

**FERRATUM CAPITAL POLAND S.A.**  
**DLUGA 11/13**  
**53-657 WROCLAW**

**FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2016**  
**WITH**  
**AUDITOR'S OPINION**  
**AND**  
**AUDIT REPORT**

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### **FINANCIAL STATEMENTS OF FERRATUM CAPITAL POLAND S.A. FOR THE 2016 FINANCIAL YEAR**

1. Introduction
2. Balance sheet
3. Profit and loss account
4. Statement of changes in equity
5. Cash flow statement
6. Additional information and explanations

### **REPORT ON ACTIVITIES OF FERRATUM CAPITAL POLAND S.A. FOR THE 2016 FINANCIAL YEAR**

## INDEPENDENT AUDITOR'S OPINION

### To the Shareholders' Meeting and Supervisory Board of Ferratum Capital Poland S.A.

We have audited the attached financial statements of Ferratum Capital Poland S.A. (hereinafter referred to as "the Company") with its registered office in Wrocław, including:

- introduction to the financial statements,
- balance sheet prepared as of 31 December 2016, with total assets and liabilities plus equity of PLN 21.287.734,87,
- profit and loss account for the period from 1 January 2016 to 31 December 2016, disclosing a net loss of PLN 1.495,75,
- statement of changes in equity for the period from 1 January 2016 to 31 December 2016, disclosing a decrease in equity of PLN 1.495,75,
- cash flow statement for the period from 1 January 2016 to 31 December 2016, showing a net cash increase of PLN 10.341,00,
- additional information and explanations.

(hereinafter referred to as „the financial statements”).

The Management Board of the Company is responsible for the proper maintenance of accounting records, as well as preparation, true and fair presentation of these financial statements and the report on activities of the Company in accordance with the Accounting Act of 29 September 1994 (Dz. U. of 2016 No. 1047, further referred to as "the Accounting Act"), its executor provisions and other laws in force. The Management Board is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from misstatement, whether due to fraud or error.

In accordance with the Accounting Act, the Management Board and members of the Supervisory Board are obliged to ensure the financial statements and the report on activities meet the requirements of the Accounting Act.

Our responsibility was to express an opinion whether the financial statements present fairly and clearly the financial and economic position as well as the financial result of the Company, in compliance with the regulations of the Accounting Act in force and the accounting principles (policy) adopted by the Company.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

These regulations require us to follow the ethics principles and to plan and perform our audit in such a way as to obtain reasonable assurance that the financial statements and the supporting accounting records are free from material misstatement.

The audit involves execution of procedures whose objective is to obtain evidence relating to amounts and information disclosed in the financial statements. The selection of audit procedures depends on our professional judgement and includes the assessment of risk of material misstatement occurring in the financial statements. While assessing this risk we take into account the internal controls related to preparation and fair presentation of the financial statements in order to plan appropriate audit procedures, and not to express an opinion on the effectiveness of internal control system in the Company. The audit also includes verification if the accounting principles applied by the Company are appropriate, verification of estimates made by the Management Board as well as overall evaluation of the overall presentation of the financial statements.

We believe that our audit evidence provides a sufficient and appropriate basis for our opinion.

Our audit opinion does not encompass the report on activities. Our responsibility, however, in relation to the audit of the financial statements, was reading the report on activities, and indicating if the information therein complies with requirements of Article 49 of the Accounting Act, and if it is consistent with the underlying information disclosed in the audited financial statements. Our responsibility was also expressing the statement, if in light of our knowledge of the Company and its environment acquired during the audit, we have found material misstatements in the report on activities.

In our opinion, the audited financial statements:

- presents true and fair view of the economic and financial position of the Company as of 31 December 2016 as well as its financial result in the financial year from 1 January 2016 to 31 December 2016, in accordance with applicable regulations of the Accounting Act and the accounting principles (policy) adopted by the Company,
- have been prepared based on properly kept accounting records, and
- comply in its form and contents with the provisions of law and the articles of association of the Company.

In compliance with the requirements of the Accounting Act, we acknowledge that the information included in the report of activities for the financial year ended 31 December 2016 complies with requirements of Article 49 of the Accounting Act, and is consistent with the underlying information disclosed in the audited financial statements. Additionally, in light of our knowledge of the Company and its environment acquired during the audit, we confirm that we have not found material misstatements in the report on activities.

Grzegorz Warzocha

Key certified auditor  
No. 90035

Bielany Wrocławskie, 2 March 2017



*The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.*

**REPORT SUPPLEMENTING THE OPINION ON THE AUDIT OF THE FINANCIAL STATEMENTS OF FERRATUM CAPITAL POLAND SA FOR THE 2016 FINANCIAL YEAR****I. GENERAL INFORMATION****1. Details of the audited Company**

The Company operates under the name Ferratum Capital Poland S.A. The Company's registered office is located in Wrocław, Długa Street 11/13.

The Company operates as a joint-stock company established on the 11 February 2011 by a notarial deed prepared by the notary public, Patrycja Wąsowska in Warszawa (Repertory No. A 600/2011).

The Company was registered in the Commercial register in the District Court of the City of Wrocław, VI Business Registry Department, under the number 384469 on the basis of Court resolution of 28 April 2011.

The Company has the following Tax Identification Number (NIP) 897-177-16-84 and it obtained the following statistical number (REGON) 021483522.

The Company operates based on provisions of the Code of Commercial Companies.

Based on the Company's articles of associations its activities include:

- activities of holding companies, trusts, funds and similar financial institutions,
- other forms of credit,
- other financial service activities, except insurance and pension funds,
- other activities auxiliary to financial intermediation, except insurance and pension funds,
- other activities auxiliary to insurance and pension funds
- relationships and communication,
- advising on business and management

As of 31 December 2016 the Company's share capital equaled PLN 100.000,00 and was divided into 100.000 ordinary shares with a nominal value of PLN 1 each. As of 31 December 2016 the only one Company's Shareholder was Ferratum Oyj located in Helsinki (Finland).

In the audited period and after the balance sheet date, there were no changes in the ownership structure nor in the amount of the Company's share capital.

The Company's financial year is the calendar year.

The Company has the following related parties:

- Ferratum Oyj - parent entity

Furthermore, as related parties Ferratum Capital Poland S.A. treats entities belonging to the Ferratum Oyj.

As at the date of issuing the opinion, the composition of the Company's Management Board was as follows:

- |                  |                          |
|------------------|--------------------------|
| - Jorma Jokela   | - Chairman of the Board, |
| - Lea Liigus     | - Member of Board,       |
| - Clemens Krause | - Member of Board.       |

In the audited period there were no changes in the composition of the Company's Management Board.

## **2. Information about the financial statements for the previous year**

The activities of the Company in 2015 resulted in a net profit of PLN 588,49. The financial statements of the Company for the 2015 financial year were audited by a certified auditor. The audit was conducted by the entity authorised to audit financial statements Avanta Audit Sp. z o.o. Sp. k. The certified auditor issued on 26 February 2016 an unqualified opinion about those financial statements.

The financial statements for the year ended 31 December 2015 were approved by the General Shareholders' Meeting on 30 June 2016 and submitted to the National Court Register on 25 August 2016. The General Shareholders' Meeting decided to allocate all of the profit of PLN 588,49 to other reserve.

## **3. Details of the entity authorised to audit the financial statements and the certified auditor acting on its behalf**

The audit of the financial statements was performed based on the agreement of 29 November 2016 between Ferratum Capital Poland S.A. and Avanta Audit Sp. z o.o. Sp. k. with registered office in Bielany Wrocławskie, Szwedzka Street 5, registered under the number 3595 on the list of entities authorised to provide audit services kept by the National Chamber of Certified Auditors. On behalf of the authorised entity, the audit was conducted under the supervision of a certified auditor Grzegorz Warzocha (No 90035), in the period between 30 January 2017 and 2 March 2017, including at the Company's premises and in the accounting office Solve BPO Sp. z o.o. in the period between 30-31 January 2017. The entity authorised to audit the financial statements was appointed by the resolution of the Supervisory Board of 2 March 2017.

Avanta Audit Sp. z o.o. Sp. k. and the certified auditor Grzegorz Warzocha confirm that they are authorised to carry out audits and meet the requirements of Article 56 clauses 3 and 4 of the Act on statutory auditors, their self-government organisation, entities authorized to audit financial statements and on public oversight to express an unbiased and independent opinion on the financial statements of Ferratum Capital Poland S.A.

## **4. Availability of data and management's representations**

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations were provided to the authorised entity and the certified auditor, as confirmed in a written representation of the Management Board of the Company of 2 March 2017.

## 5. Economic and financial situation of the Company

Presented below are the main items from the profit and loss account as well as financial ratios describing the financial result of the Company and its economic and financial situation.

<u>Main items from the profit and loss account</u> <u>(in PLN '000)</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Sales revenues	0,0	0,0	0,0
Operating expenses	149,5	106,2	185,9
Other operating revenues	4,3	0,0	0,2
Other operating expenses	14,6	0,8	0,0
Financial revenues	1.862,1	2.215,8	3.713,0
Financial expenses	1.702,1	2.100,1	3.708,1
Income tax	1,7	8,1	(42,2)
Net profit (loss)	(1,5)	0,6	(138,6)
 <u>Profitability ratios</u>	 <u>2016</u>	 <u>2015</u>	 <u>2014</u>
- net return on equity	(1,9%)	0,8%	(64,4%)
 <u>Liquidity/Net working capital</u>			
- indebtedness ratio	100%	100%	100%
- equity to fixed assets ratio	0%	0%	0%
- net working capital (in PLN '000)	54,7	20.555	20.546
- quick ratio	1,0	77	2,9
- acid ratio	1,0	77	2,9

The analysis of the above figures and ratios identified the following trends occurring in 2016:

- the indebtedness ratio is an unchanged level,
- decrease in net working capital,
- decrease in quick and acid ratio.

## II. DETAILED INFORMATION

### 1. Evaluation of the accounting system

#### Accounting system

The Company has valid documentation describing the accounting principles (policy) applied, including in particular: definition of the financial year and reporting periods thereof, methods of measuring assets and liabilities, and determining the financial result, method of keeping the accounting records and the system of data and file protection. The documentation of the accounting policy was developed in line with the Accounting Act and approved for use by order of the Management Board. Changes in the accounting policy arising from amended accounting and tax regulations have been introduced by separate resolutions of the Company's Management Board.



Accounting principles accepted by the Company comply with the Accounting Act. Accounting principles regarding valuation of assets and liabilities and determining the financial result were described in the introduction to the financial statements.

In the audited period, the Company used a computerised accounting system Symfonia, in which all the business events that took place in the Company were recorded. The systems are password protected against unauthorized use and have functional access restrictions. The description of the IT system complies with the requirements of Art. 10 item 3 c) of the Accounting Act.

In the audited sample, the documentation of business transactions, the accounting records and the relationships between the accounting entries and vouchers and the financial statements comply with the requirements determined by section 2 of the Accounting Act.

The accounting records and vouchers, the documentation of the accounting system and the approved financial statements of the Company are stored in compliance with section 8 of the Accounting Act.

The Company performed a physical count of assets and liabilities within the scope, timing and frequency required by the Accounting Act.

In the audited period books of accounts were kept by Solve BPO Sp. z o.o. with the registered office in Wrocław.

## **2. Information on the audited financial statements**

The audited financial statements were prepared as of 31 December 2016 and include:

- introduction to the financial statements,
- balance sheet prepared as of 31 December 2016, with total assets and liabilities plus equity of PLN 21.287.734,87,
- profit and loss account for the period from 1 January 2016 to 31 December 2016, disclosing a net loss of PLN 1.495,75,
- statement of changes in equity for the period from 1 January 2016 to 31 December 2016, disclosing a decrease in equity of PLN 1.495,75,
- cash flow statement for the period from 1 January 2016 to 31 December 2016, showing a net cash increase of PLN 10.341,00,
- additional information and explanations.

The structure of assets and liabilities as well as items affecting the financial result was presented in the financial statements.

**3. Information on selected material items of the financial statements**Short – term investments

- loans granted in related parties in nominal value of PLN 20.310.833,06.

Liabilities

The most significant liabilities are:

- short-term liabilities arising from issuance of debt securities in nominal value of PLN 20.500.000,00.
- short-term liabilities arising from issuance of debt securities in value of the accrued interests of PLN 185.088,74.

Deferred expenses and incomes were correctly recorded in the audited financial year.

The items have been recognized completely and correctly in all material respects in relation to the financial statements as a whole.

**4. Completeness and correctness of drawing up the introduction to the financial statements, additional information and explanations and the report on the activities of the Company**

Introduction to the financial statements includes all information required under Attachment 1 to the Accounting Act. The Company confirmed the validity of the going concern principle followed in preparing the financial statements. The introduction gives a correct and complete description of valuation principles regarding assets and liabilities, principles of measuring the financial result and preparing the financial statements.

The Company prepared the additional information and explanations consisting of tabular notes to balance sheet and profit and loss account items as well as narrative descriptions.

The additional information and explanations to the financial statements give a correct and complete description of the reporting items and clearly present other information required under Attachment 1 to the Accounting Act.

The financial statements are supplemented with the Management Board's Report on activities of the Company in the 2016 financial year. The Report contains all information required under Article 49 of the Accounting Act. We have audited the Report with regard to the disclosed information derived directly from the audited financial statements.

**5. Final information and findings**

Management Board's Representations

The certified auditor received a representation letter from the Management Board of the Company in which the Board stated that the Company complied with the laws in force.

Grzegorz Warzocha

Key certified auditor  
No. 900357

Bielany Wrocławskie, 2 March 2017



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