
			10,660	6,981

* No public financial statements have been made availble at the time of signing the annual report for Finans 247 Holding ApS.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

10 Receivables from shareholders and management

The management has before entering the management obtained a loan from the Company which is payable in 2024 with a interest rate of 4%.

11 Contributed capital

The contributed capital consists of:

100,000 shares of nom. DKK 1 each.

The company has 3,500 treasury shares of nom. DKK 1, which is 3.5% of the share capital.

During 2018 the company has acquired 4,500 shares from their shareholder and 1,000 shares have been sold to new shareholder.

All shares rank equally.

12 Deferred tax

	Group		Parent Company	
DKK'000	2018	2016/17	2018	2016/17
Deferred tax at 1 January	0	0	0	0
Deferred tax adjustment for the year in the income statement	3	0	0	0
	3	0	0	0

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

13 Non-current liabilities other than provisions

Non-current liabilities other than provisions can be specified as follows:

	Group		Parent	
DKK'000	2018	2016/17	2018	2016/17
Subordinated loan from associates				
0-1 years	0	0	0	0
1-5 years	27,800	0	12,500	0
>5 years	0	8,000	0	0
Payables to associates				
0-1 years	0	0	0	0
1-5 years	0	0	0	0
>5 years	0	13,300	0	0
Other payables				
0-1 years	44,026	1,040	24,026	0
1-5 years	29,261	15,770	23,061	0
>5 years	0	3,700	0	0
Total non-current liabilities other than provisions	101,087	41,810	59,587	0

Subordinated loan capital is subordinated for other liablities.

Consolidated financial statements and parent company financial statements 1 January – 31 December

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14 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. The jointly taxed entities' total net liability to SKAT amounted to DKK 2,030 thousand at 31 December 2018. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

Operating lease obligations

The Group has entered into operating leases which are all due within a year, totalling DKK 205 thousand.

15 Related parties

Finans 247 Holding ApS' related parties comprise the following:

Control

Finans 247 Invest ApS, Copenhagen
M7 Holding ApS, Copenhagen
MZP Holding ApS, Fredensborg
CR Holding ApS, Copenhagen
Magnus Borgen Kjøller, Dubai

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Bestyrelsesmedlem
Serial number: PID:9208-2002-2-544768002793
IP: 152.115.xxx.xxx
2019-05-21 13:03:19Z
NEM ID

Thomas Nistrup
Bestyrelsesformand
Serial number: PID:9208-2002-2-957259113393
IP: 213.32.xxx.xxx
2019-05-22 14:41:34Z
NEM ID

Jan Hansen
Bestyrelsesmedlem
Serial number: PID:9208-2002-2-201114495926
IP: 217.63.xxx.xxx
2019-05-23 06:23:56Z
NEM ID

Mikkel Winston
Adm. direktør
Serial number: CVR:38616706-RID:83994032
IP: 152.115.xxx.xxx
2019-05-23 07:29:56Z
NEM ID

Christian Sigurd Brammer
Direktør
Serial number: PID:9208-2002-2-122835353388
IP: 152.115.xxx.xxx
2019-05-23 08:56:23Z
NEM ID

Mads Emil Fast Dahlerup
Bestyrelsesmedlem
Serial number: PID:9208-2002-2-539299245755
IP: 152.115.xxx.xxx
2019-05-23 11:59:10Z
NEM ID

Casper Ravn-Sørensen
Bestyrelsesmedlem
Serial number: PID:9208-2002-2-074583453521
IP: 152.115.xxx.xxx
2019-05-23 12:00:49Z
NEM ID

Jette Kjær Bach
Statsautoriseret revisor
Serial number: PID:9208-2002-2-610891503296
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