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# JT Family Holding Oy

Reg. no. FI19509691

## **ANNUAL REPORT**

**31.12.2011**

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This annual report can be disposed of earliest on 1.1.2022  
and the accounting material relating to the report earliest on 1.1.2018

**BOARD OF DIRECTOR'S REVIEW (1.1.2011 – 31.12.2011)**

JT Family Holding Oy (JTFH Oy) and its subsidiaries form a group (JTFH Group), which is one of the leading microloan companies globally. JTFH Group is a privately owned independent group; it doesn't belong to any other group in the financial or commercial sector. JTFH Group commenced its activities in May 2005 and has grown rapidly in 16 countries across Europe and in two countries in APAC region.

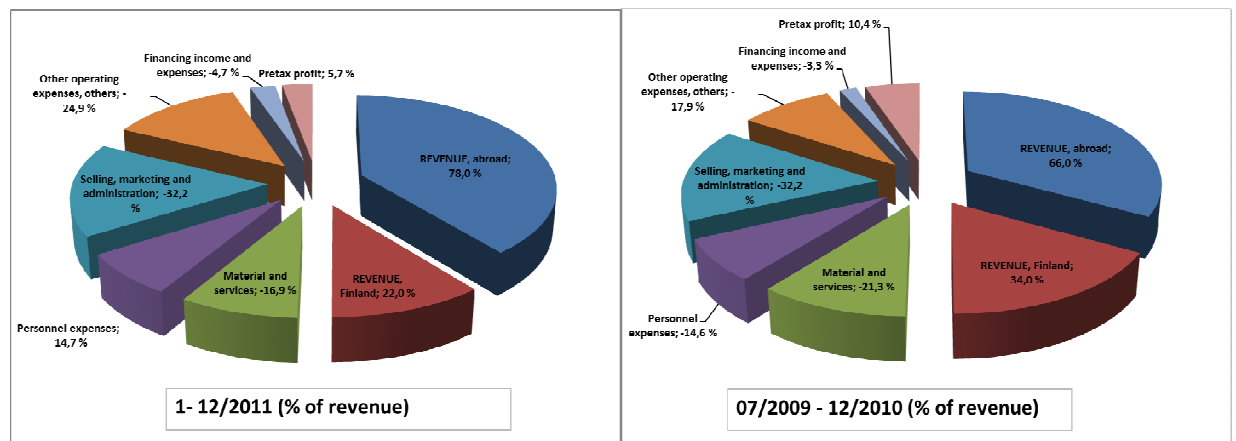
The Group is operating under generally accepted ethical principles, and is one of the leading players in developing the credibility of microloan businesses and common industry processes. JTFH Group has developed its business model and processes to be efficient, practical and customer-oriented. The identification and scoring of customers are key factors in the business.

**KEY ACTIONS AND DEVELOPMENT DURING THE LAST THREE YEARS**

During the 3 previous financial years the Group has focused on continuously developing its operations. The Group has strengthened its position as one of the leading microloan companies in Finland, in Europe and in APAC countries. The Group has been profitable since the beginning and its financial position is solid (see table below).

<i>Key ratios</i>	<i>1.1. - 31.12.2011</i>	<i>1.7.2009 - 31.12.2010</i>	<i>1.7.2008 - 30.6.2009</i>
<i>Return on equity %</i>	<i>22,8 %</i>	<i>51,8 %</i>	<i>32,3 %</i>
<i>Net debt to equity ratio</i>	<i>2,4</i>	<i>1,2</i>	<i>0,5</i>
<i>Average personnel</i>	<i>148</i>	<i>97</i>	<i>67</i>
<i>Revenue, €</i>	<i>33 704 406</i>	<i>30 927 930</i>	<i>12 943 133</i>
<i>Pretax profit, €</i>	<i>1 930 781</i>	<i>3 204 783</i>	<i>1 505 659</i>

The portion of revenue from abroad has increased compared to the previous financial year (non-domestic revenue 78 % / 66 %) according to corporate expansion strategy. The Group has been able to finance its growth with a good profitability (pretax profit % 5,7 % / 10,4%) (see graph below).



The JTFM Group has expanded its business in Europe and in APAC countries in accordance with a strict and conceptualized model, most recently loan lending business has been launched in Croatia, New Zealand and Australia.

After having established itself as the European leading provider of unsecured consumer loans distributed either via a highly-developed mobile phone solution or the internet, JTFH Group has decided to expand its current profitable lending activities further. Respectively, JTFH Group considers itself to be ready for the next stage of financial activities. Entering the banking market requires a credit institution license from a supervising authority in a reputable jurisdiction.

A credit institution license will represent a significant opportunity for JTFH Group to open up business in countries where a credit institution license is required or may be required. Also, the credit institution activities will bring along sufficient trustworthiness, access to new external banking scoring databases and option for different kind of financing possibilities thus supporting the profitable growth of JTFH Group.

JTFH Group believes that its current experience obtained from EU micro-loan markets will support its banking activities after the credit institution license has been obtained. JTFH Group has considered all the necessary matters and has filed the relevant application in 2011.

The enhanced scoring system has been implemented to all key countries, with a predictive modeling tool from FICO (global leader of decision management technology).

The credit arrangements were renegotiated and increased successfully from EUR 6.0 million to EUR 10.0 million during the period.

JTFH Group has issued a bond issue program in foreign currency for a total value of 6,3 m€ with a maturity of three years. The Bonds are secured by the JT Family Holding Oy which has concluded derivative agreement to hedge its net receivable portfolio against currency exchange rate risks.

## SIGNIFICANT FUTURE INVESTMENTS

Significant future investments will be in establishing operations in new countries and in IT development projects necessary for operations.

## SUBSEQUENT EVENTS

In March 2012 the lenders of convertible loan made the decision to use their right to subscribe 1 112 new shares of JT Family Holding Oy according to convertible loan agreement.

Ferratum follows proactively all legal changes which might take place in the countries where it operates and will adjust its operations accordingly, if required. Most recent discussion has been held in Finland whether there is a need for changes on legislation binding the micro loan sector. However change in legislation would not affect the JTFH Group's performance or financial status in material way as company will adjust its operations to be in line with the legislation.

## RISK FACTORS AND RISK MANAGEMENT

The purpose of risk management is to decrease the probability of unexpected losses and threats against the reputation of the Group and, in addition, contribute to the increase in profitability and shareholder value. The risks of the JTFH Group operations can be divided into three main categories: credit risks (receivables from customers), market risks and operational risks (including liquidity, cash flow and other risks).

Credit risks have been managed by developing tools for the subsidiaries to evaluate the payment behavior of customers. These tools are used to only accept customers with solvency, which enables the control of the level of credit losses.

Market risks have been managed by creating continuous co-operation with local authorities and necessary stakeholders. Country specific risks are continuously monitored and changes are immediately reacted to.

Operational risks are managed by a policy of profitable growth in addition to developing and expanding the partner network. The undisrupted and continuous operation of critical IT systems has been effectively guaranteed by different information security solutions. The Group has developed its processes and systems in order to offer customers, stakeholders and partners the most efficient and practical software to cater for the needs of the developing micro loan industry.

JTFH Group operates with moderate and calculated risk. The Board of directors monitors operations regularly and is ultimately responsible for the sufficiency of risk management and that the company has access to appropriate software including instructions on the control and monitoring of risks. The CEO is responsible for the daily operations of the Group. Each subsidiary is primarily responsible for identifying and controlling risks related to their operations according to instructions from the Board.

## FUTURE DEVELOPMENT

During financial year 2012 JTFH Group is expected to establish its position as the leading micro loan company in Europe. Group operations are directed by the strategy set by the Board of directors to be the leading global micro loan company by the end of 2014.

## PURCHASE OF OWN SHARES

As authorized by the General Meeting of Shareholders JT Family Holding Oy has purchased in 2010 and 2011 in total 40 own shares (at a unit price of 1.075,32 €) which the Company has sold to related parties during 2011. Company did not have any own shares in its possession at the year-end 2011.

## BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFIT

The loss for the financial year of JT Family Holding Oy is -2 511 464,65 Euros and the distributable funds of the parent company at the end of the financial year were 287 571,96 Euros. The Board of directors proposes that the company will distribute dividends 210.000,00 Euros from retained earnings. There have been no significant changes in the financial position of the company subsequent to the end of the financial year. The liquidity of the company is good and, according to the Board, the proposed dividend distribution does not jeopardize the solvency of the company.

#### BOARD OF DIRECTORS AND AUDITORS

During the financial year the members of the Board of directors of JT Family Holding Oy have been Juhani Vanhala, Jorma Jokela, Kai Becker, Minna Andberg, Marko Risku and Lea Liigus. Juhani Vanhala has acted as Chairman of the Board.

The auditors of JT Family Holding Oy are Authorized Public Accountants PricewaterhouseCoopers Oy with Authorized Public Accountant Mikko Nieminen named as the auditor in charge.

## Consolidated income statement

<b>EUR</b>	<b>1.1.-31.12.2011</b>	<b>1.7.2009- 31.12.2010</b>
<b>REVENUE</b>	33 704 405,82	30 952 458,92
Other operating income	113 590,10	5 589,23
Materials and services	-5 685 362,59	-6 590 950,73
Personnel expenses	-4 947 978,30	-4 520 755,69
Depreciation, amortisation and impairment	-385 564,84	-141 925,93
Other operating expenses	-19 269 452,97	-15 492 922,45
<b>OPERATING PROFIT</b>	3 529 637,22	4 211 493,35
Financial income and expenses	-1 598 856,56	-1 006 709,93
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>	1 930 780,66	3 204 783,42
Extraordinary items	0,01	
<b>PROFIT/LOSS AFTER EXTRAORDINARY ITEMS</b>	1 930 780,67	3 204 783,42
Income tax	-525 802,23	-890 464,03
<b>PROFIT/LOSS FOR THE PERIOD</b>	1 404 978,44	2 314 319,39

## Consolidated balance sheet

EUR	31.12.2011	31.12.2010
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	2 183 682,26	1 408 420,43
Consolidated goodwill	22 407,55	39 181,98
Tangible assets	300 805,10	256 101,99
Investments	4 999,99	50 000,00
<b>NON-CURRENT ASSETS TOTAL</b>	<b>2 511 894,91</b>	<b>1 753 704,40</b>
<b>CURRENT ASSETS</b>		
Deferred tax assets	1 155 320,08	298 297,75
Non-current receivables	23 034 019,65	14 420 966,38
Cash and bank	5 225 064,58	1 484 890,00
<b>CURRENT ASSETS TOTAL</b>	<b>29 414 404,31</b>	<b>16 204 154,14</b>
<b>ASSETS TOTAL</b>	<b>31 926 299,22</b>	<b>17 957 858,53</b>

EUR	31.12.2011	31.12.2010
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	10 000,00	10 000,00
Other reserves	68 291,61	714,53
Retained earnings	5 184 499,46	3 307 459,99
Profit/loss for the period	1 404 978,44	2 314 319,39
<b>EQUITY TOTAL</b>	<b>6 667 769,52</b>	<b>5 632 493,91</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	175 863,37	456 039,95
Non-current liabilities, interest-bearing	17 548 190,68	7 779 457,74
Current liabilities, interest-bearing	3 416 149,57	269 535,34
Current liabilities, interest-free	4 118 326,09	3 820 331,58
<b>LIABILITIES TOTAL</b>	<b>25 258 529,70</b>	<b>12 325 364,62</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>31 926 299,22</b>	<b>17 957 858,53</b>



## Consolidated cash flow statement

EUR	1.1.-31.12.2011	1.7.2009-31.12.2010
<b><u>Cash flows from operating activities</u></b>		
Profit/loss for the period	1 404 978,44	2 314 319,39
<u>Adjustments for:</u>		
Depreciation, amortisation & impairment loss	385 564,84	141 925,93
Financial income and expenses	1 598 856,56	1 006 709,93
Income tax	525 802,23	890 464,03
Other adjustments	-0,01	0,00
Operating profit before working capital changes	3 915 202,06	4 353 419,28
<u>Working capital changes:</u>		
Increase (-) /decrease(+) in trade and other receivables	4 742 582,77	4 647 384,50
Increase (+) / decrease (-) in trade payables	-976 199,03	2 394 298,36
Cash generated from operations	7 681 585,80	11 395 102,14
Interest paid	-1 304 204,38	-973 674,79
Interest received	218 195,16	14 529,13
Other financing items	-483 055,27	-25 573,54
Income taxes paid	-810 907,03	-441 984,51
Cash flow before extraordinary items	5 301 614,28	9 968 398,44
Cash flow from extraordinary items	0,01	
<b>Net cash from operating activities (A)</b>	<b>5 301 614,29</b>	<b>9 968 398,44</b>

<b>EUR</b>	<b>1.1.-31.12.2011</b>	<b>1.7.2009-31.12.2010</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of tangible and intangible assets	-1 190 797,38	-1 563 989,67
Acquisition of subsidiaries	38,15	-0,97
Proceeds from sale of investments	45 000,00	
Loans granted (-) / Repayment of loans (+)	-13 345 028,26	-12 953 731,45
Addition(+)/ deduction(-) of cash equivalents		-20 076,26
<b>Net cash used in investing activities (B)</b>	<b>-14 490 787,48</b>	<b>-14 537 798,34</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from issue of share capital		1,00
Purchase of own shares	-43 012,80	-10 753,20
Proceeds from sale of own shares	67 590,00	
Proceeds from short-term borrowings	847 455,00	265 855,50
Repayment of short-term borrowings	-712 929,40	-31 256,49
Proceeds from long-term borrowings (+) / Repayments	13 279 695,79	3 600 866,06
Dividends paid	-347 000,00	-141 000,00
<b>Net cash used in financing activities (C)</b>	<b>13 091 798,59</b>	<b>3 683 712,87</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>3 902 625,40</b>	<b>-885 687,03</b>
Cash and cash equivalents at beginning of the period	1 484 890,00	2 367 499,82
Net increase/decrease in cash and cash equivalents	3 902 625,40	-885 687,03
Effects of exchange rate fluctuations on cash held	-357 046,25	-20 529,26
Cash and cash equivalents at the end of the period	5 225 064,58	1 484 890,00

## Notes to consolidated financial statements

### Accounting principles

#### **Principles of consolidation**

The consolidated financial statements include all group companies. subsidiaries are 100 % owned by the Group.

#### **Intercompany ownership of shares**

Intra-group ownership of shares has been eliminated through the purchase method. The asset and liabilities balances of subsidiaries as at acquisition date have been used as basis of elimination.

#### **Intercompany transactions and margins**

Intercompany transactions, unrealized margins relating to intercompany transactions and intercompany receivables and payables have been eliminated.

#### **Foreign currency translation**

The income statements for foreign currency subsidiaries have been translated into euros at the average exchange rate for the financial year and the balance sheets at the rate prevailing at year end. The average foreign currency exchange gains and losses have been recorded in the translation differences under equity. The foreign currency exchange gains and losses resulting from elimination of intercompany ownership is included in translation differences.

#### **Comparative data**

The financial year of the Group is 12 months long (1.1.-31.12.2011). The previous financial year 2010 is exceptionally 18 months long (1.7.2009-31.12.2010).

The comparative data from financial year 2010 has been changed to reflect the presentation of income statement and balance sheet items in financial year 2011.

#### **Valuation and allocation principles**

The accounts and loan receivables of the company have been recorded at fair value deducted by the credit loss reserve. The process fees relating to issue of loans are recognized as revenue at the time of issue whereas fees relating to collection are recognized on cash basis. Tangible assets have been valued at acquisition cost deducted with depreciation according to plan. Group companies use different depreciation methods due to local differences and the depreciation has not been harmonized in the Group financial statements. The depreciation varies in the companies as follows:

Intangible assets: 4-5 year straight-line depreciation

Tangible assets: 8-33% straight-line depreciation, 25% declining depreciation

Immaterial rights: 5 year straight-line depreciation

Consolidated goodwill: 5 year straight-line depreciation

Pension costs are presented according to the local legislation in each country.

**Group companies**

**Ownership**

Ferratum Finland Oy, Helsinki	100 %
Ferratum Estonia OÜ, Estonia	100 %
Ferratum Netherlands B.V., Netherlands	100 %
Ferratum Latvia SIA, Latvia	100 %
UAB Ferratum, Lithuania	100 %
Ferratum Sweden AB, Sweden	100 %
Ferratum Czech s.r.o., Czech	100 %
Ferratum Poland Sp. Z.o.o., Poland	100 %
Ferratum Finance Sp. Z.o.o., Poland	100 %
Ferratum Spain SL, Spain	100 %
Ferratum Bulgaria EOOD, Bulgaria	100 %
Ferratum Finance d.o.o., Slovenia	100 %
Ferratum Slovakia s.r.o., Slovakia	100 %
Ferratum Denmark ApS, Denmark	100 %
Ferratum Belgium BVBA, Belgium	99,99 %
Ferratum UK Ltd, Great Britain	100 %
Ferratum Capital Oy, Helsinki	100 %
Ferratum Finance Estonia OÜ, Estonia	100 %
Ferratum d.o.o., Croatia	100 %
Ferratum Capital Poland S.A., Poland	100 %
Ferratum New Zealand Ltd., New Zealand	100 %
Ferratum Finance B.V., Netherlands	100 %
Pelegrat B.V., Netherlands	100 %
Ferratum Australia Pty Ltd, Australia	100 %
Ferratum Singapore Pte. Ltd., Singapore	100 %
Numeratum d.o.o., Croatia	100 %
OOO Ferratum Russia, Russia	100 %

Ferratum Finland Oy holds 0,01% of the shares of Ferratum Belgium BVBA.

All group companies have been consolidated to the annual report of the parent company.

## Notes to consolidated income statement

	1.1.-31.12.2011	1.7.2009- 31.12.2010
<b>REVENUE BY GEOGRAPHIC AREA</b>		
Revenue, abroad	26 305 297,88	20 431 560,24
Revenue, domestic	7 399 107,94	10 520 898,68
Revenue, total	33 704 405,82	30 952 458,92
<b>Other operating income</b>		
Other operating income	113 590,10	5 589,23
Other operating income, total	113 590,10	5589,23
<b>Materials and services</b>		
External services	-5 685 362,59	-6 590 950,73
Materials and services, total	-5 685 362,59	-6 590 950,73
<b>Average personnel</b>		
During financial year	148	97
<b>Personnel expenses</b>		
Wages and salaries	-4 039 876,21	-3 705 144,48
Pension expenses	-398 145,17	-354 041,71
Other social expenses	-509 956,93	-461 569,50
Personnel expenses, total	-4 947 978,30	-4 520 755,69
<b>Management compensation</b>		
Board of directors and CEO	395 221,20	395 180,00
<b>Depreciation and amortization by asset class category</b>		
<b>Intangible assets</b>		
Immaterial rights	-220 509,30	-704,87
Consolidated goodwill	-16 774,43	-27 915,73
Other capitalised expenditure	-60 049,83	-37 843,10
Total	-297 333,56	-66 463,70

	1.1.-31.12.2011	1.7.2009- 31.12.2010
<b>Tangible assets</b>		
Depreciation of other tangible assets	-1 018,08	0,00
Machinery and equipment	-87 213,20	-75 462,23
Total	-88 231,28	-75 462,23
Depreciation and amortisation, total	-385 564,84	-141 925,93
<b>Other operating expenses</b>		
Selling, marketing and administration	-10 861 437,02	-9 967 669,02
Others	-8 408 015,94	-5 525 253,43
Other operating expenses, total	-19 269 452,96	-15 492 922,45
<b>Audit fees</b>		
Statutory audit	-112 773,41	-63 283,50
Other audit fees	-193 435,00	-28 089,53
Audit fees, total	-306 208,41	-91 373,03
<b>Financial income and expenses</b>		
Interest and financial income from others	1 812 465,20	337 720,00
Interest and financial expense to others	-3 411 321,76	-1 344 429,93
Financial income and expenses, total	-1 598 856,56	-1 006 709,93
<b>Foreign exchange gains and losses</b>		
Foreign exchange gains	1 456 084,62	278 998,05
Foreign exchange losses	-1 548 705,89	-311 593,73
Foreign exchange gains and losses, total	-92 621,27	-32 595,68
<b>Extraordinary items</b>		
Current tax from extraordinary items	0,01	0,00
<b>Income taxes</b>		
Current tax	-1 679 612,04	-791 057,83
Tax for previous accounting periods	7 715,27	0,00
Deferred tax	1 146 094,54	-99 406,20
Income taxes, total	-525 802,23	-890 464,03

## Notes to consolidated balance sheet

<b>Intangible assets</b>	<b>Immaterial rights</b>	<b>Other capitalized expenditure</b>	<b>Total</b>
Acquisition cost 1.1.	1 101 667,10	364 223,37	1 465 890,47
Translation differences (+/-)	-10,52	0,00	-10,52
Additions	1 356,27	1 054 458,73	1 055 815,03
Acquisition cost 31.12.	1 103 012,85	1 418 682,13	2 521 694,98
Cumulative depreciation 1.1.	-1 056,96	-56 413,08	-57 470,04
Translation differences (+/-)	16,45	0,00	16,45
Amortisation for the peiod	-220 509,30	-60 049,83	-280 559,13
Accumulated depreciation 31.12.	-221 549,81	-116 462,91	-338 012,72
<b>Book value 31.12.2011</b>	<b>881 463,04</b>	<b>1 302 219,22</b>	<b>2 183 682,26</b>
<b>Book value 31.12.2010</b>	<b>1 100 610,14</b>	<b>307 810,29</b>	<b>1 408 420,43</b>

### **Consolidated goodwill**

Acquisition cost 1.1.	93 052,44
Acquisition cost 31.12.	93 052,44
Cumulative depreciation 1.1.	-53 870,46
Amortisation for the peiod	-16 774,43
Accumulated depreciation 31.12.	-70 644,89
<b>Book value 31.12.2011</b>	<b>22 407,55</b>
<b>Book value 31.12.2011</b>	<b>39 181,98</b>

<b>Tangible assets</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost 1.1.	420 259,01	5 610,55	425 869,56
Translation differences	-1 275,25	-504,95	-1 780,19
Additions	109 053,20	24 319,47	133 372,67
Acquisition cost 31.12.	528 036,96	29 425,08	557 462,04
Cumulative depreciation 1.1.	-169 767,57	0,00	-169 767,57
Translation differences	1 264,42	77,49	1 341,91
Amortisation for the period	-87 213,20	-1 018,08	-88 231,28
Accumulated depreciation 31.12.	-255 716,35	-940,59	-256 656,94
<b>Book value 31.12.2011</b>	<b>272 320,62</b>	<b>28 484,49</b>	<b>300 805,10</b>
<b>Book value 31.12.2010</b>	<b>250 491,44</b>	<b>5 610,55</b>	<b>256 101,99</b>

<b>Investments 2011</b>	<b>Other shares and equity interests</b>
Acquisition cost 1.1.	50 000,00
Disposals	-45 000,00
Acquisition cost 31.12.	5 000,00
Impairment losses during the period	0,00
Accumulated impairment losses 31.12.	0,00
<b>Book value 31.12.2011</b>	<b>5 000,00</b>
<b>Book value 31.12.2010</b>	<b>50 000,00</b>

<b>Non-current receivables</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Deferred tax asset	1 155 320,08	298 297,75
<b>Non-current receivables, total</b>	<b>1 155 320,08</b>	<b>298 297,75</b>



<b>Current assets</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Trade and loan receivables	21 935 199,06	13 325 234,68
Other receivables	741 126,01	707 064,24
Accruals	357 694,58	388 667,48
<b>Current assets, total</b>	<b>23 034 019,65</b>	<b>14 420 966,40</b>

<b>Accruals</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Accrual personnel expenses	645,55	17 818,91
Accrual taxes	85 142,05	27 556,79
Other accruals	271 906,98	343 291,78
Total	357 694,58	388 667,48

<b>Change in equity 2010</b>	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Other reserves</b>	<b>Translation difference</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>Equity, opening balance 2010</b>	10 000,00	0,00	313,61	-3 520,74	3 297 827,04	3 304 619,91
Increase		0,00	399,03		0,00	399,03
Dividend distribution					-141 000,00	-141 000,00
Translation difference (+/-)		0,00	1,90	-362,35	182 470,50	182 110,05
Adjustment to retained earnings					-27 954,46	-27 954,46
Profit/loss for the period					2 314 319,39	2 314 319,39
<b>Equity total, end of 2010</b>	<b>10 000,00</b>	<b>0,00</b>	<b>714,54</b>	<b>-3 883,09</b>	<b>5 625 662,47</b>	<b>5 632 493,47</b>

<b>Change in equity 2011</b>	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Other reserves</b>	<b>Translation difference</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>Equity, opening balance 2011</b>	10 000,00	0,00	714,53	-3 883,09	5 625 662,47	5 632 493,91
Sales of own shares	0,00	67 590,00				67 590,00
Dividend distribution					-347 000,00	-347 000,00
Translation difference (+/-)	0,00	0,00	-12,92	-690,01	57 756,61	57 053,68
Adjustment to retained earnings					-147 346,52	-147 346,52
Profit/loss for the period					1 404 978,44	1 404 978,44
<b>Equity total, end of 2011</b>	<b>10 000,00</b>	<b>67 590,00</b>	<b>701,61</b>	<b>-4 573,10</b>	<b>6 594 051,01</b>	<b>6 667 769,52</b>

	<b>31.12.2011</b>	<b>31.12.2010</b>
<b>Non-current liabilities</b>		
Bonds	6 280 843,43	0,00
Convertible bonds	0,00	3 000 000,00
Loans from financial institutions	2 576 259,33	2 173 872,45
Other liabilities	8 691 087,92	2 605 585,29
Deferred tax liabilities	175 863,37	456 039,95
<b>Non-current liabilities, total</b>	<b>17 724 054,04</b>	<b>8 235 497,69</b>
<b>Current liabilities</b>		
Convertible bonds	3 000 000,00	0,00
Trade payables	621 904,81	1 318 786,10
Other liabilities	1 007 125,96	1 831 811,38
Accruals	2 905 444,89	939 269,45
<b>Current liabilities, total</b>	<b>7 534 475,66</b>	<b>4 089 866,93</b>
<b>Accruals (non-current and current)</b>		
Accruals of personnel expenses	709 486,77	448 238,36
Accruals of financial items	81 482,18	58 401,99
Tax liabilities	1 153 919,92	260 303,52
Other accruals	960 556,01	172 325,58
<b>Total</b>	<b>2 905 444,89</b>	<b>939 269,45</b>

<b>Deferred tax assets and liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
<u>Deferred tax assets</u>		
From accruals	1 155 320,08	298 297,75
<u>Deferred tax liabilities</u>		
From discretionary provisions	175 863,36	53 113,83
From accruals	0,00	402 926,12
Deferred tax liabilities, total	175 863,36	456 039,95
 <b><u>Contingencies and commitments</u></b>		
 <b>Leasing guarantee</b>		
	<b>31.12.2011</b>	<b>31.12.2010</b>
Payable in financial year 2011	66 660,59	46 265,03
Payable in later financial years	50 822,85	48 534,47
Leasing guarantee, total	117 483,44	94 799,50
 <b>Other rental liabilities</b>		
	<b>31.12.2011</b>	<b>31.12.2010</b>
Current rental liabilities	132 102,04	96 790,34
Total other rental liabilities	132 102,04	96 790,34
 <b>Commitments</b>		
	<b>31.12.2011</b>	<b>31.12.2010</b>
Commitments for intra-group companies	17 075 035,82	5 531 053,32
 <b>Pledges</b>		
	<b>31.12.2011</b>	<b>31.12.2010</b>
Pledged investments	5 000,00	50 000,00
 <b>Derivatives</b>		
	<b>31.12.2011</b>	<b>31.12.2010</b>
<u>Bought currency option</u>		
Book value	0,00	0,00
Fair value	28 201,00	0,00
Value of the object, subject to derivative	2 926 829,00	0,00

Parent company has concluded derivative agreement to hedge its net receivable portfolio against currency exchange rate risks.

**JT Family Holding Oy**  
**Income statement**

<b>EUR</b>	<b>1.1.-31.12.2011</b>	<b>1.7.2009- 31.12.2010</b>
Other operating income	744 025,74	464 286,75
Personnel expenses	-2 497 846,75	-2 342 789,88
Depreciation, amortisation and impairment	-119 966,97	-74 497,10
Other operating expenses	-2 531 645,86	-2 185 299,06
<b>OPERATING PROFIT</b>	<b>-4 405 433,84</b>	<b>-4 138 299,29</b>
Financial income and expenses	-769 599,56	1 108 904,21
<b>PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS</b>	<b>-5 175 033,40</b>	<b>-3 029 395,08</b>
Extraordinary items	2 663 568,75	3 998 016,95
<b>PROFIT/LOSS AFTER EXTRAORDINARY ITEMS</b>	<b>-2 511 464,65</b>	<b>968 621,87</b>
Income tax	0,00	0,00
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-2 511 464,65</b>	<b>968 621,87</b>

**JT Family Holding Oy**  
**Balance sheet**

<b>EUR</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	1 133 524,99	307 810,29
Tangible assets	237 796,07	189 662,00
Investments	979 014,45	362 407,82
<b>NON-CURRENT ASSETS TOTAL</b>	<b>2 350 335,51</b>	<b>859 880,11</b>
<b>CURRENT ASSETS</b>		
Non-current receivables	575 850,59	344 759,23
Current receivables	16 481 741,85	10 163 891,96
Cash and bank	2 720 056,34	17 504,77
<b>CURRENT ASSETS TOTAL</b>	<b>19 777 648,78</b>	<b>10 526 155,96</b>
<b>ASSETS TOTAL</b>	<b>22 127 984,29</b>	<b>11 386 036,07</b>

**EQUITY AND LIABILITIES**

**EQUITY**

Share capital	10 000,00	10 000,00
Other reserves total	67 590,00	
Retained earnings	2 731 446,61	2 197 012,16
Profit/loss for the period	-2 511 464,65	968 621,87
<b>EQUITY TOTAL</b>	<b>297 571,96</b>	<b>3 175 634,03</b>

**LIABILITIES**

Non-current liabilities, interest-bearing	17 610 415,82	6 869 966,51
Current liabilities, interest-bearing	3 000 000,00	0,00
Current liabilities, interest-free	1 219 996,51	1 340 435,53
<b>LIABILITIES TOTAL</b>	<b>21 830 412,33</b>	<b>8 210 402,04</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>22 127 984,29</b>	<b>11 386 036,07</b>

**JT Family Holding Oy**  
**Cash flow statement**

<b>EUR</b>	<b>1.1.-31.12.2011</b>	<b>1.7.2009-31.12.2010</b>
<b><u>Cash flows from operating activities</u></b>		
Profit/loss for the period	-2 511 464,65	968 621,87
<u>Adjustments for:</u>		
Depreciation, amortisation & impairment loss	119 966,97	74 497,10
Financial income and expenses	769 599,56	-1 108 904,21
Other adjustments	-2 663 568,75	-3 998 016,95
Operating profit before working capital changes	-4 285 466,87	-4 063 802,19
<u>Working capital changes:</u>		
Increase (-) /decrease(+) in trade and other receivables	105 374,90	-332 437,31
Increase (+) / decrease (-) in trade payables	-242 029,91	944 367,45
Cash generated from operations	-4 422 121,88	-3 451 872,05
Interest paid	-1 022 425,44	-997 682,85
Dividends received	1 427 212,65	130 000,00
Interest received	276 164,52	168 156,84
Other financing items	-402 838,86	282 078,71
Income taxes paid	0,00	159 219,36
Cash flow before extraordinary items	-4 144 009,01	-3 710 099,99
<b>Net cash from operating activities (A)</b>	<b>-4 144 009,01</b>	<b>-3 710 099,99</b>

**EUR** **1.1.-31.12.2011** **1.7.2009-31.12.2010**

**Cash flows from investing activities**

Purchase of tangible and intangible assets	-995 765,94	-428 515,39
Acquisition of subsidiaries	-616 606,63	-151 258,58
Loans granted (-) / Repayments of loans (+)	-6 726 458,23	-3 298 022,07
<b>Net cash used in investing activities (B)</b>	<b>-8 338 830,80</b>	<b>-3 877 796,04</b>

**Cash flows from financing activities**

Purchase of own shares	-43 012,80	-10 753,20
Proceeds from sale of own shares	67 590,00	0,00
Repayment of short-term borrowings	0,00	-332 455,91
Proceeds from long-term borrowings (+) / Repayment (-)	13 740 449,31	3 816 829,83
Dividends paid	-347 000,00	-141 000,00
Group contribution received and paid	1 767 364,87	2 860 529,90
<b>Net cash used in financing activities (C)</b>	<b>15 185 391,38</b>	<b>6 193 150,62</b>

**Net increase/decrease in cash and cash equivalents (A+B+C)** **2 702 551,57** **-1 394 745,41**

Cash and cash equivalents at beginning of the period	17 504,77	1 412 250,18
Net increase/decrease in cash and cash equivalents	2 702 551,57	-1 394 745,41
Cash and cash equivalents at the end of the period	2 720 056,34	17 504,77

## **Notes to financial statements of parent company**

### **Parent company information**

JT Family Holding Oy, registered in Helsinki, is the parent company of the JT Family Holding Group. Copies of the consolidated financial statements can be obtained from JT Family Holding Oy, located in Ratamestarinkatu 11 A, 00520 Helsinki.

### **Accounting principles**

#### **Valuation methods**

Tangible assets have been valued at acquisition cost.

#### **Allocation principles and methods**

The acquisition cost of tangible assets is depreciated according to plan. The difference between the acquisition cost and residual value of the asset is booked as depreciation over the economic period of the asset.

#### **Depreciation periods**

Investments for rental premises - 4 years

Immaterial rights - 5 years

Tangible assets - 25% declining depreciation

The credit limit arrangement under the long-term liabilities is for an indefinite period. The agreement can be terminated in less than a year. The management foresees the duration of the agreement to be over a year and therefore the credit limit is presented under long-term liabilities.

#### **Comparative data**

The length of the financial year is 12 months (1.1.2011-31.12.2011). The comparative data is exceptionally from 18 months long (1.7.2009-31.12.2010) period.

The comparative data from financial year 2010 has been changed to reflect the presentation of income statement and balance sheet items in financial year 2011.

#### **Foreign currency valuation**

Foreign currency receivables and payables have been valued at the purchase and sales exchange rates quoted by the Finnish National Bank at the end of the financial year.

#### **Exceptional items**

Exceptional items consist of group contributions received from Ferratum Finland Oy and group contributions paid to Ferratum Capital Oy.

#### **Share capital**

Share capital amounting to 10.000,00 euros consists of 10.000 shares with a nominal value of 1,00 euro per share. All shares hold equal voting rights and equal rights to the distribution of profit.



### Ownership in group companies

	ownership
Ferratum Finland Oy, Helsinki	100 %
Ferratum Estonia OÜ, Estonia	100 %
Ferratum Netherlands B.V., Netherlands	100 %
Ferratum Latvia SIA, Latvia	100 %
UAB Ferratum, Lithuania	100 %
Ferratum Sweden AB, Sweden	100 %
Ferratum Czech s.r.o., Czech republic	100 %
Ferratum Poland Sp. Z.o.o., Poland	100 %
Ferratum Finance Sp. Z.o.o., Poland	100 %
Ferratum Spain SL, Spain	100 %
Ferratum Bulgaria EOOD, Bulgaria	100 %
Ferratum Finance d.o.o., Slovenia	100 %
Ferratum Slovakia s.r.o., Slovakia	100 %
Ferratum Denmark ApS, Denmark	100 %
Ferratum Belgium BVBA, Belgium	99,99 %
Ferratum UK Ltd, Great Britain	100 %
Ferratum Capital Oy, Helsinki	100 %
Ferratum Finance Estonia OÜ, Estonia	100 %
Ferratum d.o.o., Croatia	100 %
Ferratum Capital Poland S.A., Poland	100 %
Ferratum New Zealand Ltd., New Zealand	100 %
Ferratum Finance B.V., Netherlands	100 %
Pelegrat B.V., Netherlands	100 %
Ferratum Australia Pty Ltd, Australia	100 %
Ferratum Singapore Pte. , Singapore	100 %
Numeratum d.o.o., Croatia	100 %
OOO Ferratum Russia, Russia	100 %

Ferratum Finland Oy holds 0,01% of the shares of Ferratum Belgium BVBA.

## Notes to income statement of parent company

	1.1.-31.12.2011	1.7.2009- 31.12.2010
<b>Other operating income</b>		
Other operating income	744 025,74	464 286,75
<b>Average personnel</b>		
During financial year	46	32
<b>Personnel expenses</b>		
Wages and salaries	-2 018 232,72	-1 929 567,00
Pension expenses	-284 144,66	-266 644,07
Other social expenses	-195 469,37	-146 578,81
Personnel expenses, total	-2 497 846,75	-2 342 789,88
<b>Management compensation</b>		
Board of directors and CEO	395 221,20	395 180,00
<b>Depreciation and amortization by asset class category</b>		
<b>Intangible assets</b>		
Other capitalised expenditure	-60 049,83	-37 843,10
<b>Tangible assets</b>		
Machinery and equipment	-59 917,14	-36 654,00
Total	-119 966,97	-74 497,10
<b>Other operating expenses</b>		
Selling, marketing and administration	-2 519 345,86	-2 169 087,08
<b>Audit fees</b>		
Audit fees	-12 300,00	-16 211,98

<b>Financial income and expenses</b>	<b>1.1.-31.12.2011</b>	<b>1.7.2009- 31.12.2010</b>
<b>Financial income</b>		
Intra-group dividend income	0,00	1 421 450,66
Intra-group dividend income, total	0,00	1 421 450,66
Other intra-group interest and financial income	703 510,16	409 839,13
Other interest and financial income from others	1 487 605,67	287 840,70
Other financial income	2 191 115,83	697 679,83
Financial income, total	2 191 115,83	2 119 130,49
<b>Financial expenses</b>		
Other intra-group interest and financial expenses	-616 645,18	-35 558,94
Other interest and financial expenses from others	-2 344 070,21	-974 667,34
Other financial expenses	-2 960 715,39	-1 010 226,28
Financial income and expenses, total	-769 599,56	1 108 904,21
Foreign exchange gains and losses, total	-95 630,48	-33 036,16
<b>Extraordinary items</b>		
Group contributions received	2 663 568,75	4 002 116,95
Group contributions paid	0,00	-4 100,00
Extraordinary items, total	2 663 568,75	3 998 016,95

## Notes to balance sheet of parent company

<b>Intangible assets</b>	<b>Other capitalised expenditures</b>
Acquisition cost 1.1.	364 223,37
Additions	885 764,53
Acquisition cost 31.12.	1 249 987,90
Accumulated depreciation 1.1.	-56 413,08
Amortisation for the period	-60 049,83
Accumulated depreciation 31.12.	-116 462,91
<b>Book value 31.12.2011</b>	<b>1 133 524,99</b>
<b>Book value 31.12.2010</b>	<b>307 810,29</b>

<b>Tangible assets</b>	<b>Machinery and equipment</b>	<b>Other tangible assets</b>	<b>Total</b>
Acquisition cost 1.1.	288 544,47	950,00	289 494,47
Additions	83 731,74	24 319,47	108 051,21
Acquisition cost 31.12.	372 276,21	25 269,47	397 545,68
Accumulated depreciation 1.1.	-99 832,47	0,00	-99 832,47
Amortisation for the period	-59 917,14	0,00	-59 917,14
Accumulated depreciation 31.12.	-159 749,61	0,00	-159 749,61
<b>Book value 31.12.2011</b>	<b>212 526,60</b>	<b>25 269,47</b>	<b>237 796,07</b>
<b>Book value 31.12.2010</b>	<b>188 712,00</b>	<b>950,00</b>	<b>189 662,00</b>

<b>Investments 2011</b>	<b>Other shares and equity interests</b>
Acquisition cost 1.1.	362 407,82
Additions	616 606,63
Acquisition cost 31.12.2011	979 014,45
<b>Book value 31.12.2011</b>	<b>979 014,45</b>
<b>Book value 31.12.2010</b>	<b>979 014,45</b>

<b>Non-current receivables</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Receivables from intra-group companies	575 850,59	344 759,23

**Current receivables**

Trade and loan receivables	13 702,70	6 552,16
Other receivables	602 964,33	103 708,59
Receivables from intra-group companies	15 799 304,21	9 835 918,88
Accruals	65 770,61	217 712,33

<b>Current receivables, total</b>	<b>16 481 741,85</b>	<b>10 163 891,96</b>
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**Accruals**

Accrual personnel expenses	0,00	16 011,86
Other accruals	65 770,61	201 700,47
Total	65 770,61	217 712,33

<b>Change in equity 2010</b>	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>Equity, opening balance</b>	10 000,00	0,00	2 348 765,36	2 358 765,36
Dividend distribution			-141 000,00	-141 000,00
Purchase of own shares			-10 753,20	-10 753,20
Profit/loss for the period			968 621,87	968 621,87
<b>Equity total, end of 2010</b>	<b>10 000,00</b>	<b>0,00</b>	<b>3 165 634,03</b>	<b>3 175 634,03</b>

<b>Change in equity 2011</b>	<b>Share capital</b>	<b>SVOP reserve</b>	<b>Retained earnings</b>	<b>Equity total</b>
<b>Equity, opening balance</b>	10 000,00	0,00	3 165 634,03	3 175 634,03
Additions		67 590,00	0,00	67 590,00
Dividend distribution			-347 000,00	-347 000,00
Adjustment to retained earnings			-87 187,42	-87 187,42
Profit/loss for the period			-2 511 464,65	-2 511 464,65
<b>Equity total, end of 2011</b>	<b>10 000,00</b>	<b>67 590,00</b>	<b>219 981,96</b>	<b>297 571,96</b>

<b>Distributable equity</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
SVOP reserve	67 590,00	0,00
Retained earnings	2 731 446,61	2 197 012,16
Profit/loss for the period	-2 511 464,65	968 621,87
Distributable equity, total	287 571,96	3 165 634,03

<b>Non-current liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Convertible bonds	0,00	3 000 000,00
Loans from financial institutions	114 284,53	124 055,96
Other liabilities	8 291 948,23	2 202 935,44
Non-current intra-group debts	9 204 183,06	1 542 975,11
<b>Non-current liabilities, total</b>	<b>17 610 415,82</b>	<b>6 869 966,51</b>
<b>Current liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Convertible bonds	3 000 000,00	0,00
Trade payables	135 599,80	690 098,51
Other liabilities	128 984,00	59 249,52
Accruals	767 057,86	445 661,27
Intra-group liabilities	188 354,85	145 426,23
<b>Current liabilities, total</b>	<b>4 219 996,51</b>	<b>1 340 435,53</b>
<b>Accruals (non-current and current)</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Accruals of personnel expenses	501 997,66	384 230,69
Accruals of financial items	0,00	53 430,58
Other accruals	265 060,20	8 000,00
<b>Total</b>	<b>767 057,86</b>	<b>445 661,27</b>
<b>Leasing guarantees</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Payable in financial year 2011	2 463,54	12 069,48
Payable in later financial years	0,00	2 476,26
<b>Leasing guarantees, total</b>	<b>2 463,54</b>	<b>14 545,74</b>
<b>Other rental liabilities</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Current rental liabilities	19 818,00	12 000,00
<b>Total other rental liabilities</b>	<b>19 818,00</b>	<b>12 000,00</b>
<b>Commitments</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Commitments for intra-group companies	17 075 035,82	5 531 053,32
<b>Derivatives</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
<u>Bought currency option</u>		
Book value	0,00	0,00
Fair value	28 201,00	0,00
Value of the object, subject to derivative	2 926 829,00	0,00

Parent company has concluded derivative agreement to hedge its net receivable portfolio against currency exchange rate risks.

## List of accounting ledgers

Income statement	electronic format
Balance sheet	electronic format
General ledger	electronic format
Daily journal	electronic format
Accounting documents	electronic format
Chart of account	electronic format
Annual report	paperback

## Signing of annual report

Helsinki \_\_. \_\_. 2012

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Juhani Vanhala, Chairman of the Board

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Lea Liigus, Member of the Board

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Jorma Jokela, CEO, Member of the Board

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Kai Becker, Member of the Board

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Minna Andberg, Member of the Board

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Marko Risku, Member of the Board

## We today issued a report on the audit performed

Helsinki \_\_. \_\_. 2012

PricewaterhouseCoopers Oy  
Authorised Public Accountants

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Mikko Nieminen, Authorised Public Accountant