FERRATUM CAPITAL GERMANY GMBH

Helmholtzstraße 2-9

10587 Berlin

Financial statements for the year ended

31 December 2017

FERRATUM CAPITAL GERMANY GMBH

Statement of financial position
as at 31 December 2017

ASSETS	Note	31 December 2017 EUR	31 December 2016 EUR	1 January 2016 EUR
Non-current assets				
Property, plant and equipment	(1)	1.708	10.621	4.911
Loans to shareholder	(2)	25.532.928	50.015.689	25.470.606
Total non-current assets		**25.534.636**	**50.026.310**	**25.475.517**
Current assets				
Loans to shareholder	(2)	45.651.332	0	0
Other receivables	(3)	136.605	88.290	31.998
Other financial assets	(4)	0	597.000	0
Cash and cash equivalents	(5)	18.952	84.040	16.705
Total current assets		**45.806.889**	**769.330**	**48.703**
Total assets		**71.341.526**	**50.795.640**	**25.524.220**

EQUITY AND LIABILITIES	Note	31 December 2017 EUR	31 December 2016 EUR	1 January 2016 EUR
Equity				
Subscribed capital	(6)	25.000	25.000	25.000
Capital reserve	(7)	250.000	250.000	0
Retained earnings		(141.914)	(274.048)	(67.926)
Accumulated other comprehensive income	(8)	0	(3.000)	0
Total equity		**133.086**	**(2.048)**	**(42.926)**
Non-current liabilities				
Bonds	(9)	25.000.000	50.000.000	25.000.000
Total non-current liabilities		**25.000.000**	**50.000.000**	**25.000.000**
Current liabilities				
Bonds	(9)	46.193.425	639.489	394.521
Other payables and accrued expenses	(10)	15.015	76.629	15.405
Other accruals		0	0	0
Tax payable		0	81.570	157.220
Total current liabilities		**46.208.440**	**797.688**	**567.146**
Total equity and liabilities		**71.341.526**	**50.795.640**	**25.524.220**

FERRATUM CAPITAL GERMANY GMBH

Statements of profit or loss and other comprehensive income
for the period from 1 January to 31 December 2017

	Note	IFRS 1 January 2017 - 31 December 2017	IFRS 1 January 2016 - 31 December 2016
		EUR	EUR
Revenue		0	400
Other income		3.050	4.611
Cost of purchased services		(3.570)	(4.149)
Personnel expenses	(11)	(79.291)	(241.812)
Depreciations and amortization	(1)	(1.482)	(2.104)
Other operating expenses	(12)	(182.458)	(211.298)
Financial income	(13)	4.179.281	2.934.105
Financial expense	(14)	(3.559.195)	(2.612.938)
Financial result		**620.086**	**321.166**
Profit/(Loss) before tax		**356.335**	**(133.185)**
Income taxes	(15)	(224.201)	(72.938)
Net income/(loss) for the year		**132.134**	**(206.123)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Change of fair value- bonds measured in FVTOCI		*3.000*	*(3.000)*
Total comprehensive profit/(loss)		**135.134**	**(209.123)**

FERRATUM CAPITAL GERMANY GMBH

Statement of changes in equity
as at 31 December 2017

	Subscribed capital EUR	Capital reserve EUR	Accumulated losses EUR	Accumulated other comprehensive income EUR	Sum EUR
Balance as at 1 January 2016	**25.000**	**0**	**(67.926)**	**0**	**(42.926)**
Share Capital issue	0	0	0	0	0
Capital reserve	0	250.000	0	0	250.000
Results brought forward	0	0	0	0	0
Net Income for the period/year	0	0	(206.123)	0	(206.123)
Other comprehensive income	0	0		(3.000)	(3.000)
Balance as at 31 December 2016	**25.000**	**250.000**	**(274.049)**	**(3.000)**	**(2.049)**

	Subscribed capital EUR	Capital reserve EUR	Accumulated losses EUR	Accumulated other comprehensive income EUR	Sum EUR
Balance as at 1 January 2017	**25.000**	**250.000**	**(274.049)**	**(3.000)**	**(2.049)**
Share Capital issue	0	0	0		0
Capital reserve	0	0	0		0
Results brought forward	0	0	0		0
Net Income for the period/year	0	0	132.134		132.134
Other comprehensive income	0	0		3.000	3.000
Balance as at 31 December 2017	**25.000**	**250.000**	**(141.915)**	**0**	**133.085**

FERRATUM CAPITAL GERMANY GMBH

Statement of cash flow
for the period from 1 January to 31 December 2017

		1 January 2017 - 31 December 2017	1 January 2016 - 31 December 2016
		EUR	EUR
	Net result before taxes	356.335	(133.185)
+	Depreciation of property, plant and equipment	1.482	2.103
+/-	Increase/(decrease) in other liabilities	(61.614)	61.224
+/-	Increase/(decrease) in other assets	(48.315)	(56.292)
+	Interest paid	3.559.195	2.612.938
-	Interest received	(4.179.281)	(2.934.105)
-	Income tax paid	(305.771)	(148.588)
=	**Cash flow from regular operating activities**	**(677.969)**	**(595.905)**
+	Cash received from disposals of property, plant and equipment	7.431	1.029
-	Cash paid for the acquisition of property, plant and equipment	0	(8.842)
+/-	Proceeds from purchasing securities	600.000	(600.000)
+	Interest received	4.179.281	2.934.105
=	**Cash flow from investing activities**	**4.786.712**	**2.326.292**
+	Proceeds from issue of shares	0	250.000
+	Proceeds from issuing bonds	20.553.935	25.244.969
+	Proceeds from borrowings	(21.168.571)	(24.545.084)
+	Interest Paid	(3.559.195)	(2.612.938)
=	**Cash flow from financing activities**	**(4.173.831)**	**(1.663.053)**
	Total of the cash flows	(65.088)	67.335
+	Cash and equivalents - begining of the period	84.040	16.705
=	Cash and equivalents - end of the period	18.952	84.040

FERRATUM CAPITAL GERMANY GMBH

Helmholtzstraße 2-9

10587 Berlin

Notes to the annual financial statements for the period from 1 January to 31 December 2017

FERRATUM CAPITAL GERMANY GMBH

Notes to the annual financial statements

31 December 2017

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Notes to the annual financial statements
31 December 2017

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

The Company presents financial statements as of 31 December 2017. The presentation currency of the Company is EUR which is the same as the functional currency of the Company.

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, is 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.

These audited financial statements have been approved for issue by the Managing Director on 13 June 2018.

Financial Reporting Framework

Beside the preparation of the financial statements as of 31 December 2017 in accordance with local GAAP - German Commercial Code (HGB)- the Company is a first time adopter of International Financial Reporting Standards (IFRS) in accordance with IFRS 1 and has applied all standards and interpretations that were mandatory at 31 December 2017. The date of transition to IFRS is 1 January 2016 (opening balance).

Following statements of reconciliation are required to be disclosed for the first time adoption of IFRS.

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Notes to the annual financial statements

31 December 2017

Reconciliation of equity as at 1 January 2016 and as at 31 December 2016:

ASSETS	Note	HGB 1 January 2016	Effect of transition 1 January 2016	IFRS 1 January 2016	HGB 31 December 2016	Effect of transition 31 December 2016	IFRS 31 December 2016
		EUR	EUR	EUR	EUR	EUR	EUR
Non-current assets							
Property, plant and equipment		4,911	-	4,911	10,621	-	10,621
Loans to shareholder	a)	-	25,470,606	25,470,606	-	50,015,689	50,015,689
Total non-current assets		**4,911**	**25,470,606**	**25,475,517**	**10,621**	**50,015,689**	**50,026,310**
Current assets							
Other receivables	a) b)	25,478,303	(25,446,306)	31,997	50,083,897	(49,995,607)	88,290
Other financial assets	c) g)	-	-	-	996,127	(399,127)	597,000
Cash and cash equivalents		16,705	-	16,705	84,040	-	84,040
Total current assets		**25,495,008**	**(25,446,306)**	**48,702**	**51,164,064**	**(50,394,734)**	**769,330**
Prepaid expenses	b)	**24,300**	**(24,300)**	**-**	**20,082**	**(20,082)**	**-**
Deficit not covered by equity	d)	**42,926**	**(42,926)**	**-**	**-**	**-**	**-**
Total assets		**25,567,145**	**(42,926)**	**25,524,219**	**51,194,767**	**(399,127)**	**50,795,640**

FERRATUM CAPITAL GERMANY GMBH

Notes to the annual financial statements

31 December 2017

EQUITY AND LIABILITIES	**Note**	**HGB 1 January 2016**	**Effect of transition 1 January 2016**	**IFRS 1 January 2016**	**HGB 31 December 2016**	**Effect of transition 31 December 2016**	**IFRS 31 December 2016**
		EUR	EUR	EUR	EUR	EUR	EUR
Equity							
Subscribed capital		25,000	-	25,000	25,000	-	25,000
Capital reserve		-	-	-	250,000	-	250,000
Retained earnings		(67,926)	-	(67,926)	(274,048)	-	(274,048)
Accumulated other comprehensive income	g)	-	-	-	-	(3,000)	(3,000)
Deficit not covered by equity		**42,926**	**(42,926)**	**-**		**-**	**-**
Total equity		**-**	**(42,926)**	**(42,926)**	**952**	**(3,000)**	**(2,048)**
Non-current liabilities							
Bonds		25,000,000	-	25,000,000	50,000,000	-	50,000,000
Total non-current liabilities		**25,000,000**	**-**	**25,000,000**	**50,000,000**	**-**	**50,000,000**
Current liabilities							
Bonds	c)	394,521	-	394,521	1,035,616	(396,127)	639,489
Other payables and accrued expenses	e)	11,806	3,600	15,406	74,529	2,100	76,629
Other accruals	e)	3,600	(3,600)	-	2,100	(2,100)	-
Tax payable		157,220	-	157,220	81,570	-	81,570
Total current liabilities		**567,147**	**-**	**567,147**	**1,193,815**	**(396,127)**	**797,688**
Total equity and liabilities		**25,567,147**	**(42,926)**	**25,524,220**	**51,194,767**	**(399,127)**	**50,795,640**

FERRATUM CAPITAL GERMANY GMBH

Notes to the annual financial statements

31 December 2017

a) Reclassification of other receivables to loans to shareholder as non-current assets

	1 January 2016	31 December 2016
	EUR	EUR
reclassification of other receivables	(25,470,606)	(50,015,689)
reclassification to loans to shareholder	25,470,606	50,015,689

b) Reclassification of prepaid expenses to other receivables

	1 January 2016	31 December 2016
	EUR	EUR
reclassification of prepaid expenses	(24,300)	(20,082)
reclassification to other receivables	24,300	20,082

c) Offsetting of other financial assets regarding holding own bonds and issued bond as liabilities

	1 January 2016	31 December 2016
	EUR	EUR
reclassification of other financial assets	0	(399,127)
reclassification to bond	0	399,127

d) Reclassification of deficit not covered by equity to equity

	1 January 2016	31 December 2016
	EUR	EUR
reclassification of deficit not covered by equity	(42,926)	0
reclassification to equity	42,926	0

e) Reclassification of other accruals to other payables and accrued expenses

	1 January 2016	31 December 2016
	EUR	EUR
reclassification of other accruals	(3,600)	(2,100)
reclassification to other payables and accrued expenses	3,600	2,100

FERRATUM CAPITAL GERMANY GMBH

Notes to the annual financial statements

31 December 2017

Reconciliation of total comprehensive income for the year ended 31 December 2016:

		HGB	Effect of transition	IFRS
		EUR	EUR	EUR
Revenue		400	-	400
Other income		4,611	-	4,611
Cost of purchased services		(4,149)	-	(4,149)
Personnel expenses		(241,812)	-	(241,812)
Depreciations and amortization		(2,104)	-	(2,104)
Other operating expenses		(211,298)	-	(211,298)
Financial income	f)	2,964,404	(30,299)	2,934,105
Financial expense	f)	(2,643,237)	30,299	(2,612,938)
Financial result		**321,167**	**-**	**321,166**
Profit/(Loss) before tax		**(133,185)**	**-**	**(133,185)**
Income taxes		(72,938)	-	(72,938)
Net income/(loss) for the year		**(206,123)**	**-**	**(206,123)**
Other comprehensive income	g)	-	(3,000)	(3,000)
Total comprehensive profit/(loss)		**(206,123)**	**(3,000)**	**(209,123)**

f) Offsetting of financial income from holding own bonds (buy back) and financial expenses from issuing bonds

	2016
	EUR
financial income	(30,299)
financial expenses	30,299

g) Adjustment of other financial assets (classified as at fair value through other comprehensive income(FVOCI))

	2016
	EUR
adjustment of securities at fair value	(3,000)
adjustment in other comprehensive income (OCI)	3,000

The financial statements as at 31 December 2017 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 2017

Amendments to IAS 12 »Recognition of Deferred Tax Assets for Unrealized Losses« (19 January 2016) (from/after 1 January 2017)

The amendment deal with items resulting from recognition of deferred tax assets for unrealized losses. The amendments have no impact on the financial position and financial results of the Company.

In addition, the IASB has revised or published further Standards and interpretations that are applicable as of 2017 but will not have a material impact on the financial Statements of the Company.

Amendments to IAS 7 » amendments to IAS 7 'Statement of Cash Flows' « (29 January 2016) (from/after 1 January 2017)

The International Accounting Standards Board (IASB) has published amendments to IAS 7 'Statement of Cash Flows'. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. They are effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted.

Annual Improvements of IFRS 2014 to 2016 Cycle« (from/after 1 January 2017)

The idea behind the Annual Improvements Project is to make non-urgent but necessary amendments to existing IFRSs that are not implemented in other major projects. It was issued in December 2016.

It resulted in amendments to three Standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: The amendments deal with the deletion of short-term exemptions in paragraphs E3 - E7.

- IFRS 12 Disclosure of Interests in Other Entities: The amendments comprise clarifications on the scope of the Standard. The disclosure requirements in the Standard apply to those interests listed in paragraph 5 which are classified as held for sale, held for distribution or discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Exceptions from the disclosure requirements of IFRS 12 are dealt with in paragraphs B10-B16.

- IAS 28 Investments in Associates and Joint Ventures: Clarification that the election to measure at fair value through profit or loss an Investment in an associate or a joint venture that is held by an entity that is a venture Capital Organisation, or other qualifying entity, is available for each Investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Voluntary, premature application of published Standards not yet mandatory

IFRS 9 'Financial Instruments'

The IASB released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace International Accounting Standards (IAS) 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 which published in July 2014 and effective for annual periods beginning on or after 1 January 2018, replaces the existing guidance in IAS 39 "Financial instruments: recognition and measurement".

IFRS 9 requires financial assets to be classified into the following measurement categories: (i) those measured at fair value through profit or loss (FVTPL).; (ii) those measured at fair value through other comprehensive income (FVOCI); and (iii) those measured at amortised cost. The determination is made at initial recognition. Unless the option to designate a financial asset as measured at fair value through profit or loss is applicable, the classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

IFRS 9 also replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model for the measurement of impairment loss. The new model applies to financial assets that are not measured at fair value through profit or loss. At the date of initial application, the Company must use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized.

This credit risk must then be compared to the credit risk at the date of initial application of IFRS 9 to determine if there has been a significant increase in credit risk since initial recognition.
For financial liabilities, the new standard retains most of the IAS 39 requirements.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The adoption of the new standard has no significant impact on Ferratum Capital Germany's financial statements, as it is adopted in the opeing IFRS balances 01. January 2016.

Published Standards which are not yet mandatory

At the date of authorization of the financial statements, certain new standards have been published by the International Accounting Standard Board (IASB) but are not yet effective and have not been adopted by the Company.

The Management intends to implement all relevant changes to standards no later than the time at which they become effective. Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the financial statements of the Company.

Amendment to IFRS 9 'Prepayment Features with Negative Compensation'

In October 2017 amendments to IFRS 9 'financial Instruments' were published. The amendments to IFRS 9 relate to limited amendments to IFRS 9 classification of financial assets between measurement categories. The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met - instead of at fair value through profit or loss. The proposed amendments would be effective for annual periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 contains new provisions for the recognition of revenue, replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered individually under existing IFRSs, including how to account for agreements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. The standard also introduces new, extensive disclosures in the notes. Due to an amendment issued in September 2015, the effective date has been deferred by one year until 1 January 2018.

Amendment to IFRS 15 'Revenue from Contracts with Customers'

The amendments clarify how companies identify a performance obligation in a contract; determine whether a company is a principal or an agent responsible for arranging for the good or service to be provided; and determine whether the revenue from granting a licence should be recognised at a point in time or over time. It will provide some transition relief for IFRS 15. The amendments have to be adopted for the fiscal years beginning on or after 1 January 2018 as the Standard IFRS 15.

Amendment to IAS 40 'Transfers of investment property'

The amendment to IAS 40 serves to clarify the cases in which a property is transferred to or from investment property when the property is still under construction or development. The existing exhaustive list in IAS 40.57 meant that the classification of property under construction or development was not previously clearly defined. This list is now explicitly stated to be non-exhaustive, meaning that property under construction or development may now also be subsumed under the provision. The amendments are effective for periods beginning on or after 1 January 2018. Earlier application is permitted.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration'

To address an application question to IAS 21 'the Effects of Changes in Foreign Exchange Rates' the IFRIC 22 has been issued. IFRIC 22 clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. It clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The Interpretation is applicable for annual periods beginning on or after 1 January 2018. Early application is permitted. Beside of the retrospective initial application in accordance with IAS 8 there is also the possibility of prospective initial application of the interpretation.

IFRIC 23 'Uncertainty over Income Tax Treatments'

IFRIC 23 seeks to bring clarity to the accounting for income tax treatments that have yet to be accepted by tax authorities. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Interpretation is applicable for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted.

Annual Improvements of IFRS 2015 to 2017 Cycle (from/after 1 January 2018)

The idea behind the Annual Improvements Project is to make non-urgent but necessary amendments to existing IFRSs that are not implemented in other major projects. The amendments were issued in December 2017 and led to changes to three standards:

– IFRS 3 Business Combinations and IFRS 11 Joint Arrangements — The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- IAS 12 Income Taxes — The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

- IAS 23 Borrowing Costs — The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

In addition, the IASB has revised or published further standards and interpretations that are to be applied in future but will not have a material impact on the financial statements of the Company.

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 2017 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.

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17 for financial instruments at fair value.

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.

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.

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 value through other comprehensive income (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 liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial liabilities included in trade payables and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

The IFRS 9 accounting model for financial liabilities is broadly the same as that in IAS 39. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

The accounting policy per category of financial assets and liabilities are presented below.

Financial assets at amortized cost

The financial assets are measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

Financial assets at fair value through fair value through the statement of other comprehensive income (FVOCI)

The financial assets are measured at fair value where the objective of the Company's business model for realizing these assets is both collecting contractual cash flows and selling these assets. Interest revenue as well as impairment gains and losses are recognized in profit and loss on the same basis as for amortized cost assets. Changes in fair value are recognized initially in other comprehensive income (OCI). When the asset is derecognized or reclassified, changes in fair value previously recognized in OCI and accumulated in equity are reclassified to profit and loss on a basis that always results in an asset measured at FVOCI having the same effect on profit and loss as if it were measured at amortized cost.

Financial assets at fair value through profit and loss (FVTPL)

All other loans and receivables are measured at fair value. Changes in fair value are recognized in profit and loss as they arise.

Financial liabilities measured at amortized cost

The Company classifies non-derivative financial liabilities as financial liabilities measured at amortized cost, except for financial liabilities measured at FVTPL (i.e., those held for trading, designated at FVTPL or contingent consideration recognized by an acquirer in a business combination) or loan commitments and financial guarantee contracts for which specific measurement guidance exists.

After the initial recognition, the financial liability is classified as financial liability at fair value through profit or loss or other financial liabilities measure at amortized cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished, discharged, cancelled or expired, or through amortization 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.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. 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.

Assets and liabilities are classified as current assets and current liabilities if they are expected to be realised within 12 months of the balance sheet date.

Those not expected to be realised within 12 months of the balance sheet date will be classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include solely demand deposits.

Bonds

After the initial recognition, bonds are measured at amortized 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 amortized 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 not reported either in other comprehensive income or directly in equity.

Deferred tax

As at 31 December 2017, the company did not have deferred tax.

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

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or Company of financial assets is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Company of financial assets that can be reliably estimated.

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D. Notes to statement of financial positions

(1) Property, plant and equipment

	Office equipment EUR		Office equipment EUR
Cost		**Cost**	
At 1 January 2017	17,400	At 1 January 2016	11,041
Additions	0	Additions	8,841
Disposals	9,523	Disposals	2,482
At 31 December 2017	7,877	At 31 December 2016	17,400
Accumulated depreciation		**Accumulated depreciation**	
At 1 January 2017	6,779	At 1 January 2016	6,130
Charge for the financial year	1,482	Charge for the financial year	2,102
Disposals	2,092	Disposals	1,453
At 31 December 2017	6,169	At 31 December 2016	6,779
Net carrying amount		**Net carrying amount**	
31 December 2017	**1,708**	**31 December 2016**	**10,621**

This item concerns solely the office equipment.

(2) Loans to shareholder

Loans to shareholder (Ferratum Oyj) consist of the following three loans:

	Loan 1*	Loan 2	Loan 3
Date of loan agreement	21.10.2013	20.06.2016	26.07.2017
Loan amount in EUR millions (up to)	25	35	20
Interest rate	9% /9.5%	5.875%	5.875%
Term of repayment	3 /5 years*	3 years	by 21.10.2018

** with a supplement to this loan on 2 January 2014 the interest rate was increased from 9% to 9.5% and the term of repayment was prolonged from 3 to 5 years.*

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 amortized 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.

As at 31 December 2017, no impairment was recognized.

The summary of the above 3 loans is as follows:

	Maturity	Nominal	Present value - beginning of the year	Additions/ Disposal	Accrued Interest receivable in FY	Present value - end of the year	Short - term	Long - term
Loan 1	Oct 18	25,000,000	23,078,806	-	2,087,620	25,166,426	25,166,426	-
Loan 2	Jul 19	25,000.000	26,936,883	(1,508,447)	104,492	25,532,928	-	25,532,928
Loan 3	Oct 18	20.000.000	-	19,980,000*	504,906	20,484,906	20,484,906	-
			50,015,689	**18,471,553**	**2,697,018**	**71,184,260**	**45,651,332**	**25,532,928**

**The loan 3 was paid in July 2017 for an amount of EUR 20,000,000 and after netting in the amount of EUR 19,980,000.*

The interest income for the year 2017 on the loans amounts to EUR 4,176,071 (2016: EUR 2,865,084). The interest income was recognized in profit or loss using the effective interest method within the scope of IFRS 9.

(3) Other receivables

Other receivables (EUR 136,605) mainly include accrued income with an amount of EUR 79,798 and refunding of corporate income taxes with an amount of EUR 41,573.

(4) Other financial assets

Other financial assets for an amount of EUR 597,000 in financial year 2016 concern the securities bought from the Ferratum Bank which are measured at fair value. Interest revenue was recognized in profit and loss (2017: EUR 3,210; 2016: EUR 69,021). The securities were completely sold in 2017.

(5) Cash and cash equivalents

The bank current accounts amount to EUR 18,952 (2016: EUR 84,040).

(6) Subscribed capital

The subscribed capital is hold to 100% by the Ferratum Oyj.

(7) capital reserve

In financial year 2016 capital reserve for an amount of EUR 250,000 was paid by the shareholder in cash.

(8) Accumulated other comprehensive income

The accumulated other comprehensive income in 2016 resulted from an adjustment of securities bought from the Ferratum Bank amounting to EUR -3,000 which are classified as FVOCI. This amount was accounted as accumulated other comprehensive income as of 31 December 2016. In 2017 the securities were completely sold which resulted in an adjustment amounting to EUR 3,000. The accumulated other comprehensive income is therefore for an amount of EUR 0 as of 31 December 2017.

(9) Bonds

On 21 October 2013 the Company issued EUR 25,000,000 with 8.00% bonds due 2018 under the unconditional and irrevocable guarantee of Ferratum Oyj (previously known as: JT Family Holding Oy). The bonds will be redeemed at par on 21 October 2018 (the "Maturity Date"). The bonds beared interest from (and including) 21 October 2013 to (but excluding) the Maturity Date at a rate of 8.00% per annum, payable annually in arrears on 21 October in each year, commenced on 21 October 2014.

On 22 June 2016 the Company issued up to EUR 50,000,000 with 4.875% bonds due 2019 under an unconditional and irrevocable guarantee of Ferratum Oyj. Unless previously redeemed, the bonds will be redeemed at par on 22 June 2019 (the "Maturity Date"). The bonds can be redeemed early, at the option of the Company, on or after 21 October 2018 at 100.75% of the principal amount. The bonds beared interest from (and including) 22 June 2016 to (but excluding) the Maturity Date at a rate of 4.875% per annum, payable annually in arrears on 22 June in each year, commencing on 22 June 2017.

On 26 July 2017 the Company issued EUR 20,000,000 with 4.00% bonds due in 2018 under an unconditional and irrevocable guarantee of Ferratum Oyj. Unless previously redeemed, the bonds will be redeemed at par on 21 October 2018 (the "Maturity Date"). The bonds beared interest from (and including) 26 July 2017 to (but excluding) the Maturity Date at a rate of 4.00% per annum, payable annually in arrears on 26 July in each year, commenced on 26 July 2018.

The income from issuing of above 3 bonds were granted as loan to the shareholder Ferratum Oyj in the corresponding years.

The valuation of the bonds is determined at its amortized cost with the application of an effective interest rate p.a.

The development of the bonds is depicted as follows:

	31/12/2017		31/12/2016	
	EUR		EUR	
Bonds – beginning of the year	50,639,489		25,394,521	
Additions/disposals during the year	20,000,000		25,000,000	
Offsetting of own bonds held	396,127	**	(396,127)	*
Accrued interest	157,809		641,095	
Bonds – end of the year	71,193,425		50,639,489	

	31/12/2017	31/12/2016
	EUR	EUR
Current bonds	46,193,425	639,489
Non-current bonds	25,000,000	50,000,000
Total bonds	71,193,425	50,639,489

** In 2016 the Bonds bought by the Company itself amounting to EUR 396,127 was offset with the issued bonds.*

*** In 2017 the bought bonds by Company itself amounting to EUR 396,127 (netted amount in 2016) was sold in 2017*

The interest expense for the year 2017 on the bonds amounts to EUR 3,559,184 (2016: EUR 2,612,938) after offsetting of interest income due to bought bonds by the Company itself and the interest expenses from issuing bonds.

(10) Other Payables and accrued expenses

The other payables consist of payables to shareholder for an amount of EUR 3,012 (2016: EUR 10,440) and other accruals for an amount of EUR 6,902 (2016: EUR 2,100).

(11) Personnel expenses

Personnel expenses includes wages and salaries amounting to EUR 64,855 (2016: EUR 202,206) and social benefit amounting to EUR 14,436 (2016: EUR 39,606).

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(12) Other operating expenses

Other operating expenses includes mainly the fee for admission to trading on a regulated market of securities amounting to EUR 94,581 (2016: EUR 91,546) and rent expenses amounting to EUR 29,794 (2016: EUR 48,922).

(13) Financial income

Interest income includes the interest income from loans to shareholder for an amount of EUR 4,176,071 (2016: EUR 2,865,084) and the interest income from securities for an amount of EUR 3,210 (2016: EUR 69,021).

(14) Financial expenses

Interest expense resulted solely from issuing bonds amounting to EUR 3,559,195 (2016: EUR 2,612,938).

(15) Income taxes

Current tax on profits for the year	217,896	72,938
Adjustments in respect of prior years	6,305	-
	224,201	72,938

In 2017, the company did not have deferred tax.

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

	2017	2016
	EUR	EUR
Profit before tax	356.335	-133.185
Income tax on rate of 30,275%	107.880	0
Tax effects in respect of: -		
	-13.821	0
Tax expense prior years	8.524	0
Under provision in prior years	-46.248	-49.478
Expenses not deductible for tax purposes	167.875	122.416
Income tax expense recognised in profit or loss	224.210	72.938

(16) Summary of financial assets and liability 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:

	2017	2016
	EUR	EUR
Financial assets		
Financial assets measured at amortized cost		
Loans to shareholder	71,184,260	50,015,689
Other receivables	136,605	88,290
Financial assets measured at FVTOCI		
Other financial assets	-	597,000
Cash and cash equivalents	18,952	84,040
	71,339,817	50,785,019
Financial liabilities		
Financial liabilities measured at amortized cost		
Bonds	71,193,425	50,639,489
Other payables and accrued expenses	15,015	76,629
	71,208,440	50,716,118

(17) Financial instruments at fair value

Accounting for financial assets and liabilities – fair values

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:

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- 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.

Assets at fair value

	Level 1	Level 2	Level 3	Total
31 December 2017				
Assets				
Financial assets at FVTOCI	-	-	-	-
	-	-	-	-
31 December 2016				
Assets				
Financial assets at FVTOCI	597,000	-	-	597,000
	597,000	-	-	597,000

Valuation techniques

Investments as of 31 December 2016 classified within Level 1 consist of securities of Ferratum Bank which is quoted in an active market.

Level 1 movement analysis

The following table summarises the movements in the Level 1 balance during the year. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 1 during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

	Income statement	Other comprehensive income	Total
31 December 2017			
Assets			
Financial assets at FVTOCI	-	-	-
	-	-	-
31 December 2016			
Assets			
Financial assets at FVTOCI	-	3,000	3,000
	-	3,000	3,000

(18) 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 the Germany and is not exposed to foreign exchange risk.

Price risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet as at fair value through profit or loss. In phases of high liquidity and low bond prices the Company invested in own bonds as well as the Ferratum Bank and saved interest and in phases of improving bond prices and increasing liquidity demand the bonds were sold on the bonds market again. All the investments are short-term.

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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.

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

	Duration	fixed interest rate	2017	2016
Loan 1	Oct 13 - Oct 18	9.500%	25.166.426	23.078.806
Loan 2	Jun 16 - Jun 19	5.875%	25.532.928	26.936.883
Loan 3	Jul 17 - Oct 18	5.875%	20.484.906	-
			71,184,260	**50,015,689**

	Duration	fixed interest rate	2017	2016
Bonds 1	Oct 13 - Oct 18	8.00%	25.394.521	24.998.393
Bonds 2	Jun 16 - Jun 19	4.875%	25.641.096	25.641.096
Bonds 3	Jul 17 - Oct 18	4.000%	20.157.808	-
			71.193.425	**50.639.489**

The Company's main interest rate risk arises from long-term bonds which are issued at fixed rates. These expose the Company to interest rate risk which is partially offset by having loans as a main asset in the Company. The Company's income statement is not exposed to fluctuations in interest rates, since both financial instruments have fixed rate interests and are measured at amortised cost.

B. Credit Risk

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 loans are considered to be fully recoverable. Ferratum Oyj has a credit rating of BBB+ (source: Creditreform Rating, March 2018).

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. The maturity of financial liabilities refer to the “Maturity analysis”.

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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 2017	**Less than 6 months** EUR	**6 to 12 months** EUR	**1 to 2 years** EUR	**2 to 5 years** EUR	**More than 5 years** EUR	**Total** EUR
Loans at amortized cost	-	45,651,332	25,532,928	-	-	71,184,260
Other receivables	136,605	-	-	-	-	136,605
Cash and cash equivalents	18,952	-	-	-	-	18,952
Total financial assets	**155,557**	**45,651,332**	**25,532,928**	**-**	**-**	**71,339,817**

Financial liabilities as at 31 December 2017	**Less than 6 months** EUR	**6 to 12 months** EUR	**1 to 2 years** EUR	**2 to 5 years** EUR	**More than 5 years** EUR	**Total** EUR
Bonds	-	46,193,425	25,000,000	-	-	71,193,425
Other payables	15,015	-	-	-	-	15,015
Total financial liabilities	**15,015**	**46,193,425**	**25,000,000**	**-**	**-**	**71,208,440**

Financials assets at 31 December 2016	**Less than 6 months** EUR	**6 to 12 months** EUR	**1 to 2 years** EUR	**2 to 5 years** EUR	**More than 5 years** EUR	**Total** EUR
Financial assets at fair value through profit and loss	597,000	-	-	-	-	597,000
Loans at amortized cost	-	-	23,078,806	26,936,883	-	50,015,689
Other receivables	88,290					88,290
Cash and cash equivalents	84,040	-	-	-	-	84,040
Total financial assets	**769,330**	**-**	**23,078,806**	**26,936,883**	**-**	**50,785,019**

Financial liabilities as at 31 December 2016	**Less than 6 months** EUR	**6 to 12 months** EUR	**1 to 2 years** EUR	**2 to 5 years** EUR	**More than 5 years** EUR	**Total** EUR
Bonds	639,489	-	25,000,000	25,000,000	-	50,639,489
Other payables	76,629	-	-	-	-	76,629
Total financial liabilities	**716,118**	**-**	**25,000,000**	**25,000,000**	**-**	**50,716,118**

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 2017 was EUR 71,326.511 (2016: EUR 50,637,442).

(19) Related party relationships on an entity

The Ferratum Oyj owns 100% of the Company's shares. Related parties of the Company include also the Managing Director Mr. Clemens Krause.

Related party transactions

The Company has granted the shareholder three loans in 2013, 2016 and 2017 respectively amounting to EUR 25,000,000, EUR 25,000,000 and EUR 20,000,000 with the fixed interest rate of 9% (with a supplement of 9.5%) of the loan granted in 2013, 5.875% of the loans granted in 2014 and 2015. The shareholder will repay the loan amount granted in 2013 by the 21 October 2018, the loan amount granted in 2016 by the 20 June 2019 and the loan amount granted in 2017 by the 21 October 2018. 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 three days in advance. By the agreement, the shareholder has the right to pay back the loan at any time before the maturity date. Please refer to the note 2. The interest income from the above loans are disclosed in the note 13.

The shareholder provided the unconditional and irrevocable guarantee for the bonds issued by the Company respectively in 2013, 2014 and 2015. Please refer to the note 9.

Compensation of key management personnel

In 2014, the Managing Director of the Company Mr. Krause as key management employee was granted with options to purchase shares of the Ferratum Plc, Finland. The options were vested by Mr. Krause in financial year 2017. The compensation from vesting of the options amounted to EUR 1,107,000 (2016: EUR 0) which was paid directly by Ferratum Plc. As this transaction is clearly associated with the services rendered to the parent Ferratum Plc and Mr. Krause and the option agreements do not relate to services for the Company, IFRS 2 is thus not applicable in the separate financial statements of the Company.

Besides, Mr. Krause was paid salaries in financial year 2017 in an amount of EUR 60,000 (2016: EUR 60,000).

(20) Contingent liabilities

There are no contingent liabilities as of 31 December 2017.

(21) Events after the reporting date

The Company placed 100 million senior unsecured bonds on 25 May 2018. The new senior unsecured bonds have a coupon of 3 months Euribor plus 5.50% p.a. and a tenor of four years. The bonds will be listed at Nasdaq Stockholm, Frankfurt Stock Exchange Open Market and Frankfurt Stock Exchange Prime Standard with ISIN: SE0011167972. The proceeds from the issue will be used to refinance EUR 45 million of bonds maturing in October 2018 and the additional funds raised shall be used for further business growth.

There have been no other material events after the reporting date that require adjustment to, or disclosure in the financial statements.

Berlin, 13 June 2018

Managing Director
Dr. Clemens Krause

The following auditor's opinion is a translation of the German language auditor's opinion.

Auditor's Opinion

To Ferratum Capital Germany GmbH, Berlin:

We have audited the financial statements prepared on a voluntary basis comprising the statement of financial position, the statement of comprehensive, statement of changes in equity, the statement of cash flow and the notes to the financial statements together with the bookkeeping system of Ferratum Capital Germany GmbH, Berlin, for the reporting period January 1 to December 31, 2017. The maintenance of the books and records and the preparation of the financial statements in accordance with IFRS as adopted by the EU are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements, together with the accounting system, based on our audit.

We conducted our audit of the financial statements prepared on a voluntary basis in accordance with section 317 HGB and German generally accepted standards for audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer in Deutschland (Institute of public auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements prepared on a voluntary basis in accordance with IFRS as adopted by the EU are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of the audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the financial statements prepared on a voluntary basis are examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements of Ferratum Capital Germany GmbH, Berlin for the reporting period from period January 1 to December 31, 2017 comply with IFRS as adopted by the EU and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with these requirements.

Berlin, June 13, 2018

MSW GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Mantay Wirtschaftsprüfer	Mallison Wirtschaftsprüfer