Statement of financial position as at 31 December 2020

Ferratum Capital Germany GMBH

ferratum

Statement of financial position as at 31 December 2020

	Note	31 Dec 2020 €	31 Dec 2019 €
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	971	124
Loans to shareholder	(2)	177,654,719	171,320,447
Deferred tax assets	(3)	195,965	189,668
Total non-current assets		**177,851,655**	**171,510,239**
Current assets			
Other receivables	(4)	204,205	266,018
Cash and cash equivalents	(5)	376,308	154,056
Total current assets		**580,514**	**420,074**
Total assets		**178,432,169**	**171,930,313**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	(6)	50,000	50,000
Capital reserve	(7)	1,175,000	925,000
Retained earnings		(1,344,763)	(1,331,920)
Total equity		**(119,763)**	**(356,920)**
Non-current liabilities			
Bonds	(8)	175,585,718	169,760,808
Total non-current liabilities		**175,585,718**	**169,760,808**
Current liabilities			
Bonds	(8)	2,613,254	2,149,081
Other payables and accrued expenses	(9)	129,798	183,542
Trade tax	(10)	223,162	193,802
Total current liabilities		**2,966,215**	**2,526,425**
Total equity and liabilities		**178,432,169**	**171,930,313**

Statements of profit or loss and other comprehensive income for the period from 1 January to 31 December 2020

	Note	1.1.2020 - 31.12.2020 €	1.1.2019 - 31.12.2019 €
Other income	(11)	20,900	0
Cost of purchased services		(3,688)	(3,570)
Personnel expenses	(12)	(54,620)	(77,706)
Depreciations and amortization	(1)	(162)	(578)
Other operating expenses	(13)	(490,781)	(207,276)
Impairment loss	(2)	(220,210)	(45,599)
Financial income	(14)	11,690,111	10,099,096
Financial expense	(15)	(10,561,444)	(9,935,596)
Financial result		**1,128,667**	**163,500**
Profit/(loss) before tax		**380,105**	**(171,228)**
Income taxes	(16)	(392,949)	(329,030)
Net income/(loss) for the year		**(12,844)**	**(500,257)**
Other comprehensive income		-	-
Items that may be classified subsequently to profit or loss		-	-
Change of fair value-bonds measured in FVTOCI		-	-
Total comprehensive profit/(loss)		**(12,844)**	**(500,257)**

Notes to the financial statements for the period from 1 January to 31 December 2020

FERRATUM CAPITAL GERMANY GMBH

CONTENT

A. General information

Ferratum Capital Germany GmbH, hereafter called the "company", was incorporated on 24 September 2013 under German Law. The registered office (Satzungssitz) of the company is in Berlin, Germany, and the company is registered with the commercial register of the local court (Amtsgericht) of Charlottenburg under the registration number HRB 152968. The registered office of the company is at Helmholtzstraße 2-9, 10587 Berlin.

The company belongs to the Ferratum Group ("Group"), which is an international provider of mobile banking and digital consumer and small business loans, distributed and managed by mobile devices. The parent company, Ferratum Oyj, founded in 2005 and headquartered in Helsinki, Finland. The company is a 100% subsidiary of the Ferratum Oyj, the purpose of the company is the borrowing of capital through issuing bearer bonds on active market and granting loans to Ferratum Oyj, subsidiaries and affiliated companies within the Group.

The company has issued EUR 100,000,000 bonds with denomination EUR 1,000 per bond on 25 May 2018. The bonds have a coupon of 3 months Euribor plus 5.50% p.a. and a tenor of four years. The issued EUR 100,000,000 bonds are listed on Nasdaq Stockholm and Prime Standard of the Frankfurt Stock Exchange with ISIN: SE0011167972.

The issuance of the bonds was authorised by resolutions taken by the board of directors of the issuer on 14 May 2018. According to the prospectus dated 13 July 2018 bonds are offered up to EUR 150,000,000. The bonds rating is identical to the issuer rating. For further explanation we refer to notes made under D. 2. "loans to shareholders".

The company has issued 80,000,000 bonds with denomination EUR 1,000 at an issue price of 97% per bond on 24 April 2019. The bonds have a coupon of 3 months Euribor plus 5.50% p.a. and a tenor of four years. The issued EUR 80,000,000 bonds are listed on Nasdaq Stockholm and Frankfurt Stock Exchange Open Market with ISIN: SE0012453835.

The issuance of the bonds was authorised by resolutions taken by the board of directors of the issuer on 22 March 2019. According to the prospectus dated 23 May 2019 the bonds are offered up to EUR 150,000,000. The bonds rating is identical to the issuer rating. For further explanation we refer to notes made under D. 2. "loans to shareholders".

The Ferratum Group was downgraded from BBB- to BB by Creditreform in April 2020 due to the general impact of the corona pandemic. The outlook is negative. For the same reason, Fitch downgraded in April 2020 the rating from BB-/Stable to B+/Negative.

The financial year of the company begins on 1 January and ends on 31 December each year.

The company presents its financial statements as of 31 December 2020. The presentation currency of the company is EUR which is the same as the functional currency of the company.

Financial Reporting Framework

The financial statements as of 31 December 2020 were prepared in accordance with the valid IFRS and IFRIC of the International Accounting Standards Board (IASB) which have to be applied in the EU as at the balance sheet date.

New and revised Standards applied in 2020

Amendments to IFRS

Amendments to conceptual framework

Together with the revised 'Conceptual Framework' published in March 2018, the IASB also issued 'Amendments to References to the Conceptual Framework in IFRS Standards'. The amendments are effective for annual periods beginning on or after 1 January 2020.

Amendments to IAS 1 and IAS 8 "definition of material"

On 31 October 2018, the IASB issued 'Definition of Material' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective annual reporting periods beginning on or after 1 January 2020.

Amendments to IFRS 3 "business combinations"

On 22 October 2018, the IASB issued 'Definition of a Business' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

Amendments to IFRS 16 "lease modification"

On 28 May 2020, the IASB published 'Covid-19-Related Rent Concessions' amending the Standard to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective from 1 June 2020.

Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"

In September 2019 there were amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial instruments: Recognition and measurement" and IFRS 7 "Financial instruments: disclosures" published by the IASB. In the context of the Interbank Offered Rates Reform (IBOR-Reform) the IBOR reference interest rates and the EONIA are determined by the Euro Short Term Rate. The redemption has to be applied by the end of 2021 at latest and also depends on the acceptance and establishment of the new reference interest rates. The amendments are effective for annual periods beginning on or after 1 January 2020.

All new and revised standards do not have material impact on the financial statements as of 31 December 2020.

Published and endorsed Standards which are not yet mandatory

Interest rate benchmark reform Phase 2 amendments

On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021. The endorsement dated 13 January 2021.

Amendments to IFRS 4 Insurance Contracts

Amendments to IFRS 17 and extension of the temporary exemption from applying IFRS 9 (Amendments to IFRS 4) will occur. The effective date of IFRS 17, which will be replacing IFRS 4, is now 1 January 2023; the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 has been deferred to 1 January 2023. The endorsement dated 15 December 2020.

All published and endorsed, but not yet mandatory standards do not have material impact on the financial statements as of 31 December 2020.

Standards which are not yet endorsed

IASB/IFRIC documents not yet endorsed	IASB effective date
IFRS standards and interpretations	
IFRS 17 - Insurance Contracts (issued on 18 May 2017); including amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023
Amendments	
Amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current of Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	1 January 2023
Amendments to:	
- IFRS 3 - Business Combinations - IAS 16 - Property, Plant and Equipment - IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Annual Improvements 2018 - 2020 (issued on 14 May 2020)	1 January 2022
Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on February 12 2021)	1 January 2023
Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	1 January 2023

Source:https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FLists%2FPublic%20 News%2FAttachmen ts%2F274%2FEFRAG%20Endorsement%20Status%20Report%2014%20January%202021.pdf

All not yet endorsed standards do not have material impact on the financial statements as of 31 December 2020.

B. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

General principles

The financial statements of the company as at 31 December 2020 have been prepared in accordance with IFRS as adopted in the European Union as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC).

Preparation of the financial statements

The financial statements have been prepared on a going concern basis, applying a historical cost convention, except for financial assets and liabilities measured at fair value through profit or loss, financial assets classified as measured at fair value through other comprehensive income and derivative financial instruments that have been measured at fair value.

Current and non-current distinction

The Company presents current and non-current assets and current and non-current liabilities as separate classifications in its statement of financial position.

Current assets include assets that are sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within 12 months after the reporting period. Some current liabilities, such as trade payables and some accruals for other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities, even if they are due to be settled more than 12 months after the reporting period.

Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Critical judgements and key sources of measurement uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are disclosed in the notes and policies where applicable. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of the financial statements under IFRS requires assumptions for several items that have a corresponding impact on recognition and measurement in the statements of financial position, in the income statement of the financial statements and regarding the disclosure of contingent liabilities. The actual results may deviate from these estimates. Uncertainties mainly result from the use of the expected credit loss model for shareholder loans. For further explanation we refer to section D. (2) “loans to shareholders”.

Functional and presentation currency

The primary activity of the company is to borrow capital through issuing bearer bonds and granting loan to Ferratum Oyj, subsidiaries and affiliated companies within the Group. The performance of the company is measured in EUR. The presentation currency of the company is the same as the functional currency of the company. The numbers in the financial statements under IFRS are rounded to full EUR.

Financial instruments

Financial assets

With respect to the classification and measurement, the number of categories of financial assets under IFRS 9 has been reduced compared to IAS 39. All recognised financial assets are measured at either amortised cost or fair value. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option;

- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting the contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option;

– all other debt instruments must be measured at FVTPL;

– all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI, with dividend income recognised in profit or loss.

Financial assets only comprising loans to shareholders are valued at amortised cost using the expected credit loss model.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities mainly comprising bonds are valued at amortised costs using the effective interest method.

Measurement of financial instruments

All financial instruments are initially measured at fair value plus or minus transaction costs that are directly attributable to the financial instruments (IFRS 9.5.1.1.).

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortisation process. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

Loans to shareholder

Loans to shareholder are valued at amortised costs. Interest revenue as well as impairment gains and losses are recognized in profit and loss.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include solely demand deposits.

Bonds

After the initial recognition, bonds are measured at amortised cost using the effective interest method.

Share capital

Share capital represents the nominal value of shares that have been issued.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Income realisation

Interest income

Interest income is recognised when it is probable that the economic benefit will accrue, and the amount of the income can be reliably determined. The interest income is accrued on a time basis, by reference to the principal outstanding nominal amount and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount upon first-time recognition. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. Interest income is recognised using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Effective interest method

The effective interest method is the method of calculating the amortised cost of a financial instrument and of allocating the interest income to the corresponding period. The effective interest rate is the interest rate with which the expected future outflows are discounted over the expected term of the financial instrument or a shorter period, where applicable, to arrive at the net carrying amount derived from initial measurement.

Taxation

Income tax comprises the total current tax expenses and deferred taxes. The current tax is determined on the basis of the taxable income for the relevant year.

Current tax

Current tax is recorded as expense or income through the income statements unless it is incurred in connection with the items reported either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognized on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

C. Discretionary decisions and assessments

The preparation of the financial statements under IFRS requires assumptions for several items that have a corresponding impact on recognition and measurement in the statements of financial position, in the income statement of the financial statements and regarding the disclosure of contingent liabilities. The actual results may deviate from these estimates.

Impairments of financial assets

Impairments of financial assets valued at amortized costs are addressed by using the expected credit loss model. For further explanation please see D. (2) “loans to shareholders”.

D. Notes to statement of financial positions

(1) Property, plant and equipment

	Office Equipment €		Office Equipment €
Cost		**Cost**	
At 1 January 2020	7,604	At 1 January 2019	7,604
Additions	1,009	Additions	0
Disposals	0	Disposals	0
At 31 December 2020	8,613	At 31 December 2019	7,604
Accumulated depreciation		**Accumulated depreciation**	
At 1 January 2020	7,481	At 1 January 2019	6,903
Charge for the financial year	162	Charge for the financial year	578
Disposals	1	Disposals	0
At 31 December 2020	7,642	At 31 December 2019	7,481
Net carrying amount 31 Dec 2020	**971**	**Net carrying amount 31 Dec 2019**	**124**

This item concerns solely the office equipment.

(2) Loans to shareholder

Loans to shareholder (Ferratum Oyj - Loan 4) consist of the following loan on contractual basis as of 31 December 2020:

	31.12.2020	31.12.2019
Date of loan agreement	24.05.2018	24.05.2018
Loan amount in EUR millions	178	171
Interest rate	7,0%	7.0%
Term of repayment	by 25.05.2022	by 25.05.2022

By the agreements of parties, the company is entitled to demand the loan amount and accrued interest earlier than maturity date, by giving such verbal notice to the shareholder at least 3 days in advance. The shareholder has the right to pay back the loan at any time before the maturity date.

Loans to shareholder are valued at amortised costs because the objective of the company’s business model for realizing these assets is collecting contractual cash flows. Interest revenue as well as impairment gains and losses are recognized in profit and loss.

In addition the company assesses at the end of each reporting period whether there is a risk that a loan will default. In such case the loan is impaired and impairment losses are incurred (a ‘loss allowance’). The company needs to determine the loss allowance at an amount equal to possible defaults only for the next 12 months (“12 month ECLs”) or for the entire remaining life of the asset (“Lifetime ECLs”). The company needs to measure that loss allowance at an amount equal to the lifetime expected credit losses if the credit risk on that loan has increased significantly since initial recognition, or if the loan is a purchased or originated credit-impaired loan. In all cases, the allowance and any changes to it are recognized by recognizing impairment gains and losses in profit and loss. If, in addition to a significant increase in the credit risk at the reporting date, there is also objective evidence of impairment, the allowance for losses on loans and advances is still measured on the basis of “Lifetime ECLs”. However, interest recognition must be adjusted in subsequent periods so that in future interest income is calculated on the basis of the net carrying amount, i.e. on the basis of the carrying amount after deduction of the allowance for losses on loans and advances. Financial assets are written off in case the probability of default is close to 100% from a certain maturity date, and the loss rate in the default event is close to 100%.

None of the loans give rise to increased credit risk, hence the 12-months expected credit loss is calculated for all loans (as in prior year).

The impairments (expected credit losses) are calculated with input parameters exposure at default (EAD), probability of default (PD) and loss given default (LGD)

(ECL = EAD * PD * LGD).

The company has minimised credit risk by lending to its shareholder. During the reporting period Ferratum Groups credit ratings were downgraded by Fitch Ratings from BB- to B+ (source: Fitch Ratings, April 2020) and by Creditreform Ratings from BBB- to BB (source: Creditreform Rating AG, April 2020). Ferratum Oyj decrease in ratings was mainly caused by the rating companies generally dropping the ratings of companies due to increased future uncertainty caused by COVID-19 pandemic. The calculation of the 12 month ECL intends to determine the debtor’s expected losses within the total term based on events that could occur in the next 12 months. PD is determined by external ratings issued and internal assessments. Based on the external rating category PD is indicated based within a range of 1.5 - 3%, whereas the internal information show that the actual credit rating decreased not that strongly as indicated by external ratings. Therefore, the following parameters were used:

	2020	2019
Expected Credit Loss 1.1.	171,492	125,893
PD	1.1%	0.3%
LGD	20%	20%
ECL	0.22%	0.1%
Increase in ECL	220,210	45,599
Expected Credit Loss 31.12	391,702	171,492

The summary of the loan as of 31 December 2020 is as follows:

	Maturity	Nominal	Present value - beginning of the year	Additions/ Disposal	Accrued Interest receivable in FY	Transfer from/ to	Impairment based on expected credit loss model	Present value - end of the year
Loan 4	May 22	161,217,617	171,320,447	(4,844,063)	11,398,545	-	(220,210)	177,654,719

Prior Year:

	Maturity	Nominal	Present value - beginning of the year	Additions/ Disposal	Accrued Interest receivable in FY	Transfer* from/ to	Impairment based on expected credit loss model	Present value - end of the year
Loan 2*	Jun 19	25,000,000	26,364,659	(3,308,578)	696,559	(23,752,640)	-	-
Loan 4	May 22	161,217,617	99,401,955	38,852,413	9,484,931	23,752,640	(171,492)	171,320,447
			125,766,614	**35,543,835**	**10,181,490**	**-**	**(171,492)**	**171,320,447**

* Based on the Agreement on Transfer of Intercompany Loans dated 10 June 2019 Loan 2 amounting to EUR 23,752,640 was transferred to loan 4 by 30. June 2019.

The maturity of loans is presented in the following table:

	31.12.2020 short - term	31.12.2020 long - term	31.12.2019 short - term	31.12.2019 long - term
Loan 4	-	177,654,719	-	171,320,447

The interest income for fiscal year 2020 on the loans amounts to EUR 11,398,545 (2019: EUR 10,181,490). The interest income was recognized in profit or loss using the effective interest method within the scope of IFRS 9. Financial Assets are uncollateralized.

(3) Deferred tax assets

Deferred tax assets stand at EUR 195,965 (31.12.2019: EUR 189,668) as of financial year 2020. Calculation of deferred tax assets resulting from expected credit loss is based on an income tax rate of 30.175%. The deferred tax assets resulting from the corporate tax loss carried forward are calculated with a corporate tax rate of 15.825%. Deferred tax assets result from expected credit loss in an amount of EUR 118,196 (31.12.2019: EUR 51,748) and corporate tax loss carried forward in the amount of EUR 77,769 (31.12.2019: EUR 137,920). The assumption of recoverability of tax loss carried forward is based on the underlying tax planning. In total deferred tax assets increased by EUR 6,297 (31.12.2019: EUR: 40,856).

(4) Other receivables

The other receivables amounting to EUR 204,205 (31.12.2019: EUR 266,018) mainly include deferred expenses and accrued income in the amount of EUR 161,416 (31.12.2019: EUR 252,192).

(5) Cash and cash equivalents

The bank current accounts amount to EUR 376,309 (31.12.2019: EUR 154,056). Regarding the development of cash, we refer to the cash flow statement.

(6) Subscribed capital

The subscribed capital is held 100% by the Ferratum Oyj. Ferratum Oyj owns 50,000 shares at EUR 1 each.

(7) Capital reserve

In accordance with the shareholders' resolution of 29 June 2020 the capital reserve increased in financial year 2020 by EUR 250,000 standing at EUR 1,175,000 (31.12.2019: EUR 925,000). The corresponding receivable from shareholders has been paid by the end of financial year 2020.

(8) Bonds

On 25 May 2018 the company issued EUR 100,000,000 with 3 months Euribor plus 5.50% bonds due in 2022 under an unconditional and irrevocable guarantee of Ferratum Oyj ("bond 4"). Unless previously redeemed, the bonds will be redeemed at par on 25 May 2022 ("Maturity Date"). The bonds beared interest from (and including) 25 May 2018 to (but excluding) the Maturity Date at a coupon rate of 5.50% per annum, payable quarterly in arrears on 25 February, 25 May, 25 August and 25 November of each year, commenced on 25 August 2018.

Also there are covenants which restrict the ability of the issuer and other group companies as follows:

- Restrictions on making any substantial change to the nature of their business if this has a material adverse effect,
- A negative pledge, restricting the granting of security by the issuer or Ferratum Bank p.l.c., to secure financial indebtness
- Limitations on the making of distributions and disposals of assets.

The terms and conditions contain a maintenance convenance pursuant to which the guarantor shall ensure that, at certain reference dates, the ratio of net debt to equity shall not exceed 3.50 : 1.

At year end Ferratum Oyj discloses a ratio of net debt to equity of 2.51.

On 24 April 2019 the company issued EUR 80,000,000 (nominal amount) at an issue price of 97% (EUR 77,600,000) with 3 months Euribor plus 5.50% bonds due in 2023 under an unconditional and irrevocable guarantee of Ferratum Oyj ("bond 5"). Unless previously redeemed, the bonds will be redeemed at par on 24 May 2023 ("Maturity Date").

The bonds beared interest from (and including) 24 April 2019 to (but excluding) the Maturity Date at a coupon rate of 5.50% per annum, payable quarterly in arrears on 24 July, 24 October, 24 January and 24 April of each year, commenced on 24 July 2019.

In the first quarter of financial year 2020 Ferratum Capital Germany GmbH sold own bonds in amount of EUR 5,304,000. In June 2020 the company purchased own bonds in amount of EUR 1,200,000 (nominal amount).

The income from issuing the above 2 bonds were granted as loan to the shareholder Ferratum Oyj in the corresponding years.

The valuation of the bonds is determined at its amortised cost with the application of an effective interest rate p.a. The development of the bonds is depicted as follows:

	31/12/2020	31/12/2019
	€	€
Bonds – beginning of the year	171,909,889	126,175,818
Additions during the year	0	80,000,000
Discount/Premium of bonds	1,459,559	(4,935,192)
Redemptions during the year	0	(25,032,835)
Offsetting of holding own bonds	4,104,000	(5,304,000)
Paid interest	(9,835,920)	(8,929,496)
Accrued fixed interest	10,561,444	9,935,596
Bonds – end of the year	**178,198,972**	**171,909,889**

	31/12/2020	31/12/2019
	€	€
Current bonds	2,613,254	2,149,081
Non-current bonds	175,585,718	169,760,808
Total bonds	**178,198,972**	**171,909,889**

The interest expense for the fiscal year 2020 on the bonds amounts to EUR 10,561,444 (2019: EUR 9,935,596).

(9) Other payables and accrued expenses

The other payables and accrued expenses mainly include audit and consulting fees EUR 66,575 (31.12.2019: EUR 52,610).

(10) Trade tax

Accrued expenses for trade taxes amount to EUR 223,162 (31.12.2019: EUR 193,802).

E. Notes to income statement

(11) Other income

Other income mainly includes income of bond transactions for the financial year 2020 in the amount of EUR 20,900 (2019: EUR 0).

(12) Personnel expenses

Personnel expense includes wages and salaries amounting to EUR 48,900 (2019: EUR 68,951) and social benefit amounting to EUR 5,720 (2019: EUR 8,755).

The average number of personnel is as follows:

	2020	2019
Management	1	1
Administration and finance	1	1
Total	**2**	**2**

(13) Other operating expenses

Other operating expenses mainly includes the expected credit loss amounting to EUR 220,210 (2019: EUR 45,599), accounting and audit fees amounting to EUR 122,176 (2019: EUR 98,324) as well as consulting fees in the amount of EUR 121,759 (2019: EUR 988).

(14) Financial income

Interest income includes the interest income from loans to shareholder for an amount of EUR 11,690,111 (2019: EUR 10,099,096).

(15) Financial expenses

Interest expenses resulted solely from issuing bonds amounting to EUR 10,561,444 (2019: EUR 9,935,596).

(16) Income taxes

Income taxes booked in the profit and loss statement consist of trade tax in the amount of EUR 399,246 (2019: EUR 369,886) and deferred tax income in the amount of EUR 6,297 (2019: EUR 40,856).

Reconciliation between the statutory and effective tax expenses is as follows:

	2020	**2019**
	€	**€**
Profit before tax	380,105	(171,228)
Income tax on rate of 30,175%	114,698	-
Tax expense on respect of:		
- Tax losses carried forward	(57,016)	25,684
- Tax expense priory years	-	-
- Expenses non deductible for tax purposes	387,817	339,829
- Under provisions in prior years	-	-
- Other adjustments	(46,253)	4,373
- Adjustment deferred tax	(6,297)	(40,856)
Income tax expenses recognized in profit or loss	**(392,949)**	**(329,030)**

F. Additional statements

(17) Summary of financial assets and liabilities by categories

The carrying amounts of the company's financial assets and liabilities as recognised at the reporting date are also analysed into the following categories:

Financial assets	31/12/2020 €	31/12/2019 €
Financial assets measured at amortised cost		
Loans to shareholder	177,654,719	171,320,447
Cash and cash equivalents	376,309	154,056
	178,031,028	171,474,503
Financial liabilities		
Financial liabilities measured at amortised cost		
Bonds	178,198,972	171,909,889
	178,198,972	**171,909,889**

(18) Financial instruments at fair value

Accounting for financial assets and liabilities – fair value

The company applies IFRS 9. Under IFRS 9 all financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. This requirement is consistent with IAS 39. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation

IFRS 13 Fair Value Measurement requires an entity to classify its assets and liabilities according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

As of 31 December 2020 cash and cash equivalents, other receivables, other financial assets as well as other payables and accrued expenses have short maturities. The carrying amounts of these financial instruments approximately correspond to the fair value. The loan to shareholder is measured at amortised cost and the carrying amounts approximately correspond to their fair value. This assumption is based on the fact that the expected credit losses have already been recognized.

The fair values of bonds were calculated with the market value at Frankfurt Stock Exchange as of the balance sheet date. The fair value can be assigned to level 1 of the fair value hierarchy.

31 December 2020	Carrying value	Fair value
Bonds	178,198,972	166,947,271

31 December 2019	Carrying value	Fair value
Bonds	171,909,889	175,739,658*

*adjusted compared to prior year

(19) Financial risk management

Company's activities expose it to following financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

A. Market risk

Company takes on exposure to market risks, which are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Management sets limits on the exposure to interest rate risk that may be accepted, which are monitored on a periodic basis.

Foreign exchange risk

The Company operates mainly in Germany and is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the company's financial instruments will fluctuate because of change in market interest rates. In phases of high liquidity and low bond prices the company invested in own bonds and saved interest and in phases of improving bond prices and increasing liquidity demand the bonds were sold on the bonds market again. All transactions are treated as repayments and borrowings of liabilities.

The carrying amount of the company's significant interest-bearing financial instruments, as at the reporting date is as follows:

	Duration	fixed interest rate	31.12.2020	31.12.2019
Loan 4	May 18 - May 22	7.000%	177,654,719	171,320,447
			177,654,719	**171,320,447**

	Duration	fixed / Variable interest rate	31.12.2020	31.12.2019
Bond 4	May 18 - May 22	3 M Euribor + 5.500%	99,855,153	97,721,276
Bond 5	Apr 19 - Apr 23	3 M Euribor + 5.500%	78,343,819	74,188,613
			178,198,972	**171,909,889**

The Company's main interest rate risk arises from long-term bonds which are issued at fixed rates and floating rates (bond 4 and bond 5). These expose the Company to interest rate risk which is partially offset by having loans as a main asset in the Company. The objectives for the mix between fixed and floating rate bonds are set to reduce the impact of upward changes in interest rates while enabling benefits to be enjoyed if interest rates fall. Besides, the Company's income statement is not exposed to significant fluctuations in interest rates, since both financial instruments are measured at amortised cost.

A change of the interest rate (5.500% + 3 month euribor for bond 4 and bond 5) at the end of the reporting period would have an effect on result for the financial years.

The following shows the effect on net income for the financial years with all other variables held constant by 1/100 basis points ("bp"):

	2020	2019
	€	€
+1 bp	(18,000)	(18,000)
-1 bp	18,000	18,000

	2020	2019
	€	€
+100 bps	(1,800,000)	(1,800,000)
-100 bps	1,800,000	1,800,000

B. Credit risk

Ferratum Oyj was rated by Fitch Ratings in April 2019 as part of an initial rating with BB- /outlook Stable. In March 2020 Fitch Rating confirmed the rating and the outlook. In April Fitch Ratings downrated Ferratum Oyj from BB- to B+/outlook negative. The downgrade mainly reflects the impacts of the Corona-crises. The rating includes the fact that Ferratum Oyj acts as the guarantor of the issued bonds by the company.

In April 2019 Creditreform Rating AG evaluated Ferratum Oyj with a follow-up rating of BBB-. Due to the Corona-crises the Creditreform Rating AG adjusted the rating to BB/outlook negative (source: Creditreform Rating, April 2020).

Credit risk is the risk of a financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations. The company has minimised credit risk by lending to its shareholder. The carrying amount corresponds to the maximum default risk.

The loan was impaired in financial year 2020 based on the expected credit loss model amounting to EUR 220,210 (31.12.2019: EUR 171,492). The calculation of expected credit loss refers to the note (2).

C. Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds. In managing its exposures to liquidity risk arises principally from its various payables, the company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The company aims to maintain a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities.

The bonds were issued under an unconditional and irrevocable guarantee of its shareholder and secured directly over the loans to shareholder. The company expects that its cash in hand and cash flow provided by operations will satisfy its liquidity need with respect to its obligations. As a precaution Ferratum Oyj issued an irrevocable letter of comfort limited to an amount of EUR 500,000 until 30 April 2022. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

Maturity analysis

The following table details the expected maturity for all financial assets and liabilities in order to provide a complete view of the company's contractual commitments and liquidity.

Financials assets at 31 December 2020	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Loans at amortized cost	-	-	177,654,719	-	-	177,654,719
Other receivables	204,205	-	-	-	-	204,205
Cash and cash equivalents	376,309	-	-	-	-	376,309
Total financial assets	**580,514**	**-**	177,654,719	**-**	**-**	**178,235,233**

Financials liabilities as 31 December 2020	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	4,876,586	4,957,414	**105,827,174**	**80,865,658**	-	196,526,832
Other payables	352,960	-	-	-	-	352,960
Total financial liabilities	**5,229,546**	**4,957,414**	**105,827,174**	**80,865,658**	**-**	**196,879,792**

Financials assets at 31 December 2019	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Loans at amortized cost	-	-	-	171,320,447	-	171,320,447
Other receivables	266,018	-	-	-	-	266,018
Cash and cash equivalents	154,056	-	-	-	-	154,056
Total financial assets	**420,074**	**-**	**-**	**171,320,447**	**-**	**171,740,521**

Financials liabilities as 31 December 2019	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Bonds	4,861,038	4,843,626	9,608,280	182,398,367	-	201,711,311
Other payables	377,344	-	-	-	-	377,344
Total financial liabilities	**5,238,382**	**4,843,626**	**9,608,280**	**182,398,367**	**-**	**202,088,655**

D. Capital Management

The company's main objective when managing capital is to safeguard the company's ability to continue as a going concern. The company considers total capital under management to be equity and bonds as shown in the statement of financial position. The amount of capital that the company managed as of 31 December 2020 was EUR 178,079,209 (31.12.2019: EUR 171,552,969).

With end of financial statements as of 31 December 2020 the equity of the company is negative in the amount of EUR -119,763 (31.12.2019: EUR -356,920). Based on the financial planning, going concern is secured. For further explanations we refer to our statements made under C. Liquidity risk.

(20) Related party relationships on an entity

Ferratum Oyj owns 100% of the company's shares. Related parties of the company include also the Managing Director Mr. Stephan Schuller (until 18 March 2021) and Managing Director Mr. Bernd Egger (since 4 March 2020) and their close family members.

Audit Committee

On 6 January 2021 an extraordinary shareholders' meeting took place. During this meeting it was agreed to amend the shareholders' agreement which resulted in the setup of an audit committee. Members of the audit committee are:

- Lea Liigus
- Clemens Krause
- Daniel Kliem

Related party transactions

In accordance with the shareholders' resolution of 29 June 2020, the capital reserve is increased in the amount of EUR 250,000. The corresponding receivable from shareholders has been paid by the end of financial year 2020.

Likewise, Ferratum Oyj has issued a guarantee agreeing to jointly guarantee the group's obligations. For further explanation we refer to explanations made under D. (8) "bonds" as well as under F. 19 C. "liquidity risk".

For loans to shareholders we refer to explanations made under D. (2) "loans to shareholders".

Compensation of key management personnel

Managing directors were paid no fees within financial year 2020 (2019: EUR 0).

(21) Contingent liabilities

Neither in this financial year nor in previous financial year any contingent liabilities occurred.

(22) Events after the reporting date

On 11 March 2020 the World Health Organization has made the assessment that COVID-19 (Corona) can be characterized as a pandemic. The impacts relating out of the Corona-crisis will have huge effects on financial position within financial year 2021. On that source, we refer to more detailed explanations within the management report under section “risk report” and “forecast report”.

There have been no significant events after the balance sheet date that require adjustment to or disclosure in the financial statements.

Other material events after the reporting date that require adjustment to, or disclosure in the financial statements also did not occur.

The financial statements were authorized for issue by managing directors on 22 March 2021.

Berlin, 22 March 2021

Bernd Egger

Managing Director

Statement of cash flow for the period from 1 January to 31 December 2019

	1 January 2020 - 31 December 2020 €	1 January 2019 - 31 December 2019 €
Net result before taxes	380,105	(171,228)
+ Depreciation of property, plant and equipment	162	578
+/- Increase/(decrease) in other liabilities	(24,384)	72,049
-/+ Increase/(decrease) in other assets	61,812	51,967
+ Interest paid	10,561,444	9,935,596
- Interest received	(11,690,111)	(10,099,096)
- Income tax paid	(311,443)	(176,084)
= Cash flow from regular operating activities	**(1,022,415)**	**(386,219)**
- Cash paid for the acquisition of property, plant and equipment	(1,009)	0
+ Interest received	6,413,474	10,099,096
+ Proceeds from borrowings	0	(45,553,833)
= Cash flow from investing activities	**6,412,465**	**(35,454,737)**
+ Proceeds from addition to the capital reserve	250,000	0
+ Proceeds from issuing bonds	4,418,122	44,906,311
- Interest paid	(9,835,920)	(9,107,836)
= Cash flow from financing activities	**(5,167,799)**	**35,798,475**
Total of the cash flows	**222,252**	**(42,480)**
+ Cash and equivalents - beginning of the period	154,056	196,537
= Cash and equivalents - end of the period	376,308	154,056

Statement of changes in equity as at 31 December 2020

	Subscribed capital €	Capital reserve €	Accumulated losses €	Accumulated other comprehensive income €	Sum €
Balance as at 1 January 2019	**50,000**	**925,000**	**(831,663)**	**0**	**143,337**
Share Capital issue	0	0	0	0	0
Capital reserve	0	0	0	0	0
Results brought forward	0	0	0	0	0
Net Income for the period/year	0	0	(500,257)	0	(500,257)
Other comprehensive income	0	0	0	0	0
Balance as at 31 December 2019	**50,000**	**925,000**	**(1,331,920)**	**0**	**(356,920)**

	Subscribed capital €	Capital reserve €	Accumulated losses €	Accumulated other comprehensive income €	Sum €
Balance as at 1 January 2020	**50,000**	**925,000**	**(1,331,920)**	**0**	**(356,920)**
Share Capital issue	0	0	0	0	0
Capital reserve	0	250.00	0	0	250,000
Results brought forward	0	0	0	0	0
Net Income for the period/year	0	0	(12.844)	0	(12,844)
Other comprehensive income	0	0	0	0	0
Balance as at 31 December 2020	**50,000**	**1,175,000**	**(1,344,764)**	**0**	**(119,764)**

Management Report for the financial year 1 January 2020 to 31 December 2020

Macroeconomic and sector-related situation

After a 2.9 percent growth in global gross domestic product ("GDP") in 2019, the global economy fell into an unprecedented recession following a historic slump in the second quarter of 2020 as a result of the Coronavirus pandemic. After temporary lockdown measures, a strong recovery set in in the second half of the year. The success of the recovery depends largely on further infection rates. In its October report, the IMF assumes that global economic output will decline by 4.4 percent in 2020 as a whole, but will increase by 5.2 percent in the following year.

In 2020 as a whole, real GDP in Germany fell by 5.0 percent compared to the previous year, according to preliminary calculations made by the Federal Office for Statistics (Statistisches Bundesamt). After moderate growth of 0.6 percent in the previous year, the German economy experienced a severe recession due to the Coronavirus pandemic, comparable to the economic and financial crisis in 2008 and 2009. As a result of the partial lockdown in November 2020 and the subsequent tightening and extension, economic output is likely to only stagnate in the final quarter after a strong recovery in the third quarter of 2020 of 8.5 percent. Despite the partial lockdown, industrial production continued to increase in November 2020, as did incoming orders in the manufacturing sector. This indicates that the industry – unlike in spring – has so far been less affected by the measures. Retail sales excluding motor vehicles continued to rise in November 2020, but the individual developments varied considerably. While sales in the internet and mail order business increased significantly, stationary retail business suffered in particular from the measures taken to combat the pandemic. The leading indicators clouded over in December 2020, although the tightening of the lockdown has not yet been significantly taken into account. The number of monthly new car registrations by private owners reached the mark of over 135,000 in December 2020, seasonally adjusted, and was thus noticeably above the average monthly values for 2018 and 2019. Labour market were stable despite the partial lockdown. Employment fell slightly in November 2020 and unemployment adjusted for seasonal influences fell noticeably again in December 2020. The reported short-time work in November and December, however, indicate an increase in people on short-time work.

According to an evaluation made by Investor-Relations-Consultation IR.on AG in 2020, the German market for SME bonds declined in 2020 due to the Coronavirus pandemic. The volume of new issuances decreased to EUR 0.96 billion in 2020 (38 issuances), after being at EUR 1.36 billion in 2019 (40 issuances) and EUR 1.14 billion in 2018 (35 issuances). Similarly, the placement rate, i.e. the relation between the volume actually placed and the volume planned, decreased from 77 percent in the previous year to 74 percent in 2020. The coupon rate determined by the issuers amounted to 5.57% on average in 2020 as in the previous year.

Business activity of the company

Ferratum Capital Germany GmbH is a finance company that finances the operative business of Ferratum Group. The company raises outside capital through the issue of bearer bonds and grants the proceeds of the issue as a loan to its parent company, Ferratum Oyj, based in Helsinki, Finland. The loans will finance investments to expand the Ferratum Group. The company charges the parent company interest at the rate of interest payable to the holders of the bearer bonds, plus a planned interest margin of 1.5 per cent. The interest is settled monthly with the parent company. The parent company must redeem the loans at the latest at the end of the term of the issued bearer bonds.

The sections in the management report marked with an * that relate to the parent company or the Ferratum-Group have not been audited by the auditor.

The ability of the company to service the creditors' claims arising out of the issued bearer bonds primarily depends on the economic success of Ferratum Oyj and its affiliates. Their business purpose is to provide unsecured, short-term microloans to individuals and companies in various, primarily European countries, in part using a banking license and operating in the mobile banking business. In contrast to traditional banks, the Group does not use any branches or outbound call centres, but processes the business exclusively via mobile devices or alternatively websites. In addition, borrowers with acceptable credit history are also offered instalment loan-like "Plus Loans" and revolving, overdraft-credit-like credit limits. The distribution channel is exclusively the internet, including mobile applications on mobile phones.*

Financial position

The two bearer bonds listed on the stock exchanges in Stockholm and Frankfurt are characteristic for the financial position of Ferratum Capital Germany GmbH. The company successfully placed the bearer bond 2018/2022 in the nominal amount of 100,000 TEUR (ISIN: SE0011167972) and the bearer bond 2019/2023 in the nominal amount of 80,000 TEUR (ISIN: SE0012453835). The bearer bonds bear interest in the amount of the 3-month Euribor plus 5.5 percent p.a. and mature on 25 Mai 2022 respectively on 24 April 2023. Proceeds from the issue of the bearer bonds were used as scheduled to repay previously issued bearer bonds. Additional proceeds were provided by Ferratum Capital Germany GmbH to the parent company Ferratum Oyj to finance the business. The loan to the shareholder bears interest at 7.0 percent p.a. and is maturity congruent due to the maturity of the bearer bonds.

As of 31 December 2020, the loans granted to the parent company, including accrued interest, totaled 177,654 TEUR (31 December 2019: 171,320 TEUR) and cash and cash equivalents 376 TEUR (31 December 2019: 154 TEUR). On the other hand, liabilities from bearer bonds issued, including accrued interest, totaled 178,199 TEUR (31 December 2019: 171,910 TEUR). Within financial year 2020 the company sold own bonds in the amount of 5,304 TEUR and also re-bought own bonds in the nominal amount of 1,200 TEUR.

To strengthen the equity of the company the capital reserve was increased by 250 TEUR to 1,175 TEUR (31 December 2019: 925 TEUR). Despite the increase of capital reserve, the total equity of the company was negative and amounted to -120 TEUR as of 31 December 2020 (31 December 2019: -357 TEUR). As a precaution Ferratum Oyj issued an irrevocable Letter of Comfort limited to an amount of 500 TEUR until 30 April 2022. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

Cash flow position

The cash flow from financing activities, which in turn was mainly due to the interest payments to the bondholders of 9,836 TEUR (2019: 9,108 TEUR) and the proceeds from reselling own bonds of 4,418 TEUR (2019: issuing bonds of 44,906 TEUR), played a major role in the financial position of the company.

Above all, the cash flow from financing activities amounting to -5,168 TEUR (2019: 35,799 TEUR) and the cash flow from investing activities amounting to 6,412 TEUR (2019: -35,455 TEUR) are decisive for the total realised cash flow of the company in financial year 2020 in the amount of 222 TEUR (2019: -42 TEUR), which results in a cash and cash equivalents of 376 TEUR (31 December 2019: 154 TEUR). The loans granted to the parent company as well as the bond liabilities have remaining terms of over one year. The receivables bear interest at 7 percent, the bond liabilities at 5.5 percent. The company's financial management monitors, in particular, the most important financial performance indicators reported to the parent company on a monthly basis.

	2020	2019
	€	€
Cash flow from regular operating activities	-1,022	-386
+ Cash flow from investing activities	6,412	-35,455
+ Cash flow from financing activities	-5,168	35,799
= Total of the cash flows	**222**	**-42**
+ Cash and equivalents – beginning of the period	154	197
= Cash and equivalents – end of the period	**376**	**154**

The limited comparability of the individual cash flows to the previous year's report results from adjustments to uniform group accounting guidelines in order to provide an improved true and fair view of the company's cash flow position.

The company was able to meet all payment obligations at any time.

Earnings position

In financial year 2020, the financial result, the balance of interest income from the shareholder loans granted and interest expense on the bearer bonds issued, was positive at 1,129 TEUR (2019: 164 TEUR). Nevertheless, the financial result is not sufficient in particular to cover the other operating expenses of 490 TEUR (2019: 207 TEUR), the impairment based on the expected credit loss model of 220 TEUR (2019: 46 TEUR), the income tax of the company amounting to 393 TEUR (2019: 329 TEUR) as well as the personnel expenses in the amount of 55 TEUR (2019: 78 TEUR). In financial year 2020, the company realised a shortfall of 13 TEUR (2019: 500 TEUR).

Overall statement on the course of business and the situation of the company

Overall, the management assesses the course of business and the situation of the company against the background of the Coronavirus pandemic and the measures taken within the Ferratum Group as satisfactory.* With this in mind, the course of business and the situation of the Ferratum Capital Germany GmbH itself is assessed as satisfactory, as the sole business purpose is financing the Ferratum Group and the own performance is dependent of the parent company.

Outlook

Looking back, the forecasts regarding the expected development of the company with regard to the financial and cash flow position for 2020 have partly come true. The forecast regarding the earnings position of the company, which was characterized by considerable uncertainty as a result of the Coronavirus pandemic, has not met in 2020. The interest result was not sufficient to cover the company's one-off and ongoing costs and the income taxes. As a result the total equity of the company is negative and amounts to -120 TEUR as of 31 December 2020 (31 December 2019: -357 TEUR). The main reasons for the deviation from the plan are unplanned other operating expenses including the expected credit loss and fees for accounting, auditing and consulting.

The outlook as well as the opportunity and risk report reflect the expected development of Ferratum Capital Germany GmbH for 2021 (forecast period) including its material risks and opportunities from the management's point of view. Both reports include forward-looking information. These reports are based on management's expectations and estimations and can be affected by unforeseeable events. This can lead to the actual business development deviating both positively and negatively from the expectations described below.

The ongoing uncertainty about the worldwide proliferation and the consequences of the Coronavirus pandemic impede an exact forecast of the business development for the 2021 financial year. Any further long-term implications for the operational business resulting from the proliferation of the Coronavirus and the related volatility of the financial markets are currently impossible to assess and therefore not included in the outlook.

The Organization for Economic Cooperation and Development (OECD) lowered its forecast in December 2020 for the global economic recovery in 2021 compared to the September forecast. The most important reason was the expectation that the measures taken against the second wave of pandemics in Europe will mitigate growth. Nevertheless, the OECD says that for the first time since the beginning of the pandemic there is hope of a "brighter future" because there are advances in vaccines and the treatment of Covid-19.

The OECD predicts a decline in global gross domestic product (GDP) of 4.2 percent in 2020, followed by increases in GDP of 4.2 percent in 2021 and 3.7 percent in 2022. The OECD expects the recovery in countries to be uneven, which is likely to result in permanent changes in the global economy. China is likely to make up more than a third of global economic growth in 2021, according to the OECD. The growth contribution of Europe and North America to global growth will be less than their share in the world economy. According to the OECD, China's economy will grow by 1.5 percent this year, and growth rates of 8.0 and 4.9 percent are forecast for 2021 and 2022. For the USA, the OECD is forecasting GDP change rates of minus 3.7, plus 3.2 and plus 3.5 percent and for the Eurozone countries of minus 7.5, plus 3.6 and plus 3.3 percent, respectively.

The organization predicts that persistent virus outbreaks and associated containment measures will hinder activity until vaccines are widely used. Private consumption and investment are likely to suffer from uncertainty and a lack of confidence. According to the OECD, unemployment will rise by mid-2021, reach double-digit rates and then only decline slowly.

For Germany, the OECD predicts a GDP decline of 5.5 percent in 2020, while the growth forecast for 2021 has been lowered from 4.6 percent to 2.8 percent. An increase of 3.3 percent is then expected for 2022.

Business figures for the first 9 months and the last quarter of 2020 for the Ferratum Group show that the group's sales and earnings have declined, in particular due to the Coronavirus pandemic. However, a bundle of measures ensures that the Ferratum Group is solidly positioned for the future. The basis is a solid financing structure. Customer deposits increased from EUR 242 million at the end of 2019 to EUR 363 million at the end of the third quarter of 2020. Thereby the weighted average cost of capital of the Group, including the liabilities from the bearer bonds issued, declined from 3.25 percent in 2019 to 2.26 percent in the first 9 months of 2020. Risk analyses show that customer payment behaviour has remained stable at a favourable level during the Coronavirus pandemic. It is noticeable here that the issue of new customer loans was shifted to relatively safe market segments at an early stage. The consistent cost management should also be emphasised. Due to a leaner company organisation, personnel costs in the third quarter of 2020 were reduced by around 33 percent or EUR 3.7 million compared to the third quarter of the previous year from EUR 11.1 million to EUR 7.4 million. At the same time, other operating expenses (excluding impairments) fell in the third quarter of 2020 by around 20 percent or EUR 7.2 million compared to the third quarter of the previous year from EUR 34.9 million to EUR 27.7 million. Furthermore, the Ferratum Group continues to seize opportunities to invest in future growth.*

The expected development of the company in the 2021 financial year in terms of its financial and asset situation will, above all, be influenced by economic consolidation. The company currently does not plan any further issuances of bearer bonds in the 2021 financial year, which may change in the course of the year depending on the market situation and the development of the business activities of the Ferratum Group.* In the 2021 financial year, neither loan receivables from the ¬parent company nor bond liabilities vis-à-vis investors are due to be repaid.

The expected development of the company's earnings situation in the 2021 financial year will especially be influenced by the interest result. With the planned interest margin of 1.5 percent and the planned average portfolio of loan receivables from the parent company as well as the planned average bond volume, the interest result as a balance between interest earnings and interest expenses will clearly positive but somewhat lower in direct comparison to the previous year. Furthermore, the expected earnings situation of the company in the 2021 financial year will be influenced by the ongoing and one-off costs that are likely to be incurred by the company. As planned, the interest result in the amount of around EUR 0.4 million and planned income from a Group allocation of around EUR 0.8 million will cover the company's one-off and ongoing costs including income taxes.

In addition to the interest result, which is the main control parameter for the company's earnings position, the company plans the liquidity. Based on the forecasted earnings situation, liquidity will also develop slightly positively compared to 2020.

As a precaution Ferratum Oyj issued an irrevocable Letter of Comfort limited to an amount of 500 TEUR until 30 April 2022. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

In summary, the management is therefore assuming an improved overall situation for the company, although this forecast is affected by considerable uncertainty due to the Coronavirus pandemic.

Opportunity and risk report

Opportunities for Ferratum Capital Germany GmbH acting as a financing company will ensue especially from the ongoing rating process of the Group and the resulting financing conditions. The Ferratum Oyj Group was last rated BB by Creditreform Rating AG in April 2020. The rating outlook is negative (before: BBB-/outlook stable). Macroeconomic upheavals resulting from the Coronavirus pandemic are decisive for the devaluation.* For the same reason Fitch Ratings has downgraded Ferratum Oyj's Long-Term Issuer Default Rating from BB-/stable outlook to B+/negative outlook in April 2020. This rating was confirmed by Fitch on March 4, 2021. The management of the pandemic and its effects received positive appreciation; Fitch continues to see risks in the overall economic situation in the credit industry. This applies above all to the risk of regulatory intervention, which Fitch considers to be increased in the current environment.

On the basis of the successful pandemic management plan, the company and the Group consider themselves well equipped to continue the expansion of the lending business that began in the second half of the year. The geographical focus will be on existing core markets. In terms of content, the gradual expansion of the primelendings and the mobile wallet is being pushed forward so that the Group is solidly positioned for the future.*

With regard to the refinancing of the two bonds issued, it is to mention positively that the prices of the two bonds have fully recovered to date. In March 2020, the prices of the two listed bonds fell to around 50 percent of their nominal value due to the Coronavirus pandemic and the subsequent general decline in the value of stocks and bonds. The decision made in December 2020 to convert the legal form of the parent company from the Finnish Oyj to a European SE is also to be rated positively, which will improve the parent company's financing options on the European capital market.*

Risks to the company's business activities result especially from its dependency on its parent company. The company's ability to satisfy creditor claims from the bearer bonds issued in the form of interest and redemption claims depends solely on the economic success of Ferratum Oyj. For the ongoing uncertainty regarding the global spread and consequences of the Coronavirus pandemic we refer to the previous outlook. Possible long-term effects on the operational business of Ferratum Oyj as a result of the spread of the Coronavirus pandemic cannot currently be estimated. Nevertheless, the Ferratum Group has taken a number of measures to ensure that the Ferratum Group is solidly positioned for the future.*

In addition, the group's parent company issued an independent guarantee with a negative obligation in favour of the bondholders, with the guarantor unconditionally and irrevocably guaranteeing the proper and punctual payment of all amounts payable by the issuer or the successor debtor for the bonds as specified in the terms and conditions of the bonds. In detail, credit default in relation to the claims against the parent company and liquidity risks will result from the aforementioned dependency on the parent company if planned interest payments and redemptions are not, or not in due time, effected by Ferratum Oyj. Additionally, the economic success and the credit rating of Ferratum Oyj are crucial for the company's ability to successfully place follow-up financing in the form of bonds on the capital market, in order to repay the bond liabilities on time. There are market price risks with regard to the own bonds acquired.

In terms of maturity of the loans, amount and time of the interest payable, the loans granted to the parent company are structured in accordance with the underlying bonds to finance the relevant loans so that, as is planned, sufficient liquidity is available for interest payments and redemption of the bonds. The interest margin planned by the company of around EUR 0.4 million and income from a Group allocation of around EUR 0.8 million cover the company's ongoing and one-off costs as planned. The financial result is the subject of risk management which is performed on the level of the parent company, e.g. within the monthly reporting. *

From managements point of view there are no risks threatening the existence of the company.

Accounting-related internal control and risk management system

The company does not have its own operational business. The most important financial performance indicators are the financial results and liquidity, according to which the company is managed. These indicators are part of the monthly reporting that is created by the parent company.*

The internal control and risk management system related to the accounting process comprises principles, procedures and measures to ensure the effectiveness and economic viability of internal and external accounting in accordance with the applicable legal provisions. Among the responsibilities of the accounting-related internal control system are, first and foremost, ensuring proper business operations, warranting proper internal and external accounting, as well as, ensuring compliance with the statutory and legal provisions relevant to the company. It is the goal of the risk management system related to the accounting process to identify, to evaluate and to limit the risks that can conflict with the annual financial statements conforming to the rules and at the same time seize opportunities.

The internal control system includes organizational and technical measures to manage and monitor the business activities. The company's managing directors are responsible for the conception, installation, application, development and review of an adequate internal control system related to the accounting process. The managing directors decide on the scope and nature of the specific requirements and have defined the responsibilities for the individual process steps in connection with accounting in the form of organizational guidelines and have assigned them to individual organizational units.

The company's accounting is mainly conducted by the "Accounting" department, which assumes the responsibility of centrally managing the processes of preparing the annual financial statements and the interim accounts of Ferratum Capital Germany GmbH. The "Accounting" department's responsibilities include the preparation of the annual financial statements pursuant to the Commercial Code (Handelsgesetzbuch, HGB) including the management report as well as of the accounts including management report to be prepared pursuant to the International Financial Reporting Standards (IFRS). External advisers are consulted to support in the preparation of annual and consolidated financial statements.

Ferratum Capital Germany GmbH is adequately staffed in the "Accounting" department in terms of quantity and quality. The employees have the necessary know-how and experience depending on their fields of activity. Where required, external advisers are consulted.

The company is included in the monthly reporting of the parent company and the Ferratum Group. Controlling and monitoring of the most important performance indicators takes place at this level as well. The company's management is also part of the management of the Ferratum Group and is therefore able to control not only the company's performance as a "single entity", but also as part of the Group. Due to the company's role as a financing company, the focus here is on the operational risks that arise from the Group's activities, as these have a direct impact on the company's own activities.*

As group auditors, the internal auditors also become active on behalf of Ferratum Capital Germany GmbH in the context of the risk management of the Ferratum Oyj Group. The internal auditors' auditing activity, being risk-oriented, extends to all of the group's business operations. The auditing of the effectiveness and appropriateness of the risk management comprises the risk management and risk controlling systems, the reporting system, the information systems and the accounting process. In order to carry out these responsibilities, the internal auditors have a full and unlimited right to information relating to the activities, processes and IT systems of Ferratum Oyj and its subsidiaries. The internal auditors are informed about material changes in the internal control and risk management system on a regular basis.*

The auditing of the process-integrated controls by the internal auditors is generally based on the set of rules, work instructions and guidelines of Ferratum Oyj. The internal auditors' auditing activity, being risk-oriented, extends to all of the group's, including Ferratum Capital Germany GmbH, business operations.*

The proper conduct of accounting is ensured through both preventative and revelatory controls in the accounting process, as well as, through comprehensive auditing of the processed data. The preparation process is comprised of numerous steps of analysis and plausibility checks. Besides the evaluation of individual issues, these also comprise period and planning comparisons. Both with regard to manual and automated entries, adequate auditing processes have been implemented. Data and IT systems are protected against unauthorized access.

Report on the related-party transactions

Related parties are the parent company, which holds 100 percent of the shares in the company, as well as the managing directors of the company, Mr. Stephan Schuller and Mr. Bernd Egger (since 4 March 2020).

The company has granted its shareholder loans totaling 177,655 TEUR in recent years, which have been combined into one loan. The company charges the parent company interest that it has to pay itself on the issued bearer bonds plus a planned interest margin of 1.5 percent. The parent company is required to redeem the combined loan by 25 May 2022 at the latest. In addition, the parent company has provided the unconditional and irrevocable guarantee for the due and punctual payment to be made by the company in accordance with the relevant terms and conditions of the issued bearer bonds. Furthermore the parent company issued an irrevocable Letter of Comfort limited to an amount of 500 TEUR until 30 April 2022. In case of substantial solvency problems of the company, the shareholder will provide the company with further funds, so that the company will be in the position to meet all their liabilities within this limit.

The parent company increased the company's capital reserve by 250 TEUR according to the shareholders' resolution of 29 June 2020.

Managing directors were paid no fees within the financial year 2020 (2019: 0 EUR).

Statement by the legal representatives

To the best of our knowledge and in accordance with the applicable accounting principles, the financial statements for the year ended 31 December 2020 of Ferratum Capital Germany GmbH give a true and fair view of the company's net assets, financial position and result of operations and the company's management report includes a fair review of the business development including the business results and the position of the company and describes the main risks and opportunities of the company's expected development.

Berlin, 22 March 2021

Bernd Egger

Managing Director

more than money to everyone

7.1.7 Independent Auditor's opinion

To Ferratum Capital Germany GmbH, Berlin:

Opinion

We have audited the financial statements of Ferratum Capital Germany GmbH, Berlin, which comprise the balance sheet as at December 31, 2020, the statement of profit and loss, the statement of changes in the shareholder's equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. Furthermore we have audited the management report of Ferratum Capital Germany GmbH, Berlin, for the financial year from January 1, 2020 to December 31, 2020. The "Statement by the legal representatives" pursuant § 264 Abs. 2 S. 3 HGB and § 289 Abs. 1 S. 5 HGB which is reproduced within the management report has not been audited content wise by us in compliance with German Law. Furthermore we did not audit sections within the management report which are marked as "unaudited by the auditor" content wise in compliance with German Law.

- In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with IFRS as adopted by the EU.
- the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

Pursuant to § 322 (3) sentence 1 HGB [„Handelsgesetzbuch": „German Commercial Code"], we declare that our audit has not led to any reservations relating to the legal compliance of the financial statements.

Basis for Opinion

We conducted our audit of the financial statements and of the management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements and Management Report" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Germany, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements and the management report.

Responsibilities of Legal Representatives for the Financial Statements and the management report

The legal representatives are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the EU, 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, the executive directors are 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position. This report is consistent in all material respects with the annual financial statements, compliant with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report. The Audit Committee is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and management report.

Auditor's Responsibilities for the Audit of the Financial Statements and the Management Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and with the findings of our audit, compliant with German legal requirements, suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW 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 a the basis of these financial statements and management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements and the management report, 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 audit 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 controls.
- obtain an understanding of internal control relevant to the audit of the financial statements and the management report and of arrangements and measures (systems) in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting 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 the auditor’s report to the related disclosures in the financial statements and the management report or, if such disclosures are inadequate, to modify our respective audit 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 be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that the financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with IFRS as adopted by the EU.
- we assess the consistency of the management report with the annual financial statements as well as its compliance with the law and the understanding of the Company's position given by it.
- we perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a considerable unavoidable risk that future events may differ materially from the forward-looking statements.

Other Statutory and legal requirements

Report on the audit of the electronic reproductions of the annual financial statements and management report prepared for disclosure purposes in accordance with Section 317 (3b) of the German Commercial Code (HGB)

Audit Opinion

Pursuant to Section 317 (3b) of the German Commercial Code (HGB), we have performed a reasonable assurance audit to determine whether the financial data contained in the attached file FCG_GmbH_JA_LB_ESEF_IFRS_2020-12-31.zip (SHA256- Hash value: 3233c0d825d840dfbb5c6cd6cd3956572b7ef163a51d811bb97415b188502716) and prepared for the purpose of disclosure of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") comply with the requirements of section of Section 328 (1) of the German Commercial Code (HGB) in the electronic reporting format ("ESEF format") in all material respects. In accordance with German legal requirements, this audit extends only to the transfer of the information contained in the annual financial statements and the management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file. In our opinion, the reproductions of the annual financial statements and the management report, contained in the above-mentioned attached file and prepared for the purpose of disclosure, comply in all material respects with the requirements of Section 328 (1) HGB regarding the electronic reporting format. We have issued our report on this audit opinion and in our opinions contained in the "Report on the Audit of the Financial Statements and Management Report" above, we do not express an opinion on the accompanying financial statements and management report for the fiscal year from January 1, 2020 to December 31, 2020, or on any other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the annual financial statements and management report, contained in the above-mentioned attached file, in accordance with Section 317 (3b) HGB and in compliance with the draft IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Section 317 (3b) HGB (IDW EPS 410). Our responsibility thereunder is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1) applied.

Responsibility of the legal representatives and the audit committee for the ESEF documents

The legal representatives are responsible for the preparation of the ESEF documents with the electronic reproductions of the annual financial statements and the management report in accordance with the provisions of § Section 328 (1) sentence 4 no. 1 HGB. Furthermore, management is responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material -- intentional or unintentional -- non-compliance with the requirements of Section 328 (1) HGB regarding the electronic reporting format. The legal representatives are also responsible for submitting the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited management report as well as other documents to be disclosed to the operator of the Federal Gazette. The Audit Committee is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibility for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material -- intentional or unintentional – violations of the requirements of Section 328 (1) of the German Commercial Code (HGB). During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore

- identify and assess the risks -- intentional or unintentional – of material non-compliance with the requirements of Section 328 (1) HGB, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents 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 those controls.
- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file.
- assess whether the ESEF documentation provides a consistent XHTML representation of the audited financial statements and the audited management 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.

Berlin, March 30, 2021

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Storbeck	Mattner
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]