Ferratum™

More than money to everyone

ANNUAL REPORT 2015

Ready for the next milestones

CONTENT

PART 1 – UNAUDITED

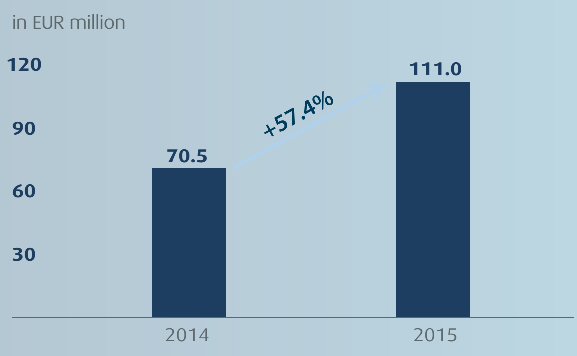
PART 2 – AUDITED

READY FOR THE NEXT MILESTONES

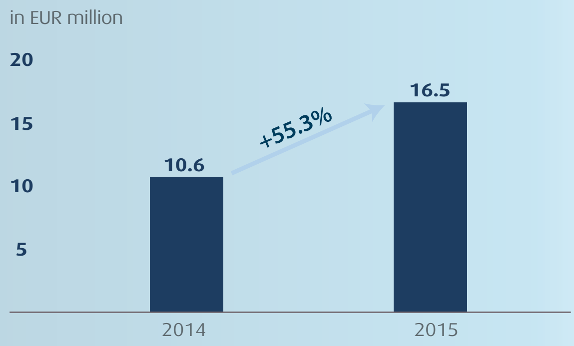
»The consistent implementation of our growth strategy had a positive impact on Ferratum´s development in 2015. We can once again announce a record year with significant increases in revenues and profitability. With our EU banking licence, the self-learning Big Data technology and our established lending business in 23 countries, we are excellently positioned to play a key role in shaping the digital revolution in the banking sector. The course is set for further growth.«

Jorma Jokela, CEO and founder of Ferratum Group

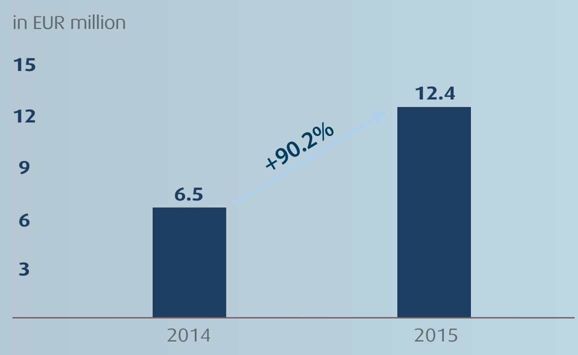
Revenue



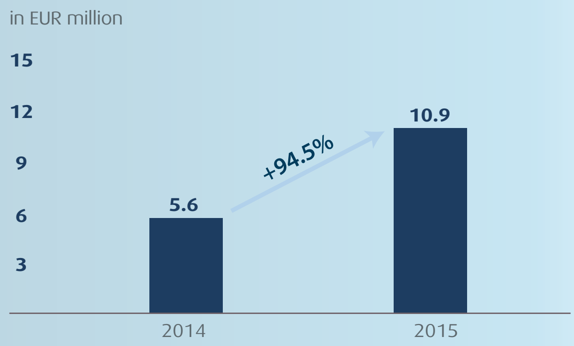
Operating profit (EBIT)



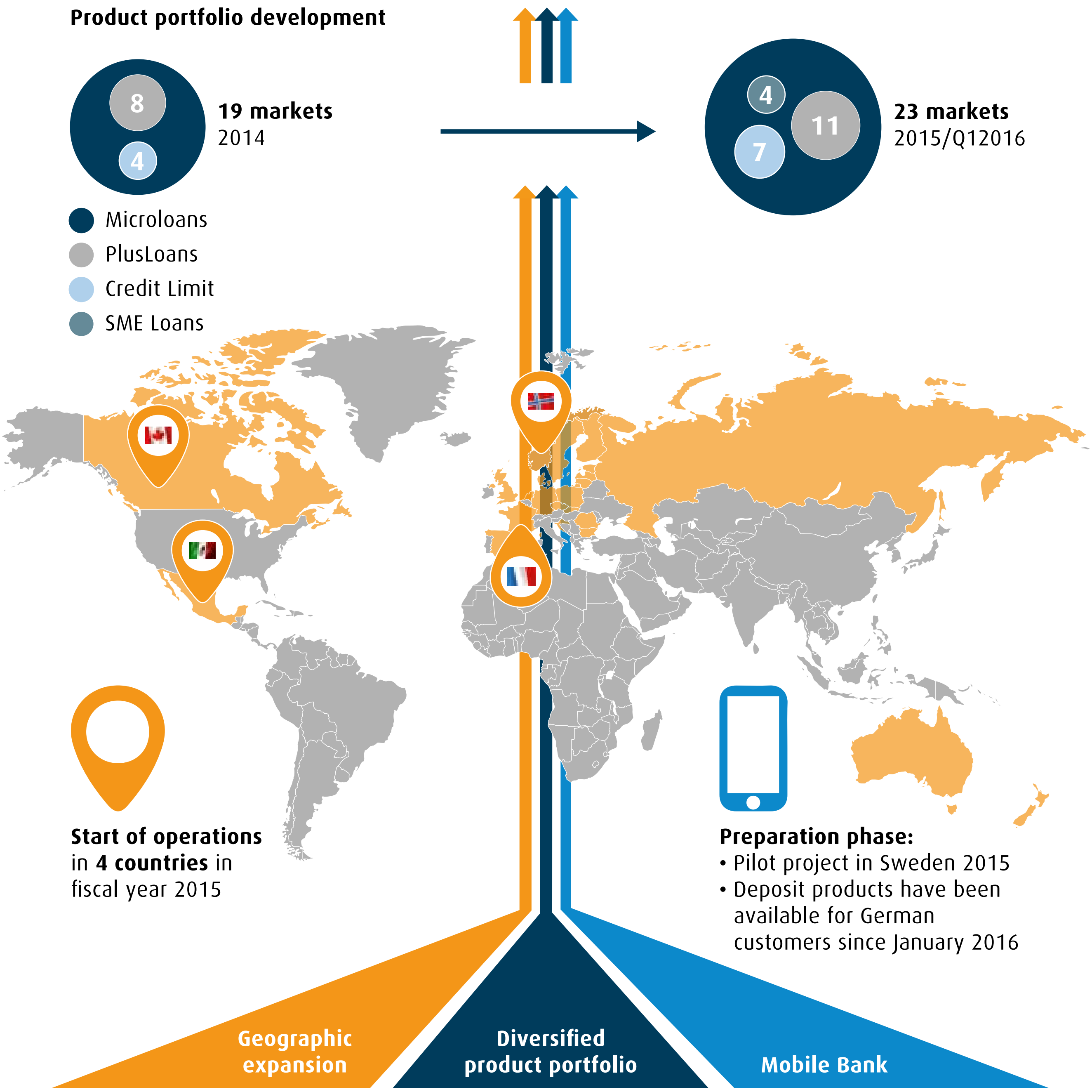
Profit before tax (EBT)



Profit for the period



THE GROWTH DRIVERS FOR SUSTAINABLE BUSINESS DEVELOPMENT



Geographic expansion

Market entries in 4 countries in 2015 bring us closer to our goal to extend our business activities to 30 countries in the medium-term.

Diversified product portfolio

We have established 4 different loan products and will gradually introduce them into existing markets while working on the further expansion of the product portfolio.

Mobile Bank

The preparations have been completed. Now we are ready for the launch. The introduction of the Mobile Bank in the European market is the most important strategic goal for 2016.

CONSUMER LENDING

Pioneer for mobile consumer loans with a more than 10 year track record.

CONSUMER LENDING BUSINESS SUCCESSFULLY EXTENDED

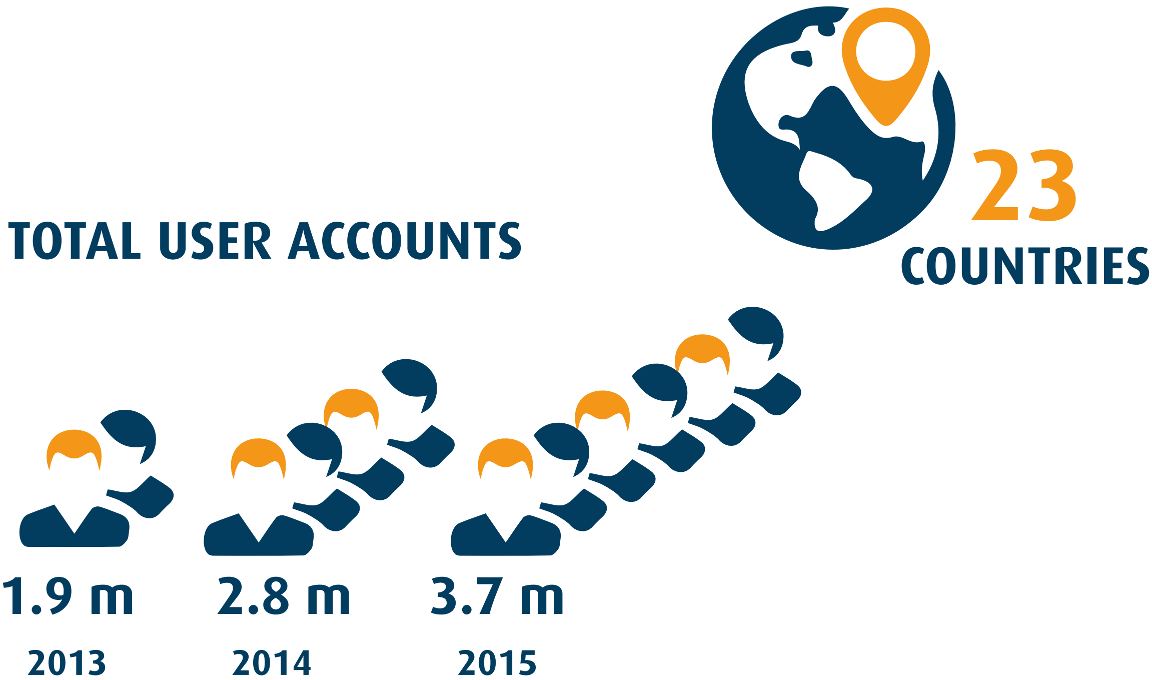
Our mobile consumer loans offer quick and straight-forward access to small cash amounts. Ferratum has been a pioneer in bringing mobile consumer loans to European consumers. Currently, we offer this service in 23 countries all over the world.

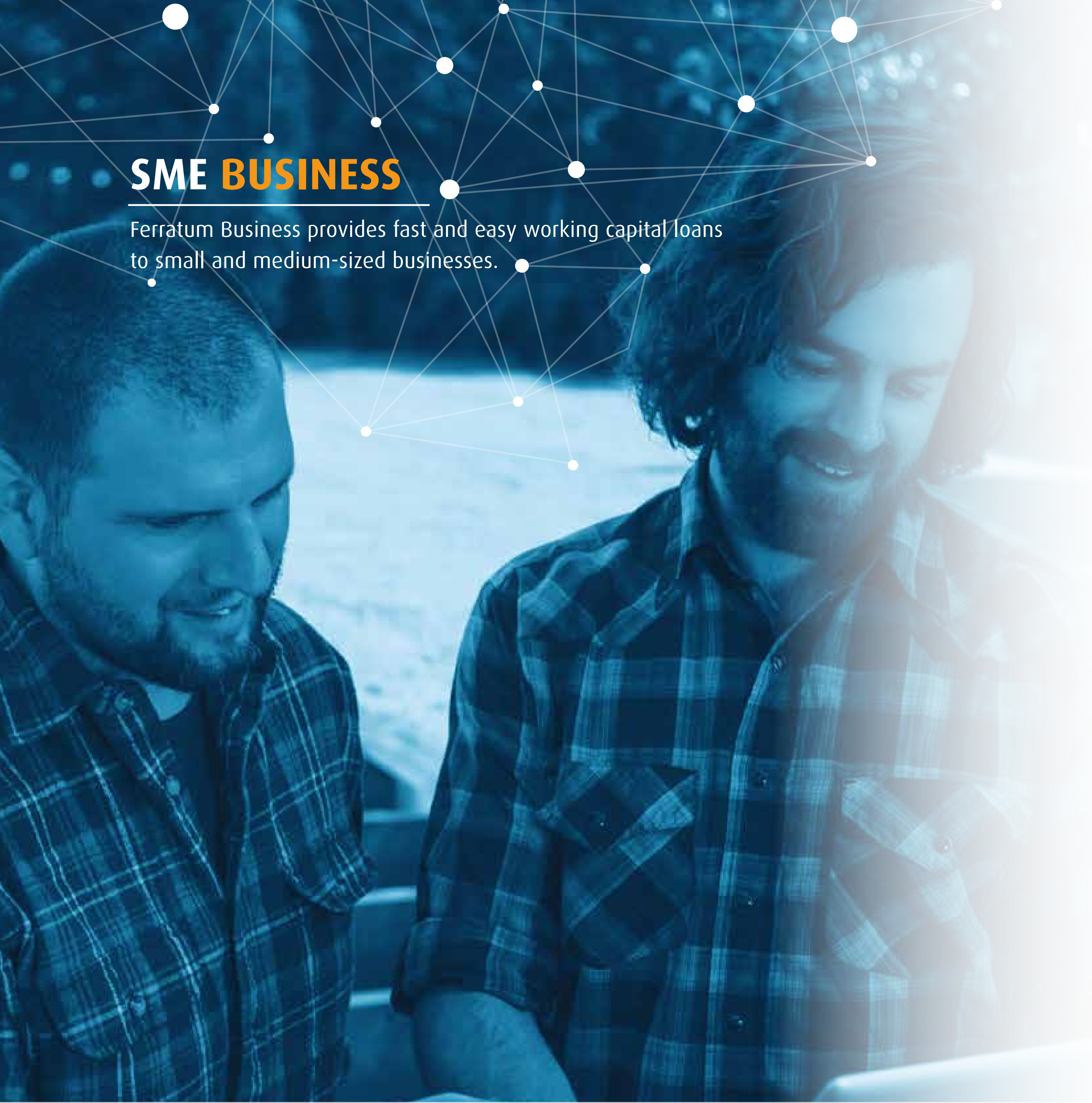
We rely on our scalable Big Data scoring technology with which the decision for a loan approval can be made within minutes while checking the credit score of each potential customer. In addition, the EU banking licence of our subsidiary Ferratum Bank plc allows us to expand our product portfolio.

»We have significantly extended the spectrum of our offerings for private consumers. Mobile, real-time, easy and convenient – these are the benefits that our lending products stand for.«

Jorma Jokela, CEO and founder of Ferratum Group

It is not without reason that we refer today to a product portfolio. We established PlusLoans with larger amounts and longer repayment periods compared to the classic microloans. Besides, PlusLoans are more flexible loan products involving installment repayment plans. Credit Limit is very similar to a credit card, but without the actual card. Lenders are granted a maximum credit limit, which can be used or withdrawn at any time. It is an important part of our growth strategy to launch these loan products in all countries we are active in.





SME BUSINESS

Ferratum Business provides fast and easy working capital loans to small and medium-sized businesses.

NEW DIVISION »FERRATUM BUSINESS« OFF TO A PROMISING START

Big Data scoring, lean online processes, convenience and speed – these core competences shall now be used to offer lending products also to small and medium-sized businesses. Ferratum has identified a valuable market segment that has traditionally been underserved by conventional bank lending.

Whether it's taxi owners, craftsmen or gardeners – "Ferratum Business" offers working capital installment loans to small businesses for 6 to 12 months. These loans can be applied in the amount of EUR 2,000 to EUR 50,000 by means of a simple and short application process. Therefore, the new business lending is characterized by fast approval times without collateral requirements.

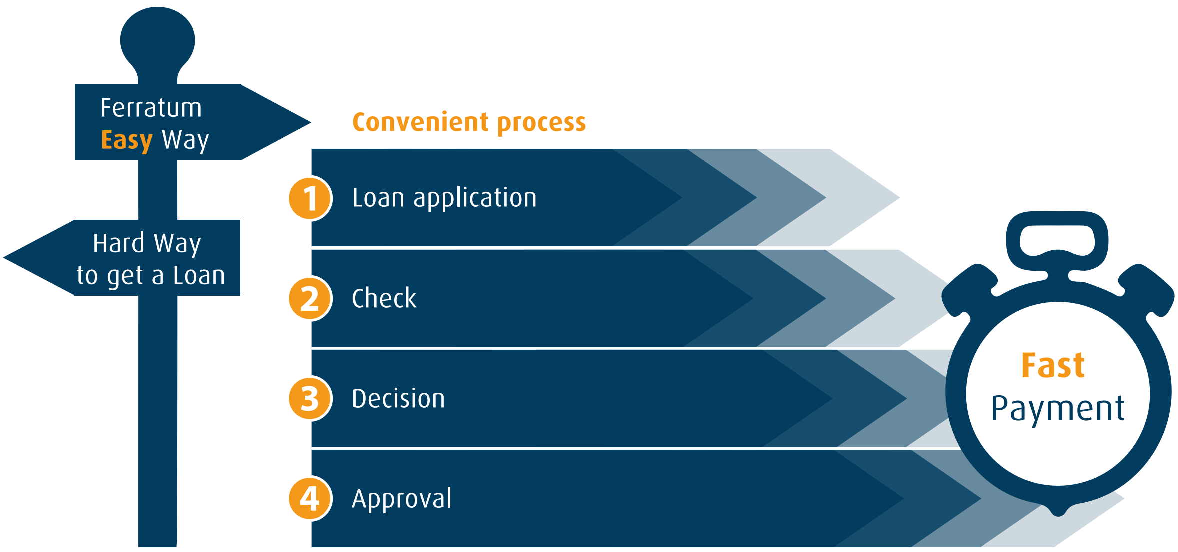
»Product diversification is a key component of our growth strategy. Looking ahead, we can pursue the goal of being able to offer the fastest and easiest loan alternative for small businesses across Europe.«

Jorma Jokela, CEO and founder of Ferratum Group

CUSTOMER NEEDS REALIZED

A Swedish taxi owner speaks about his experiences: »Two years ago, I chose the path to independence. Today I have a small taxi company – so I am my own boss. As a self-employed person, I am confronted daily with rising expenses – whether it's costs on insurance, gasoline or salaries. But some of the costs are also not predictable, for example repair costs. What is often complicated with traditional banks goes smoothly with 'Ferratum Business.' It is easy for SMEs like my taxi business to get the capital when I really need it.«

SME LENDING - HOW IT WORKS



MOBILE BANK

Connecting the way people are managing their banking.

REVOLUTIONIZING THE BANKING WORLD

Ferratum has been developing a platform that delivers innovative mobile solutions for modern banking customers. Customers will be able to access their current accounts, savings deposits and bank cards in real-time in an easy, secure and mobile manner, regardless of the currency. National boundaries in banking are thus a thing of the past. This will eliminate exchange costs and place the way that people do their banking on an entirely new foundation. Our Mobile Bank will thus offer customers real added value. One of the revolutionizing features: Customers only have to scan the identifications card with a mobile phone, glance at the camera - and are through the identification control system. The bank account is ready to use! The introduction of the Mobile Bank in select European countries was prepared with the pilot project in Sweden in fiscal year 2015. The deposit products of Ferratum Group have been available for German customers since January 2016. Now, we are ready to launch the Mobile Bank step by step in other European countries.

»The expansion of our business by offering additional banking services is the next logical step. The main focus is on simple mobile solutions that meet modern customer expectations and replace going to a bank branch. In short – with Ferratum, the smartphone turns into a Mobile Bank.«

Jorma Jokela, CEO and founder of Ferratum Group

THE BANK IN YOUR HAND

Real added value

- Banking could not be easier: Instant opening of a free EU wide bank account for real-time cross-border banking
- Multi account access improves convenient banking
- Ferratum Mobile Bank is your daily companion: Mobile features improve customer's involvement
- Customers will automatically participate in developments of the open platform (new products like P2P lending and third-party products)

DEAR SHAREHOLDERS,

The consistent implementation of our growth strategy clearly had a positive impact on the sustained growth trend in fiscal year 2015. Key factors in this context were the market entry into new countries and the expansion of the product portfolio. Ferratum achieved its goals in fiscal year 2015 and set crucial impulses for further growth in the first quarter of 2016. On that basis, we are ready for further milestones and dynamic growth in the coming years.

In 2015, Ferratum launched its lending business with private individual customers in four new countries: Canada, Norway, France and Mexico. With these market entries, we now operate in 23 countries all over the world and have taken the next major steps towards setting ourselves up even more broadly geographically in order to benefit from economies of scale, for example. Entering new markets is an important part of Ferratum's growth strategy, which calls for expansion of activities to 30 countries in the medium term.

In addition to geographic expansion, the diversification of our product portfolio is also a key success factor. Therefore, the two products PlusLoans and Credit Limit will be gradually introduced into existing markets. For example, Ferratum introduced the product PlusLoans to the markets in Slovakia and Australia and the product Credit Limit to the markets in Denmark and Sweden in 2015. The Credit Limit offer was then introduced in Poland in the first quarter of 2016. This means that PlusLoans is currently available in eleven countries and Credit Limit in seven countries. With PlusLoans and the Credit Limit product, we can offer our customers higher loan amounts and longer terms and thus increase our revenue per customer compared to classic mobile consumer loans. We are therefore very satisfied with the current development. We plan to roll out these products into further existing countries during the current fiscal year 2016.

Furthermore, Ferratum introduced the "Ferratum Business" division in 2015 and is currently active in Sweden, Finland, Lithuania and Denmark. The new division "Ferratum Business" lends to small businesses with a successful track record of two or more years in operation – a valuable market segment that has traditionally been underserved by conventional bank lending. The maximum loan amount of this business line is currently EUR 50,000, with a maximum duration of 12 months. With the planned acquisition of FCB Firmen-Credit Bank GmbH, Ferratum will own a second EU credit institution besides Ferratum Bank plc that should form the center of this division within Ferratum Group.

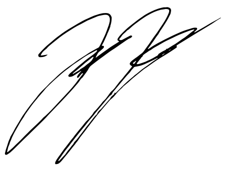
Our progress is also reflected in the figures for fiscal year 2015: In fiscal year 2015, Group revenues rose significantly by a total of 57.4% to EUR 111.0 million (2014: EUR 70.5 million). The positive revenue performance is due in part to a growing number of customers. This figure increased to more than 1.2 million customers (2014: 1.0 million). Costs of EUR 1.2 million related to the IPO were incurred in fiscal year 2014. In fiscal year 2015, the IPO costs still amounted to EUR 0.5 million. Adjusted by these IPO costs, operating profit (EBIT) improved by 43.9% to EUR 17.0 million (2014: EUR 11.8 million), which corresponds to an adjusted EBIT margin of 15.3%. Adjusted earnings before taxes (EBT) rose by 67.5% in the reporting period to EUR 12.9 million (2014: EUR 7.7 million), which corresponds to an adjusted EBT margin of 11.6%. As a result, net income adjusted for IPO expenses of EUR 6.8 million last year increased to EUR 11.4 million in fiscal year 2015.

Dear shareholders, Ferratum is in an excellent position worldwide with its established business model in the future-oriented field of "Financial Technology." We plan to continue transferring our established loan business to new markets and expand it in the markets we are already active in. We will use the opportunities that present themselves from this to strengthen our market position even further. In addition, the introduction of the Mobile Bank in select European countries was prepared with the pilot project in Sweden in fiscal year 2015. The deposit products of Ferratum Group have been available for German customers since January 2016. As part of the European expansion of the Mobile Bank, this is now to be introduced in Germany and then in other European countries in the first half of 2016. The introduction of the Mobile Bank in the European market is the most important strategic goal for 2016. We have meticulously developed this innovative platform in recent months and are confident that our platform can revolutionize the private banking business.

We thank you for the trust you have placed in us. We hope that you will continue to accompany us on our exciting path. Special thanks are directed, of course, to our employees who contribute significantly with their commitment, their flexibility and inventiveness to further developing our vision.

Helsinki, March 2016

Jorma Jokela



CEO Ferratum Group

FERRATUM OYJ SHARE

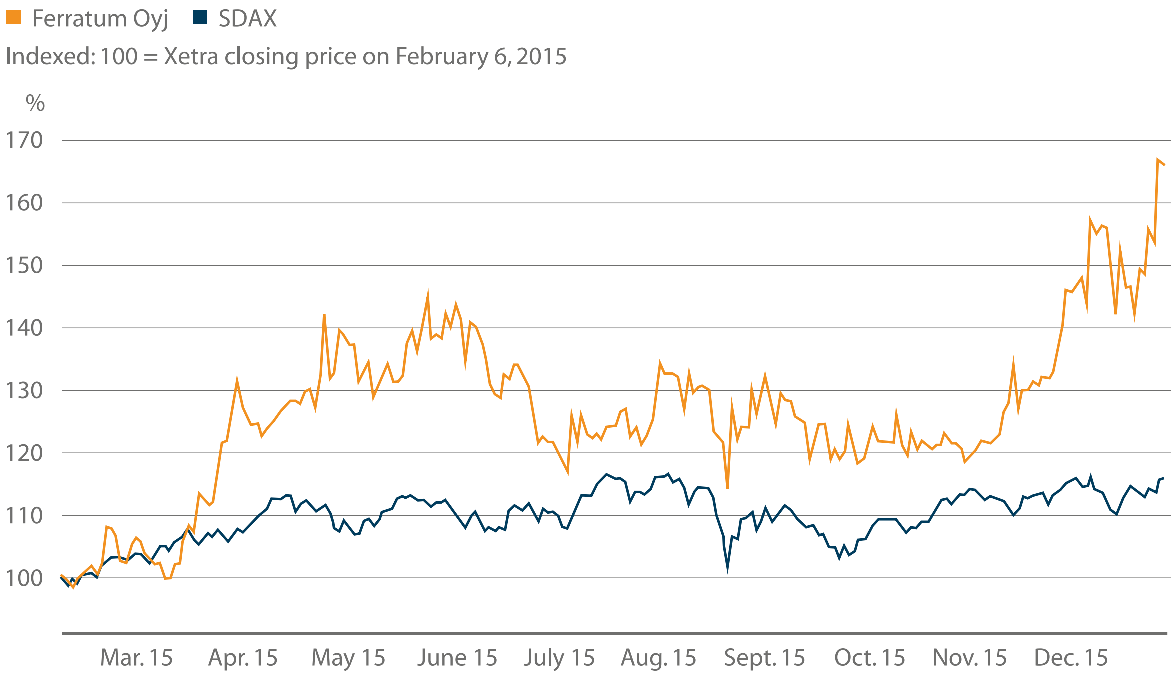
SHARE PRICE DEVELOPMENT

The Ferratum Oyj share is listed in the regulated market (segment: Prime Standard) of the Frankfurt Stock Exchange. On the first day of trading, February 6, 2015, the share started at an initial price of EUR 17.50 and closed at EUR 18.08. The share already hit its low of EUR 17.81 in the reporting period on February 10, 2015. The further course of Q1 2015 was characterized by a consistent upward trend, which resulted in the quarter high of EUR 23.75 on March 30, 2015.

The start in the second quarter was also characterized by an upwards trend that peaked on May 28, 2015 with a Q2 high of EUR 26.20. After that, the stock price settled down in a range of around EUR 22 to EUR 24 between July and November. Starting on November 6, 2015 another sustainable increase was observed that resulted in an overall annual high of EUR 30.15 on December 29, 2015. With a closing price of EUR 29.99 on December 29, 2015, Ferratum attained a market capitalization of EUR 651.50 million.

Ferratum Oyj has been listed on the SDAX index of the Frankfurt Stock Exchange since June 23, 2015. Therefore, Ferratum Group has risen only four months after the initial listing to the small-cap index, which consists of the 50 largest publicly traded companies below the MDAX. The Ferratum Oyj share left the SDAX in its wake in the period under review. Particularly from mid-March onwards, the Ferratum share succeeded in outpacing the overall development of the peer group in the SDAX. Between July and November, the Ferratum share followed the current development trend in the SDAX, but at a significantly higher level. In the weeks that followed, the Ferratum share performed better than the SDAX index closing significantly above the index on December 30, 2015.

SHARE PRICE DEVELOPMENT (FEBRUARY 6, 2015 – DECEMBER 30, 2015)



SHARE FACT SHEET

ISIN	FI4000106299
German Securities Code Number (WKN)	A1W9NS
Stock Exchange Symbol	FRU
Sector	Specialist Credit Institution (no pawn lending business)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market / Prime Standard
Index	SDAX
Designated Sponsor	ICF BANK AG
Opening / Closing price (FY 2015)	EUR 18.08 / EUR 29.99
High / Low (FY 2015)	EUR 30.15 / EUR 17.81
Initial listing	February 6, 2015
Number and Class of Shares	21,723,960 ordinary shares with no nominal value

SHAREHOLDER STRUCTURE

Jorma Jokela*: 57.32 %

Carmignac*: 9.20 %

Ferratum Oyj**: 0.67 %

Freefloat***: 42.01%

* Shareholders holding above 5 % of the shares, based on the latest shareholder notifications received

** Treasury shares

*** Amount includes shares held by employees and managers of Ferratum.

Jorma Jokela, CEO and founder of Ferratum Group, remains the majority shareholder with 57.3 %. In the second quarter of 2015, Ferratum recorded a favorable change in its shareholder structure. Carmignac Gestion bought 1,012,889 shares from AS Pontos Capital and its subsidiary (Pontos Companies), exceeding the threshold of 5 % and now amounting to 1,988,811 shares. The internationally recognized investment company thus now holds 9.2 % of all shares and votes in Ferratum. The free float amounted to 42.0 %.

Financial Calendar 2016	
April 26, 2016	Annual General Meeting 2016
May 12, 2016	Report for the first three months of 2016
August 11, 2016	Report for the first half-year 2016
November 10, 2016	Report for the first nine months of 2016

INVESTOR RELATIONS

Investor Relations means for Ferratum informing shareholders, analysts, investors and finance journalists on a timely and comprehensive basis. Ferratum places special importance on providing all participants in the capital markets with information of the same thoroughness and transparency.

The Investor Relations work at Ferratum is targeted towards an active and transparent dialog with the shareholders and stakeholders. With its listing in the Prime Standard of the Frankfurt Stock Exchange, Ferratum fully complies with highest requirements for transparency.

- Participation in 5 capital market conferences
- Roadshows in Germany and abroad
- Regular offers of conference calls with a webcast when publishing the financial reports
- Publishing 14 editions of Corporate News

In the course of fiscal year 2015, Ferratum Oyj was covered by the following institutions:

- equinet Bank AG
- Hauck & Aufhäuser Privatbankiers KGaA

For interested investors, analysts and journalists, the investor relations section of the website www.ferratumgroup.com provides all relevant information which will be constantly updated. And of course, there is always the possibility to reach us via phone and email to learn more about Ferratum.

INVESTOR RELATIONS CONTACT

Ferratum Group	Ferratum Group	cometis AG
Dr. Clemens Krause,	Paul Wasastjerna	Henryk Deter / Maximilian Breuer
CFO	Head of Investor Relations	
Telephone: +49 (0) 30 88715308	Telephone: +358 (0) 40 7248247	Telephone: +49 (0) 611 20 58 55-22
Fax: +49 (0) 30 88715309	Fax: +358 (0) 20 741 1614	Fax: +49 (0) 611 20 58 55-66
e-Mail: clemens.krause@ferratum.com	e-Mail: paul.wasastjerna@ferratum.com	e-Mail: breuer@cometis.de

INDUSTRY-RELATED CONDITIONS

Ferratum operates in the dynamic Fintech (Financial Technology) sector. The Group's strategy involves the expansion of its loan product portfolio and developing its business into a leading mobile bank. For this reason, the development of the Fintech sector and the mobile banking market have an influence on Ferratum's activities. The conditions could hardly be better for the continued development of Ferratum's business.

Fintechs are currently the hot topic in the financial industry. It is expected that Fintechs will be able to win an aggregate market share of up to 5% by 2020. In this context, two key factors are impacting the retail banking environment: The increasing penetration of smartphones and the low interest rate environment.[1] Traditionally, customers could access their bank account via their bank's web page through a web browser on a mobile device or via text messaging. In recent years, as a result of the fast growth of mobile applications, traditional banks have also developed mobile applications that can be downloaded to a mobile device and be used to access account information and functionality.[2] For instance, according to the FRB Report, in the United States as of the end of 2014, the use of mobile banking has increased substantially in the past year and appears likely to continue to increase. The trend towards mobile banking also involves lower income segments of the population which own smartphones and are partially currently not a customer of a bank or only use certain bank services such as an account provided to receive their salaries (so-called "underbanked" customers). For instance, in the United States in 2014, of the customers without a bank account, 67% had access to a mobile phone (65% of which are smartphones), whereas 90% of the underbanked customers had access to a mobile phone (73% of which are smartphones).[3]

Therefore, the mobile banking market is mainly driven by the significantly increased penetration of smartphones in recent years. It is expected that this trend will continue in the years to come. The yearly shipment of smartphones exceeded already the one billion threshold in 2013 and is expected to almost double in 2018.[4] Recent forecasts assume that the number of smartphone connections will grow three-fold over the next six years to 6 billion, which would be equivalent to two-thirds of total mobile connections in 2020.[5] By this time, mobile devices are forecast to become the primary Internet connection tool as well.[6] Therefore, it is expected that mobile channels gain further in importance for retail banks. The number of users who use their smartphones for consumer banking purposes was expected to exceed one billion in 2015 and is forecasted to double by 2020.[7] Besides, the low interest rate environment with short term rates being at around 0% has a negative earnings impact on the banks and put them under pressure to reduce costs. One key lever to reduce costs is for retail banks to close branches. While this will definitively have a positive cost impact, the branch-based retail banks lose one important competitive advantage, the local presence close to their customers. If customers no longer have a branch close to their home place, one important reason to remain a customer of a branch-based retail bank falls away.[8]

[1] ESN: Sector Report: German Financials: Fintech – threat or opportunity?, 2015

[2] Federal Reserve Board: Consumers and Mobile Financial Services 2015

[3] Federal Reserve Board: Consumers and Mobile Financial Services 2015

[4] CCS Insight: Global Smartphone Market Analysis and Outlook: Disruption in a Changing Market, 2014

[5] GSMA: The Mobile Economy, 2015

[6] Broadband Commission: The state of broadband 2015: broadband as a foundation for sustainable development

[7] Juniper Research: Press Release: Mobile banking users to exceed 1 billion this year (2015), representing 20% of global adult population

[8] BBA supported by Ernst & Young: The Way We Bank Now: World of Change, 2015

[9] ESN: Sector Report: German Financials: Fintech – threat or opportunity?, 2015

AUDITED PART

BOARD OF DIRECTOR'S REPORT 2015

Ferratum Oyj and its subsidiaries form a Group, Ferratum Group, which is a leading international provider of mobile consumer loans and small corporate loans. Ferratum Group, headquartered in Helsinki, Finland, commenced with its activities in May 2005 and has grown rapidly with a presence across Europe, North America and the APAC region. Currently, Ferratum is represented in 23 countries with operational activities. The Group has 1.2 million active and former customers who have been granted one or more loans in the past and a total of 3.7 million user accounts in its database (as of December 31, 2015).

As one of the leading players in developing the credibility of the mobile consumer loan business and standard industry processes, Ferratum Group operates under generally accepted ethical principles. It has geared its business model and processes to being efficient and customer-oriented. The identification and scoring (assessment of creditworthiness) of customers are key factors in conducting the business in the global arena.

On February 6, 2015, Ferratum Group was admitted to the Prime Standard segment of the Frankfurt Stock Exchange in Germany. Ferratum Group received EUR 48.2 million in gross issue proceeds arising from the capital increase. As of June 2015, Ferratum was listed on the small-cap (SDAX) index, which consists of the 50 largest publicly traded companies below the MDAX.

FINANCIAL HIGHLIGHTS

Financial highlights, EUR '000	Jan - Dec 2015	Jan - Dec 2014
Revenue	111,008	70,508
Operating profit before IPO-related items*)	16,967	11,788
Operating profit	16,478	10,611
Profit before tax	12,419	6,531
Net cash flows from operating activities before movements in portfolio	19,104	7,657
Net cash flow from operating activities**)	(32,690)	(8,876)
Net cash flow from investing activities	(5,450)	(1,918)
Net cash flow from financing activities**)	47,625	1,722
Net increase/decrease in cash and cash equivalents	9,485	(9,071)
Profit before tax %	11.2	9.3

*) IPO (initial public offering) related expenses consist of two elements:

1. The total fair value of granted options (EUR 977 thousand) from the majority owner to employees in October 2014 in the context of the IPO. These are recognized as share-based compensation expense in the company's profit or loss. This expense has no cash impact on the company.
2. Expenses - mainly legal and consulting fees - related to the preparation of the IPO. These have been split up into two parts: one part regarding the newly issued shares, which has been deducted from the proceeds of the capital increase and recognized directly in equity, and the other part regarding the sale of existing shares which has been recognized in the income statement.

**) Deposits received (2014: EUR 1,026) were moved from cash flow from financing activities to cash flow from operating activities

Financial highlights, EUR '000	Jan - Dec 2015	Jan - Dec 2014
Accounts receivable – consumer loans (net)	106,758	61,529
Cash and cash equivalents	17,452	8,026
Total assets	140,127	79,805
Non-current liabilities	48,927	28,885
Current liabilities	13,562	29,477
Equity	77,638	21,443
Equity ratio %	55.4	26.9
Net debt to equity ratio	0.58	2.35

CALCULATION OF KEY FINANCIAL RATIOS

$$\text{Equity ratio (\%)} = 100 \times \frac{\text{Total equity}}{\text{Total assets}}$$

$$\text{Net debt to equity ratio} = \frac{\text{Total liabilities – cash and cash equivalents}}{\text{Total equity}}$$

$$\text{Profit before tax (\%)} = 100 \times \frac{\text{Profit before tax}}{\text{Revenue}}$$

KEY ACTIONS AND DEVELOPMENTS

During the fiscal year 2015, Ferratum Group further strengthened and expanded its international market position. Consistent implementation of the growth strategy had a positive impact on the company's positive development. Key factors in this context were the market entry into new countries and the expansion of the product portfolio. In concrete terms, the company focused on the following measures which were already contributing to the Group's growth and profitability:

- Sound funding: In February 2015, the Group received net proceeds from its IPO of EUR 46.2 million. In July 2015, Ferratum Bank plc placed a bond with institutional investors in German and other EU countries. From this bond issue, Ferratum Group gained EUR 20 million. Based on these main funding sources, the net receivables from customers have subsequently increased by 73.5% to EUR 106.8 million at the end of 2015 compared to EUR 61.5 million at the end of 2014. Cash and cash equivalents remained strong with a volume of EUR 17.5 million as of December 31, 2015.
- Ferratum Bank plc, a licensed credit institution with an EU banking license in Malta issued by Malta Financial Services Authority, was able to launch the Mobile Bank in Sweden in Q4 2015 as part of a pilot project for select customers. The most important strategic goal for 2016 is to launch the Mobile Bank in additional European countries. The Mobile Bank offers a totally new level of convenience in mobile banking: Customers will be able to access their current accounts, savings deposits and bank cards in real-time in an easy, secure and mobile manner, regardless of the currency. Thus, we are convinced that the Mobile Bank will attract new customers and increase the loyalty of existing customers. The Mobile Bank will contribute to refinancing the operations under Ferratum Bank plc's EU banking license and will also allow for cross selling into lending products and support the growth of revenues from lending.
- Ferratum Group continued to extend its product portfolio and gradually introduced the additional products in existing markets. Besides the established microloan, Ferratum Group offers PlusLoans (installment loans) as well as a Credit Limit product. Ferratum introduced the product PlusLoans in a total of two new countries in fiscal year 2015, which means the product is available in eleven countries. Furthermore, Ferratum introduced the product Credit Limit in two more countries in fiscal year 2015, so customers in six countries had the possibility to choose this product in 2015. Based on these products, Ferratum Group can offer larger loan amounts for a longer period of time, which increases revenues per customer. Revenues from PlusLoans grew by 238% and from Credit Limit by 173% in financial year 2015 compared to 2014. Supplementing the product portfolio reinforces Ferratum Group's market presence while generating higher benefits from an increased number of customers.
- The markets for alternative and innovative lending models continue to grow. Organic growth in existing markets therefore further promotes Ferratum Group's development. Although many existing customers moved from microloans to PlusLoans or Credit Limit, the revenues from microloans still grew by 12%.

- With market entries in Norway, Canada, France and Mexico, Ferratum started operations in four markets in fiscal year 2015 and therefore created the prerequisites to further expand the loan business with private customers and benefit from economies of scale. Overall, Ferratum is now operationally active in 23 countries. Geographic expansion is an important part of its growth strategy, which provides for expansion of its activities to 30 countries in the medium term.

Based on these growth drivers Ferratum Group continued its positive growth trend in 2015 by achieving new records in terms of revenues of EUR 111.0 million and operating profit of EUR 16.5 million. Ferratum Group thus achieved its goals in fiscal year 2015 and set crucial impulses for further growth in 2016.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

- The Credit Limit product was launched in one more country during the first three months of 2016 and is currently offered in a total of seven countries.
- In January 2016, Ferratum Group extended its product range in Germany while launching deposit products through its subsidiary Ferratum Bank plc. This includes mainly savings and time deposits. With this new range of products for German savers, Ferratum is pleased to be in a position to offer a wider choice to individuals seeking a secure return on their capital. Furthermore, Ferratum is receiving additional capital that can generate further growth in earnings through cross-product use, such as in the lending business. Therefore, this product extension represents an important milestone for the company on the way to becoming a Mobile Bank.
- Ferratum prepared the acquisition of FCB Firmen-Credit Bank GmbH (FCB). FCB, with its seat in Frankfurt/Main (Germany), is part of Avenue Capital Group (ACG) and has a German banking license for the deposit and credit business. The final transaction will take place after obtaining the approval of the European Central Bank (ECB). The ECB's approval is the only suspensive condition to the planned acquisition and is expected to be fulfilled during the second quarter of 2016. Following this acquisition, Ferratum Group will own yet another EU credit institution besides Ferratum Bank plc. After the acquisition, Ferratum will shift the focus of FCB to the Groups's division "Ferratum Business." As a result, FCB should become the central unit within Ferratum Group for distributing small business loans.

The credit line with Nordea was raised from EUR 7.5 million to EUR 15 million in March 2015. The Group provided additional collateral for the higher credit line, including a floating charge agreement with Ferratum Oyj worth EUR 15 million, and Ferratum Finland Oy worth EUR 7.5 million. The new increased credit line was agreed between Nordea Bank Finland and Ferratum Capital Oy and is guaranteed by Ferratum Oyj.

In 2015, the Group's management decided to acquire new office premises for its use in Finland for which a price of EUR 1.2 million was paid in Jan 2016.

TREASURY UPDATE

Ferratum Group ended the year 2015 with a cash position of EUR 17.5 million (2014: EUR 8.0 million).
On February 6, 2015, Ferratum Group successfully completed its Initial Public Offering and is now listed in the Prime Standard of Frankfurt Stock Exchange. Based on an issue price of EUR 17 per share, the gross proceeds from the IPO totaled EUR 110.8 million. An amount of EUR 48.2 million accrues to Ferratum Group in the form of gross issue proceeds arising from the capital increase. These funds will be used to implement the growth strategy.

The offer included 6,517,188 ordinary shares with no nominal value, consisting of 2,833,560 newly issued shares of the company, 2,833,560 shares offered for sale by the existing shareholders of Ferratum Group and another 850,068 shares from Ferratum Group's two largest shareholders. Due to the capital increase from the newly issued shares, the number of shares increased to 21,723,960 (including treasury shares). Jorma Jokela, CEO and founder of Ferratum Group, remains the company's majority shareholder by holding 57.3% of the shares after the IPO. As a result of the Greenshoe option being fully exercised, free float amounts to 30.00%. The IPO is considered to be a very significant milestone for Ferratum Group and is certain to strongly support Ferratum Group's further development.

The proceeds from the IPO were used with immediate effect in February 2015 to repay drawdowns on Ferratum Group's variable refinancing facilities (Svea). Loan notes totaling EUR 5 million held with a German insurance company were notified and repaid as per August 30, 2015. One due bond denominated in Polish zloty (PLN) (series B1, listed in Poland) was paid back in June. The strong liquidity position of the Group enabled it to further reduce the refinancing volume in PLN.

In July 2015, Ferratum Group issued a new bond via Ferratum Bank plc with a maturity of 18 months and a volume of EUR 20 million. This bond issue increased the bank's funding position and improved its ability to raise deposits by strengthening its regulatory ratios.

Foreign exchange risk has been managed by using derivative instruments. The main foreign exchange risk arising from the Polish zloty and the British pound was reduced by using such instruments.

The Creditreform rating agency increased the rating of Ferratum's German bond (WKN: A1X3VZ) in 2015 from BBB- to BBB.

CUSTOMER BASE

	Jan - Dec 2015	Jan - Dec 2014	Growth in %
Total user accounts*)	3,651,818	2,816,758	29.6%
Registered accounts	2,420,276	1,858,003	30.3%
Active/former customers	1,231,542	958,755	28.5%
New customers	272,787	197,642	38.0%

*) Total user accounts as of December 31, 2015, and 2014, i.e. registered accounts and active/former customers.

PERSONNEL

At the end of 2015, Ferratum Group employed 583 people (473 Full Time Equivalents) compared with 383 people in 2014. The average number of personnel in 2015 was 478 (2014: 346 people). Payroll expenses amounted to EUR 12.5 million (2014: EUR 8.6 million).

SIGNIFICANT INVESTMENTS

The primary use of funds in Ferratum is the growth of the lending portfolio which increased from EUR 61.5 million to 106.8 million in 2015. Besides this, investments were made in software, thus the intangible assets increased from EUR 4.4 million to EUR 8.2 million in 2015.

RISK FACTORS AND RISK MANAGEMENT

The purpose of risk management is to minimize the probability of unexpected losses and threats against the reputation of the Group and, in addition, to enhance its profitability and shareholder value. The risks of Ferratum Group's operations can be divided into three main categories: credit risks (receivables from customers), market risks (including foreign exchange risks, interest rate risks and other price risks) and operational risks (such as IT risks, legal and regulatory risks and other operational risks).

Credit risks are managed by developing risk management tools to assist the subsidiaries in evaluating the payment behavior of customers. These tools are used to ensure that only solvent customers are accepted, which enables the control of the level of credit losses. The scoring system and the credit policies of the Group's subsidiaries are managed by the central risk department. The risk department is also responsible for the measurement of the payment behavior of the credit portfolio on a daily, weekly and monthly basis. Risk provisioning and the calculation of the impairments are independently managed by the central finance department.

Market risks are managed by the central finance team and its treasury function. The central treasury function is also responsible for Group cash flow planning and ensures the necessary liquidity level for all Group entities.

Operational risks, IT risks as well as legal and regulatory risks are of high relevance for Ferratum Group. Regulatory and legal risks are managed centrally by the Group's legal function in close cooperation with the authorities in the respective countries and relevant stakeholders. Potential or foreseeable changes in applicable laws are analyzed on an ongoing basis and any necessary modifications to Ferratum Group's legal structure are implemented proactively.

The smooth and continuous operation of critical IT systems is effectively guaranteed by various information security solutions. Ferratum Group has developed its processes and systems in order to offer its customers, stakeholders and partners the most efficient and practical software designed to cater to the demands of the developing mobile consumer lending industry.

Ferratum Group takes into account moderate and calculated risks in conducting its business. The Board of Directors monitors operations regularly and is ultimately responsible for adequate risk management and ensuring that the company has access to the appropriate software, including instructions on controlling and monitoring risks. The CEO is responsible for the daily operations of the Group. Each member of the Management Team ultimate bears responsibility for identifying and controlling the risks related to their functions in line with instructions from the Board.

Ferratum Group proactively follows all legal changes that might occur in the countries it operates in and adjusts its operations accordingly, while always considering customer and user experience.

FUTURE DEVELOPMENT

In fiscal year 2016, the company expects to strengthen its position and evolve further towards its vision of becoming the leading Mobile Bank. Areas of focus in 2016 include deposit taking via Ferratum Bank plc, improving mobile usability by introducing a the Mobile Bank application in further countries and rolling out Credit Limit and PlusLoans to existing countries. Geographic expansion will continue to be part of Ferratum's growth strategy and the number of countries with local operations will increase from 23 to 30 in the medium term.

SHARES OF THE COMPANY

The share capital of Ferratum Oyj consists of 21,723,960 shares of which 146,200 are held by Ferratum Oyj itself as treasury shares. The number of outstanding shares with voting and dividend rights is 21,577,760 shares.

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION

The profit for the financial year 2015 of Ferratum Oyj amounted to EUR 3,270,709. Distributable equity of the parent company at the end of the financial year stood at EUR 51,539,170.

The Board of Directors proposes to the Annual General Meeting that, for the financial year ended December 31, 2015, the company will distribute a per share dividend of EUR 0.10 to a total of EUR 2,157,776 after which distributable equity would stand at EUR 49,381,394.

Compared with year-end 2015, no significant changes in the company's financial position have taken place. The liquidity of the company is sound and, according to the Board, the proposed dividend distribution does not jeopardize the solvency of the company.

COMPANY MANAGEMENT AND AUDITOR

Erik Ferm served as Chairman of the Board. Other members of the Board were Jorma Jokela, Lea Liigus, Juhani Vanhala and Kai Becker. Kai Becker was replaced by Pieter van Groos in June 2015. The Chief Executive Officer was Jorma Jokela. The Annual General Meeting elected PricewaterhouseCoopers Oy as the company's auditor, with APA Mikko Nieminen as the auditor with principal responsibility.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2015

Year ended December 31

EUR '000	Note	2015 before IPO related items	2015 IPO related items*	2015 Total	2014
Revenue	5	111,008		111,008	70,508
Other income		47		47	157
Impairments on loans		(34,687)		(34,687)	(20,372)
Operating expenses:		-		-	-
Personnel expenses	6	(17,010)		(17,010)	(11,768)
Selling and marketing expenses		(16,200)		(16,200)	(9,608)
Lending costs		(7,116)		(7,116)	(4,569)
Other administrative expenses		(5,097)		(5,097)	(3,033)
Depreciations and amortization	7	(1,309)		(1,309)	(628)
Other operating expenses	8	(12,669)	(489)	(13,158)	(10,076)
Operating profit		16,967	(489)	16,478	10,611
Financial income	9	95		95	99
Finance costs	10	(4,154)		(4,154)	(4,180)
Finance costs – net		(4,059)		(4,059)	(4,081)
Profit before income tax		**12,908**	**(489)**	**12,419**	**6,531**
Income tax expense	11	(1,491)	-	(1,491)	(911)
Profit for the period		**11,417**	**(489)**	**10,928**	**5,619**
Earnings per share, basic	12	0.54		0.51	0.30
Earnings per share, diluted	12	0.53		0.51	0.26
Profit attributable to:					
- owners of the parent company				10,928	5,619
- non-controlling interests (NCI)				0	0

*During the year ended December 31, 2014, IPO-related expenses amounted to EUR 1,176 thousand

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2015

		Year ended December 31	
EUR '000	**Note**	**2015**	**2014**
Profit for the period		10,928	5,619
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation difference		(134)	(232)
Total items that may be subsequently reclassified to profit or loss		(134)	(232)
Total comprehensive income		**10,795**	**5,387**
Allocation of total comprehensive income to:			
- owners of the parent company		10,795	5,387
- non-controlling interests (NCI)		0	0

The notes 1 - 27 are an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT QUARTERLY OVERVIEW

EUR '000	2015 Q4	2015 Q3	2015 Q2	2015 Q1 (i)	2014 Q4 (ii)	2014 Q3	2014 Q2	2014 Q1
Revenue	31,829	29,384	26,763	23,033	21,079	18,598	16,177	14,655
Other income	(1)	34	(138)	153	77	(210)	21	269
Impairments on loans	(9,884)	(8,359)	(8,775)	(7,669)	(6,165)	(4,718)	(4,107)	(5,382)
Operating expenses:								
Personnel expenses	(5,296)	(4,279)	(3,765)	(3,670)	(3,915)	(2,848)	(2,470)	(2,534)
Selling and marketing expenses	(5,047)	(4,340)	(3,584)	(3,229)	(3,436)	(2,301)	(2,152)	(1,720)
Lending costs	(2,092)	(1,722)	(1,786)	(1,516)	(1,401)	(1,316)	(1,023)	(830)
Other administrative expenses	(1,761)	(931)	(1,447)	(957)	(822)	(996)	(691)	(524)
Depreciations and amortization	(357)	(464)	(292)	(196)	(194)	(163)	(136)	(135)
Other operating expenses	(3,125)	(3,398)	(3,270)	(3,365)	(3,078)	(2,897)	(2,276)	(1,825)
Operating profit	**4,266**	**5,924**	**3,705**	**2,583**	**2,145**	**3,149**	**3,343**	**1,975**
Financial income	(190)	(554)	(134)	973	27	(281)	297	56
Finance costs	(1,052)	(1,144)	(953)	(1,006)	(1,435)	(706)	(1,119)	(920)
Finance costs – net	(1,242)	(1,698)	(1,087)	(32)	(1,408)	(987)	(823)	(864)
Profit before income tax	**3,024**	**4,226**	**2,619**	**2,551**	**737**	**2,162**	**2,520**	**1,111**
Income tax expense	(363)	(507)	(258)	(362)	285	(579)	(395)	(222)
Profit for the period	**2,660**	**3,719**	**2,361**	**2,188**	**1,022**	**1,583**	**2,125**	**889**
Profit attributable to:								
- owners of the parent company	2,660	3,719	2,361	2,188	1,022	1,583	2,125	889
- non-controlling interests	0	0	0	0	0	0	0	0

(i) Including IPO related costs in the amount of EUR 488,941 recognized as operating expenses in the first quarter of 2015

(II) Including IPO related costs in the amount of EUR 1,176,242 recognized as operating expenses in the fourth quarter of 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY OVERVIEW

EUR '000	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Profit for the period	2,660	3,719	2,361	2,188	1,022	1,583	2,125	889
Other comprehensive income								
Items that may be subsequently reclassified to profit or loss								
Translation differences	218	182	(430)	(103)	(104)	(34)	(34)	(60)
Total items that may be subsequently reclassified to profit or loss	218	182	(430)	(103)	(104)	(34)	(34)	(60)
Total comprehensive income	**2,878**	**3,901**	**1,930**	**2,086**	**918**	**1,549**	**2,091**	**829**
Allocation of total comprehensive income to:								
- owners of the parent company	2,878	3,901	1,930	2,086	918	1,549	2,091	829
- non-controlling interests	0	0	0	0	0	0	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	Dec. 31, 2015	Dec. 31, 2014
Assets			
Non-current assets			
Property, plant and equipment	13	560	294
Intangible assets	14	8,232	4,383
Deferred income tax assets	15	2,692	2,711
Total non-current assets		**11,484**	**7,388**
Current assets			
Accounts receivable – consumer loans	16	106,758	61,529
Other receivables		4,309	2,194
Income tax assets		124	668
Cash and cash equivalents (excluding bank overdrafts)	17	17,452	8,026
Total current assets		**128,643**	**72,417**
Total assets		**140,127**	**79,805**
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	18	10,134	7,300
Treasury shares	18	(142)	(142)
Reserves	18	(638)	(392)
Unrestricted equity reserve	18	44,708	2,373
Retained earnings		23,577	12,305
Total equity		**77,638**	**21,443**
of which related to non-controlling interests			
Liabilities			
Non-current liabilities			
Borrowings	19	48,739	28,719
Other payables		4	11
Deferred income tax liabilities	15	184	155
Total non-current liabilities		**48,927**	**28,885**
Current liabilities			
Income tax liabilities		1,002	1,634
Borrowings	19	3,543	20,233
Trade payables	20	2,727	4,401
Other current liabilities	20	6,290	3,209
Total current liabilities		**13,562**	**29,477**
Total liabilities		**62,489**	**58,362**
Total equity and liabilities		**140,127**	**79,805**

CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended December 31	
EUR '000	**2015**	**2014***
Cash flows from operating activities		
PROFIT/LOSS FOR THE PERIOD	10,928	5,619
Adjustments for:		
Depreciation and amortization	1,309	628
Finance costs, net	4,059	4,081
Tax on income from operations	1,491	911
Transactions without cash flow	(324)	(406)
Working capital changes:		
Increase (-) /decrease(+) in interests accrued	(28,123)	(20,685)
Increase (+) /decrease(-) in allowances for doubtful current trade receivables	34,687	20,372
Increase (-) /decrease(+) in other current receivables	(2,115)	1,769
Increase (+) / decrease (-) in trade payables and other current liabilities	939	(2,063)
Interest paid	(3,313)	(4,309)
Interest received	20	92
Other financing items	(121)	(77)
Income taxes paid	(1,206)	(923)
Taxes received back		1,622
Deposits received	873	1,026
Net cash from operating activities before movements in the portfolio	**19,104**	**7,657**
Loans granted	(266,324)	(174,873)
Proceeds from repayments of loans	214,530	158,340
Net cash from operating activities	**(32,690)**	**(8,876)**
Cash flows from investing activities		
Purchase of tangible and intangible assets	(5,455)	(1,930)
Proceeds from the sale of tangible and intangible assets		12
Proceeds from the sale of other assets	5	
Net cash used in investing activities	**(5,450)**	**(1,918)**
Cash flows from financing activities		
Proceeds from shares issue	48,171	-
Expenses related to share issue	(1,923)	-
Proceeds from short-term borrowings	-	8,990
Repayment of short-term borrowings	(17,563)	(1,758)
Proceeds from long-term borrowings	20,020	4,935
Repayment of long-term borrowings	-	(9,750)
Dividends paid / distribution of equity reserve	(1,079)	(695)
Net cash used in financing activities	**47,625**	**1,722**
Net increase/decrease in cash and cash equivalents	**9,485**	**(9,071)**
Cash and cash equivalents at the beginning of the period	8,026	17,528
Exchange gains/(losses) on cash and cash equivalents	(59)	(431)
Net increase/decrease in cash and cash equivalents	9,485	(9,071)
Cash and cash equivalents at the end of the period	17,452	8,026

*Deposits received (2014: EUR 1,026) were moved from cash flow from financing activities to cash flow from operating activities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes in equity Jan - Dec 2014, EUR '000	Share capital	Treasury shares	Unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Equity holders of parent	NCI	Total equity
Opening balance Jan. 1, 2014	**10**	**(142)**	**3,068**	**2**	**(173)**	**12,915**	**15,679**	**0**	**15,6**
Comprehensive income									
Profit or loss						5,619	5,619	0	5,619
Other comprehensive income									
Currency translation difference:				(0)	(221)	(11)	(232)	0	(232)
Total comprehensive income				**(0)**	**(221)**	**5,608**	**5,387**	**0**	**5,387**
Transactions with owners									
Distribution of equity reserve			(695)				(695)	0	(695)
Increase of share capital (i)	7,290					(7,290)	0	0	0
Share based payments						1,072	1,072	0	1,072
Total transactions with owners	**7,290**		**(695)**			**(6,218)**	**378**	**0**	**378**
Total equity Dec. 31, 2014	**7,300**	**(142)**	**2,373**	**2**	**(394)**	**12,305**	**21,443**	**0**	**21,443**

Changes in equity Jan - Dec 2015, EUR '000	Share capital	Treasury shares	Unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Equity holders of parent	NCI	Total equity
Opening balance Jan. 1, 2015	**7,300**	**(142)**	**2,373**	**2**	**(394)**	**12,305**	**21,443**	**0**	**21,443**
Comprehensive income									
Profit or loss						10,928	10,928	0	10,928
Other comprehensive income									
Currency translation difference:				(0)	(252)	118	(134)	0	(134)
Total comprehensive income				**(0)**	**(252)**	**11,047**	**10,795**	**0**	**10,795**
Transactions with owners									
Proceeds from share issue	2,834		45,337				48,171	0	48,171
Expenses related to share issue			(1,923)				(1,923)	0	(1,923)
Share based payments						225	225	0	225
Other changes				7			7	0	7
Total transactions with owners	**2,834**		**42,335**	7		**225**	**45,400**	**0**	**45,400**
Total equity Dec. 31, 2015	**10,134**	**(142)**	**44,708**	**9**	**(646)**	**23,577**	**77,638**	**0**	**77,638**

1. GENERAL INFORMATION

Ferratum Group is one of the leading providers of mobile consumer loans globally. It is an independent Group and does not belong to any other Group in the financial or commercial sector. Ferratum Group operates under generally accepted ethical principles, is one of the leading players in developing the credibility of mobile consumer lending and common industry processes, and has developed its business model and processes to be efficient and customer-oriented. The identification and scoring of customers are key factors in the business globally.

The parent company, Ferratum Oyj (business identity code 1950969-1), is headquartered in Helsinki, Finland. The registered address is Ratamestarinkatu 11 A, FI-00520 Helsinki.

The financial year for all Group companies is the calendar year and it ended on December 31, 2015. The Board of Directors of Ferratum Group approved these financial statements for publication on March 24, 2016. According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

A copy of the consolidated financial statements can be obtained from the head office of Ferratum Group at Ratamestarinkatu 11 A, FI-00520 Helsinki.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Ferratum Group's financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

During the year ended December 31, 2015, there have been some amendments to existing standards. None of the new or revised standards or amendments had an impact on the reported income statement and the statement of financial position.

The preparation of financial statements in accordance with IFRS requires the management to use certain critical accounting estimates. The application of the company's accounting policies also requires the management to make assumptions and exercise its judgment in the process of applying the Group's accounting policies. Areas that to a large extent contain such discretionary assessments or a high level of complexity or areas in which assumptions and estimates are important to the consolidated financial statements are disclosed in note 4: Critical accounting estimates and judgments.

Standards, interpretations and amendments to published standards which are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorization for issue of these financial statements, but have not yet become effective. Ferratum Group has not early adopted these revisions to the requirements of IFRSs as approved by the EU and the Group's directors are of the opinion that, with the exception of IFRS 9, 'Financial instruments,' there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

IFRS 9 Financial instruments (effective date for annual periods beginning on or after January 1, 2018)

The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized amortized cost, fair value through other comprehensive income and fair value through income statement. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value, through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after January 1, 2018)

IFRS 15 replaces the IAS 18 Revenue and establishes a new comprehensive framework for recognition of revenue arising from contracts with customers. The core principle of the new framework is that an entity should recognize revenue representing the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 15 Revenue from Contracts with Customers applies to all contracts with customers except for: leases within the scope of IAS 17 Leases; financial instruments and other contractual rights or obligations within the scope of IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures; insurance contracts within the scope of IFRS 4 Insurance Contracts; and non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers. [IFRS 15:5]

IFRS 15 introduces a five-step model for revenue recognition that focuses on the "transfer of control" rather than current "transfer of risks and rewards." The new model consists of the following steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 should have no significant impact on Ferratum Group's financial statements, since the Group's revenue is fully related to interest income recognized mainly according to the effective interest rate within the scope of IFRS 9 Financial Instruments.

IFRS 16 Leases issued in January 2016 (effective for annual periods beginning on or after January 1, 2019)

IFRS 16 defines the recognition, measurement, presentation and disclosure requirements on leases. The standard introduces a single lessee accounting model that requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. At the same time, the standard has no substantial changes to lessor accounting. Lessors continue to classify leases as operating or finance. The adoption of the new standard should have no significant impact on Ferratum Group's financial statements.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. Ferratum Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to Ferratum Group's accounting policies.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Ferratum Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the senior management team that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

The financial statements of the individual entities in the Group are prepared using the currency which is mainly used in the economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euro (EUR), which is both the functional currency and the presentation currency of the parent company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in the income statement or other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are recognized in the financial statements at their cost of acquisition less depreciation (carrying amount). The cost of acquisition includes costs directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Fixed assets are depreciated according to the straight-line method, so that the assets' original cost is depreciated to the residual value over the estimated useful life, which is:

Fixtures, fittings and equipment: 3 – 8 years
Vehicles: 3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other operating (expenses)/income (net) in the income statement.

2.6 Intangible assets

Intangible assets of Ferratum Group are mainly immaterial rights (licenses, trademarks, etc.) and capitalized software development costs.

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, which are:

IT software: 2 – 10 years
Trademarks: 3 – 5 years
Licenses: 2 – 10 years
Development costs: 2 – 5 years

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Ferratum Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense incurred. Development costs recognized as assets are amortized over their estimated useful lives.

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.8 Financial assets

2.8.1 Classification

Ferratum Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'account receivables – consumer loans,' 'other receivables' and 'cash and cash equivalents' in the balance sheet.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

2.9 Impairment of financial assets

Ferratum Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets 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 group of financial assets that can be reliably estimated.

Assets carried at amortized cost (account receivable – consumer loans)

The criteria that Ferratum Group uses to determine that there is objective evidence of impairment loss include:

(a) a significant financial difficulty of the issuer or obligor;
(b) a breach of contract, such as a default or delinquency in interest or principal payments;
(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider or
(d) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
(e) adverse changes in the payment status of borrowers in the portfolio; and
(f) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Ferratum Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that consider on the basis of the Group's grading process asset type, past-due status and other relevant factors). Each entity of Ferratum Group tracks its historical data of collected amounts and unpaid amounts on receivables. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

The provision for impairment of loan receivables is recognized in the financial statements based on historical trends and collective assessment of groups of microloans with similar credit risk characteristics. These loan receivables include the loan principal amount as well as related accrued fees (processing, prolonging, reminders and overdue fees). When receivables are impaired, the receivable's carrying amount is reduced to the receivable's recoverable amount. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account through profit or loss for the year. When the loans have been 100% impaired, they are written off.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Ferratum Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs, after which it is included in the amortized cost of the loan. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Revenue recognition

Ferratum Group generates its revenue from its lending activities by charging one or more of the following fees to the customer: processing fee (representing interest yield on the initial loan period), prolonging fees (representing interest yield for any extension of the repayment date for the original maturity date of the loan), reminder fees and overdue fees. The fees mentioned are an integral part of the creation of the financial asset (accounts receivable – consumer loans) and represent interest income by nature.

Revenues are recognized when:

(a) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(b) the amount of the revenue can be measured reliably.

The recognition of revenues is based on the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

After signing the contract with the customer, the Group first assesses the probability that the fees charged can be recovered and that the economic benefits from the fees (i.e. the effective interest income accrued on the basis of the contractual fees) will flow to the Group. This assessment involves uncertainty estimation as it is based on the Group's statistics and historical information on customer behavior. The identification and credit scoring model allows the Group to create a customer default and risk profile for every single customer any time a loan request comes in. This is a critical step in the assessment of whether or not the economic benefits associated with the issuance of the consumer loan will flow to the Group, as the scoring model rejects non-creditworthy loan requests.

After this assessment, when it has been concluded that it is probable that economic benefits will flow to the Group, the Group assesses whether the amount of revenue can be measured reliably. The loan contracts comprise explicit terms for the loans granted i.e. the loan amount, maturity and repayment schedules and the associated fees which are used as a basis for revenue recognition. Given that the cash flows are contractually based, the amount of revenue can be measured reliably.

Revenue recognition using the effective interest rate calculations starts on day zero based on the estimated cash flows and payment dates in accordance with what is agreed in the contract. On the day when the loan is issued, the revenue recognition method accounts for the interest accrual for the first day, and subsequently, on a day to day basis. The effective interest rate is based on the number of days between the day on which the loan is paid out and the day on which the loan is contractually due.

2.16 Financial income and costs

Interest income and expense for all interest-bearing financial instruments, except microloans, are recognized within 'finance income' and 'finance costs' in profit or loss using the effective interest method.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options), but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.17 Other income from operations

Revenues that are not part of actual net sales, such as revenue from the sale of non-current assets, are recorded under other income from operations.

2.18 Share-based payments

Over time, certain individuals and employees have been offered the opportunity to invest in the shares of the parent company of Ferratum Group. The individuals have purchased the shares at their fair value. According to IFRS 2 (Share-based payment), due to the fact that these individual investors are also employed by Ferratum Group, certain expenses need to be recorded in the income statement as equity settled share-based payments although the share ownership doesn't have any expense or cash impact on the company. These expenses reflect the potential upside for the minority shareholders in terms of a value increase of the shares. The fair value of this potential increase calculated is recognized annually as expenses over the vesting period. The valuation of the shares is made on the date of the grant using the Black and Scholes model, adjusted to take into account the terms and conditions upon which the shares were granted (except for vesting conditions).

2.19 Derivative instruments

The derivative contracts are initially recognized at fair value on the date they enter into operation. Subsequent measurement is also based on their fair value. The fair value of derivatives is calculated by discounting the future cash flows at the current interest rate on the balance sheet date. Interest rate and foreign exchange swaps are part of the Group's risk management policy, but the Group does not apply hedge accounting under IAS 39 to derivative instruments. The derivatives are included in the balance sheet as other receivables and payables. Unrealized and realized gains and losses arising from changes in fair value are recognized in the income statement in financial income and expenses in the period during which they arise. Accumulated interest income or expenses from interest rate swaps that have taken place during the financial period are also recognized in the income statement under financial items.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Ferratum Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Ferratum Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Ferratum Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Group treasury). Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board is responsible for the overall effectiveness of the risk management function, whose function is, however, carried out by all of the members of the Group's management.

(a) Credit risk

Ferratum Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is the most important risk for the Group's business; accordingly management carefully manages its exposure to this risk. Credit exposures arise principally through the Group's participation in short-term lending. The Group's principal credit risk exposures relating to on-balance sheet financial assets analyzed by class and IAS 39 categorization, reflecting the maximum exposure to credit risk before collateral held or other credit enhancements, are as follows:

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Loans and receivables:		
Cash and cash equivalents (i)	17,452	8,026
Accounts receivable – consumer loans	106,758	61,529
Other receivables	4,309	2,194
	128,519	**71,749**

(i) The balance is broadly diversified with over 200 bank accounts in 25 countries

The exposures set out in the table above are based on carrying amounts as reported in the statement of financial position for on-balance sheet financial assets. The fair value of loans and receivables are equivalent to their carrying amounts. The table represents a worst case scenario of credit risk exposure to the Group on December 31, 2015, and 2014, without taking account of any collateral held or any other credit enhancements attached.

LOANS AND ADVANCES TO CUSTOMERS

Credit risk is managed centrally. Scoring and credit policies are steered centrally by the risk team. Measuring and monitoring the performance of the countries' credit portfolio's actual risk KPIs is done on different aggregation levels on a daily, weekly and monthly rhythm. Credit risk is managed and controlled on the basis of established credit processes, and within a framework of credit policy. Credit grading and monitoring systems are in place to accommodate the early identification and management of deterioration in loan quality. Credit decisions are always based on the ethical principles set by the central risk team and the business credit policy as well as being in accordance with the rules of crediting. Every agreement of crediting requires an individually shaped decision. To assess the potential customers' creditworthiness, the credit score is calculated for each new application received. An application scorecard is used for the assessment of new customers and a behavior scorecard is used for the assessment of repeat customers. Based on the credit score obtained, customers are grouped into risk classes that determine the possible credit decision.

Ferratum Group calculates reserving needs centrally for Group accounting purposes and also supports subsidiaries in calculating their local reserving requirements. The reserving requirements are calculated based on the Gross Roll Rate Model and Transition Matrices (mathematical model of Markov Chains), which measures the probability of delinquency based on payment behavior and calculates the required risk provisions for impairment of loan receivables (reserves) accordingly. The reserving needs based on the reserve model are impaired with the market value of bad debt, i.e. expected or recent sales prices for overdue loans.

(b) Market risk

Ferratum Group 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. Market risks arise from open positions in interest rate and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates.

FOREIGN EXCHANGE RISK

Ferratum Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Transaction risk arises from future commercial transactions, recognized assets and liabilities. Translation risk arises from net investments in foreign operations.

Ferratum Group treasury's risk management policy is to hedge the main FX exposures in non-euro currencies. Management has set up a policy to require Ferratum Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. On the reporting date, the Group companies mainly had transactions in their respective functional currencies, and accordingly, the transaction risk in the Group companies was minimal.

The Group has several investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

Intra-group loans between the parent and other Group companies are usually denominated in the Group companies' functional currencies, which creates some transaction risk that is not eliminated in consolidation.

As a result of intra-group borrowings, main foreign exchange risk arises from the Polish zloty. On December 31, 2015, if the euro had weakened/strengthened by 10% against the Polish zloty with all other variables held constant, pre-tax profit for the period would have been EUR 1,267 thousand higher/lower, mainly as a result of foreign exchange gains/losses on intra group borrowings (2014: EUR 483 thousand).

Based on the various scenarios, the Group occasionally manages its cash flow foreign exchange risk by using foreign exchange swaps. As per December 31, 2015, part of the foreign exchange risk arising from the net assets denominated in Polish zloty (PLN) was hedged by using a PLN-EUR foreign exchange swap. The swap's nominal value was EUR 5,000,000, covering 29% of the Group's net assets denominated in Polish zloty.

CASH FLOW AND FAIR VALUE INTEREST RATE RISK

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Ferratum Group's main interest rate risk arises from long-term borrowings which are issued at fixed and variable rates. These expose Ferratum Group to cash flow interest rate risk which is partially offset by having a short term loan portfolio as a main asset in the Group. Increasing refinancing cost can be potentially covered by according price changes in new lending whereby the spread between lending interest and borrowing interest is comparably high. During the year ended December 31, 2015, and the year ended December 31, 2014, Ferratum Group's borrowings at a variable rate were denominated in PLN and EUR.

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Fixed interest rate borrowings	46,950	33,404
Variable interest rate borrowings	5,332	15,548
Total borrowings	**52,281**	**48,952**

Ferratum Group analyzes its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, Ferratum Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group occasionally manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. As per December 31, 2015, part of the interest rate risk arising from the credit line from Nordea was hedged using a floating-to-fixed interest rate swap. The swap's nominal value was EUR 5,000,000 covering 94% of the Group's variable rate borrowings. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

On December 31, 2015, if interest rates on that date had been 100 basis points lower/higher with all other variables held constant, pre-tax profit for the period would have been EUR 45 thousand higher/lower, mainly as a result of lower/higher interest expense on variable interest liabilities.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of Ferratum Group and aggregated by Ferratum Group finance. Ferratum Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, currency restrictions, for example. Surplus cash held by the operating entities over and above the balance required for working capital management is transferred to the Group treasury. Ferratum Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. On the reporting date, the Group had unused credit lines amounting to EUR 7,611 thousand.

Ferratum Group has entered into one factoring agreement in Finland, whereby a portfolio of loan receivables is transferred to a counterparty against a cash payment. The risks and benefits related to the transferred assets are not, however, transferred given that the Group has a repurchase obligation in case of the customer's default. Accordingly, the transferred assets continue to be presented as the Group's accounts receivables, and a financial liability to the transferee is recognized.

The repayment schedule for financial liabilities as of December 31, 2015, including future interest payments, is as follows. Variable interest payments are estimated based on the spot interest rate level on the balance sheet date. The amounts are undiscounted.

Dec. 31, 2015	Less than 12 months	Between 1 – 2 years	Between 2-5 years	Over 5 years
Bank borrowings	533	44		11
Interest	443			
Bonds issued		24,808	25,000	
Interest	3,378	2,689	2,000	
Deposits from customers	3,009			
Derivatives	32	32	64	
Trade payables and other current liabilities	9,017			
	16,412	**27,573**	**27,064**	**11**

Dec. 31, 2014	Less than 12 months	Between 1 – 2 years	Between 2-5 years	Over 5 years
Bank borrowings	10,681			111
Interest	445	2	6	2
Corporate loan	5,000			
Interest	262			
Bonds issued	2,416		28,715	
Interest	2,554	2,443	4,221	
Deposits from customers	2,137			
Derivatives	24	24	72	
Trade payables and other current liabilities	7,610			
	31,128	**2,469**	**33,014**	**113**

3.2 Capital management

Ferratum Group's objectives when managing capital are to safeguard Ferratum Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for the Group's stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Ferratum Group may adjust the amount of dividends paid to shareholders, issue new bonds or sell assets to reduce debt.

Ferratum Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total liabilities (including 'current and non-current liabilities' as shown in the consolidated balance sheet) less cash and cash equivalents.

During the year ended December 31, 2015, Ferratum Group's strategy, which was unchanged from 2014, was to maintain the gearing ratio below 3.

Net debt to equity ratio	Dec. 31, 2015	Dec. 31, 2014
Total liabilities	62,489	58,362
Less: cash and cash equivalents	17,452	8,026
Net debt	45,037	50,336
Total equity	77,638	21,443
Net debt to equity ratio	0.58	2.35

3.3 Carrying values and fair values of financial instruments

Financial assets and liabilities valued at fair value, and for which fair value is disclosed in the notes, are classified on three levels, depending on the estimated reliability of the valuation method:

Level 1: A quoted market price for identical instruments in an active market where the Group can access on the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table shows the carrying amounts and fair values of the Group's financial instruments and their level of measurement, where the carrying amount is not a reasonable approximation of the fair value due to the short maturity:

Financial instruments, EUR '000	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2014	Level of fair value measurement
	Carrying value	Fair value	Carrying value	Fair value	
Financial assets					
Items recognized at fair value through profit and loss					
Foreign exchange derivative	176	176	n/a	n/a	Level 2
Financial liabilities					
Items recognized at amortized cost					
Loans from financial institutions	577	577	10,681	10,916	Level 3
Bonds	48,695	52,913	36,131	36,623	Level 1
Items recognized at fair value through profit and loss					
Interest derivative	129	129	119	119	Level 2

Derivatives consist of interest rate swaps whose fair value is calculated as the present value of the estimated future cash flows based on observable yield curves.

Bonds are measured directly by reference to their market price in an active market.

Loans from financial institutions are fair valued based on the present value of the estimated future cash flows using the approximate interest rate for which Ferratum Group would get the loan on the reporting date. These are categorized within level 3, given that credit spread is a significant unobservable input based on management's estimation.

Carrying values for the Group's loans and receivables and trade and other short term liabilities are a reasonable approximation of their fair value and accordingly, fair value is not presented.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The amounts recognized in the financial statements are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of financial statements. The judgements made by management in applying the Group's accounting policies that have the most significant effect on the amounts recognized in the financial statements, together with information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are either disclosed below or in the remaining notes to the financial statements.

4.1 Impairment losses on loan and advances

Ferratum Group reviews its loan portfolio on an on-going basis to assess whether there is any objective evidence of impairment. Objective evidence that individual loans and advances are impaired includes observable data that comes to the attention of the Group about loss events, such as repayments falling into arrears. Objective evidence that a group of loans and receivables may be impaired includes probabilities of default associated with the credit status of that group and measurable economic conditions which may influence future cash flows from the assessed loans. Management uses estimates based on historical loss experience for assets with credit risk characteristics similar to those in the assessed group when forecasting future cash flows. The methodology and assumptions for estimating the amount and timing of future cash flows are reviewed regularly in the light of actual loss experience.

4.2 Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payments transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in Note 23.

5. SEGMENT INFORMATION

Ferratum Group has two operating reportable segments. Operating segments are based on the Group's management structure which consists of two geographical regions: West and East. The West region includes Australia, New Zealand, Canada, the UK, Spain, the Netherlands, Mexico, Sweden, Denmark, Germany and Finland. The East region includes Estonia, Lithuania, Latvia, Poland, the Czech Republic, Slovakia, Croatia, Bulgaria, Russia, Romania and Turkey.

5.1 Business segments in 2015

				Year ended December 31
EUR '000	**West**	**East**	**Other***	**Group**
Revenue	66,906	44,102	-	111,008
Other income	34	11	2	47
Impairments on loans	(19,919)	(14,769)	-	(34,687)
Operating expenses:				
Selling, marketing and administration	(24,742)	(17,745)	(2,937)	(45,424)
Depreciations and amortization	(271)	(531)	(507)	(1,309)
Other operating expenses	(4,318)	(2,945)	(5,894)	(13,158)
Operating profit	**17,690**	**8,123**	**(9,335)**	**16,478**
Total segment assets	**79,537**	**53,730**	**6,861**	**140,127**
Total segment liabilities	**32,719**	**27,866**	**1,904**	**62,489**

* Includes administration and other services of the parent company, as well as all other income and expenses, assets and liabilities not allocated to operating segments.

5.2 Business segments in 2014

Year ended December 31

EUR '000	West	East	Other*	Group
Revenue	42,377	28,131	-	70,508
Other income	139	112	(94)	157
Impairments on loans	(11,273)	(9,099)	-	(20,372)
Operating expenses:				
Selling, marketing and administration	(15,344)	(11,053)	(2,581)	(28,978)
Depreciations and amortization	(242)	(118)	(268)	(628)
Other operating expenses	(2,825)	(3,124)	(4,127)	(10,076)
Operating profit	**12,832**	**4,849**	**(7,070)**	**10,611**
Total segment assets	**45,138**	**31,028**	**3,639**	**79,805**
Total segment liabilities	**38,890**	**15,121**	**4,350**	**58,362**

* Includes administration and other services of the parent company, as well as all other income and expenses, assets and liabilities not allocated to operating segments.

5.3 Geographical areas

EUR '000	2015	2014
Revenue, abroad	84,730	55,364
Revenue, domestic	26,278	15,144
Total revenue	**111,008**	**70,508**

5.4 Revenue structure by products

EUR '000	2015	2014
Microloans	58,510	52,189
PlusLoans, incl. SME	13,051	3,867
Credit limits, incl. Ferbuy	39,447	14,453
Total revenue	**111,008**	**70,508**

6. PERSONNEL EXPENSES

EUR '000	2015	2014
Salaries and other employee benefits (incl. bonuses)	(12,533)	(8,622)
Employee pension expenses	(479)	(311)
Other personnel expenses	(3,773)	(1,763)
Share-based payments equity settled (i)	(225)	(1,072)
Total personnel expenses	**(17,010)**	**(11,768)**

(i) The major part of these expenses in 2014 (EUR 977,027) were incurred as part of IPO related costs, the remaining part (EUR 95,351) related to old share-based programs to employees launched during 2011-2012. There were no cash-settled share-based payments. The share-based payments reflect the calculated benefit of options granted and shares sold to employees from major shareholder and are not cash relevant for Ferratum Group.

7. DEPRECIATION AND AMORTISATION

EUR '000	2015	2014
Tangible assets		
Machinery & Equipment	(138)	(113)
Other tangible assets	(9)	(4)
Total tangible assets	**(147)**	**(118)**
Intangible assets		
Trademarks and licenses	(220)	(220)
Internally generated software development costs	(469)	-
IT Software	(473)	(290)
Total intangible assets	**(1,162)**	**(510)**
Total depreciation and amortization	**(1,309)**	**(628)**

8. OTHER OPERATING EXPENSES

EUR '000	2015	2014
Rent and other office expenses	(2,093)	(1,568)
Travel expenses	(1,611)	(1,233)
Professional fees (excl. Audit)	(4,278)	(3,084)
IPO related items	(489)	(199)
Audit fees	(329)	(348)
Other expenses	(4,358)	(3,642)
Total other operating expenses	**(13,158)**	**(10,076)**

Audit fees and other services from audit companies:

EUR '000	2015	2014
PwC		
Audit fees	265	238
Non-audit fees:		
Tax advice	16	46
Other services	502	573
Other audit companies		
Audit fees	64	110
Non-audit fees:		
Other services	51	8
Total audit fees	**329**	**348**
Total non-audit fees	**568**	**627**

9. FINANCE INCOME

EUR '000	2015	2014
Interest income from cash and cash equivalents	95	99
Derivatives held for trading – net gain / (loss)		
Foreign exchange gain, realized		
Total finance income	**95**	**99**

10. FINANCE COSTS

EUR '000	2015	2014
Interest on borrowings	(4,010)	(4,121)
Derivatives held for trading – net gain / (loss)	(9)	(74)
Other finance expenses paid on borrowings	(38)	(12)
Foreign exchange loss on liabilities, realized	(97)	27
Total finance costs	**(4,154)**	**(4,180)**

11. INCOME TAX EXPENSES

EUR '000	2015	2014
Current tax:		
Current tax on profits for the year	(1,492)	(1,504)
Adjustments in respect of prior years	83	(253)
Other direct taxes	(1)	(0)
Total current tax	**(1,411)**	**(1,757)**
Deferred tax:		
Origination and reversal of temporary differences	(96)	941
Impact of change on the corporate tax rates	16	(95)
Total deferred tax	**(80)**	**846**
Total income tax expense	**(1,491)**	**(911)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

EUR '000	2015	2014
Profit before tax	**12,419**	**6,531**
Tax calculated at Finnish tax rate	(2,494)	(1,306)
Tax effects of:		
– Difference between Finnish tax rate and rates in other countries	(541)	(187)
– Income not subject to tax	3,520	2,279
– Expenses not deductible for tax purposes	(1,901)	(1,120)
– Utilization of previously unrecognized tax losses	472	918
– Tax losses for which no deferred income tax asset was recognized	(798)	(8)
Reassessment of recoverability of deferred tax assets	154	813
Re-measurement of deferred tax – change in corporate tax rates*	16	(95)
Changes in tax provisions	-	(1,953)
Adjustment in respect of prior years	83	(253)
Other direct taxes	(1)	(0)
Tax charge	**(1,491)**	**(911)**

*The corporate income tax rate decreased in Denmark from 24.5% to 23.5%, in the United Kingdom from 21% to 20% and in Spain from 30% to 28% in 2015. The corporate income tax rate increased in Germany from 29.58% to 29.65% in 2015. As a result, deferred tax assets and liabilities relating to operations in these countries have been valued at the new tax rate. The full effect of the change has been recorded in the income statement.

EUR '000	2015	2014
Losses on carried forward balance on December 31	10,634	8,526
of which		
- expires in one year	570	1,337
- expires in two years' time	803	379
- expires in later than two years	9,262	6,810

12. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares. The Group does not have any instruments that would have a dilutive impact on the earnings per share.

The weighted average number of ordinary shares in issue has been calculated taking into account the share split that was registered on September 26, 2014. The share split ratio was 1:1700.

EUR	2015	2014
Profit for the reporting period attributable to owners of the parent	10,928,310	5,619,425
Weighted average number of ordinary shares in issue	21,290,522	18,744,200
Earnings per share, basic	**0,51**	**0,30**
Earnings per share, diluted	**0,51**	**0,26**

Taking into account the new number of shares after the IPO (21,577,760 – treasury shares excluded) completed on February 6, 2015, the earnings per share based on profit for the year ended December 31, 2015 were EUR 0.51 (2014: EUR 0.26). Before the IPO related items, the earnings per share were EUR 0.54 based on 21,290,522 shares (2014: EUR 0.36 based on 18,744,200 shares) and EUR 0.53 (2014: EUR 0.31) based on 21,577,760 shares.

13. PROPERTY, PLANT AND EQUIPMENT

EUR '000	Machinery & Equipment	Other tangible assets	Total
Cost, opening balance, as of January 1, 2014	**486**	**1**	**487**
Year ended December 31, 2014:			
Additions of the period	92	49	141
Disposals of the period	(27)		(27)
Reclassification during the period			
Cost, closing balance, as of December 31, 2014	**551**	**50**	**601**
Cumulative depreciation, opening balance, as of January 1, 2014	**(205)**	**(0)**	**(205)**
Year ended December 31, 2014:			
Cumulative depreciation of disposals	15		15
Depreciation for the period	(113)	(5)	(118)
Cumulative depreciation, closing balance, as of December 31, 2014	**(303)**	**(5)**	**(308)**
Net book amount, opening balance	**281**	**1**	**282**
Net book amount, closing balance	**248**	**45**	**294**
Cost, opening balance, as of January 1, 2015	**551**	**50**	**601**
Year ended December 31, 2015:			
Additions of the period	364	76	440
Disposals of the period	(66)		(66)
Reclassification during the period			
Cost, closing balance, as of December 31, 2015	**849**	**126**	**976**
Cumulative depreciation, opening balance, as of January 1, 2015	**(303)**	**(5)**	**(308)**
Year ended December 31, 2015:			
Cumulative depreciation of disposals	**39**		**39**
Depreciation for the period	**(138)**	**(9)**	**(147)**
Cumulative depreciation, closing balance, as of December 31, 2015	**(402)**	**(14)**	**(416)**
Net book amount, opening balance	**248**	**45**	**294**
Net book amount, closing balance	**447**	**113**	**560**

14. INTANGIBLE ASSETS

EUR '000	Immaterial rights	Internally generated software development costs	Computer Software	Total
Cost, opening balance, as of January 1, 2014	**1,104**	**1,753**	**1,378**	**4,235**
Year ended December 31, 2014:				
Additions of the period		1,789		1,789
Disposals of the period				
Cost, closing balance, as of December 31, 2014	**1,104**	**3,542**	**1,378**	**6,023**
Cumulative depreciation, opening balance, as of January 1, 2014	**(662)**		**(468)**	**(1,130)**
Year ended December 31, 2014:				
Cumulative depreciation of disposals				
Depreciation for the period	(220)		(290)	(510)
Cumulative depreciation, closing balance, as of December 31, 2014	**(882)**		**(758)**	**(1,640)**
Net book amount, opening balance	**442**	**1,753**	**910**	**3,105**
Net book amount, closing balance	**222**	**3,542**	**620**	**4,384**
Cost, opening balance, as of January 1, 2015	**1,104**	**3,542**	**1,378**	**6,023**
Year ended December 31, 2015:				
Additions of the period		3,103	1,907	5,010
Disposals of the period				
Cost, closing balance, as of December 31, 2015	**1,104**	**6,644**	**3,285**	**11,034**
Cumulative depreciation, opening balance, as of January 1, 2015	**(882.29)**		**(758)**	**(1,640)**
Year ended December 31, 2015:				
Cumulative depreciation of disposals				
Depreciation for the period	(220)	(469)	(473)	(1,162)
Cumulative depreciation, closing balance, as of December 31, 2015	**(1,102)**	**(469)**	**(1,231)**	**(2,802)**
Net book amount, opening balance	**222**	**3,542**	**620**	**4,384**
Net book amount, closing balance	**2**	**6,175**	**2,054**	**8,232**

15. DEFERRED INCOME TAX ASSETS AND LIABILITIES

CHANGES IN DEFERRED TAXES DURING THE FINANCIAL YEAR 2015

EUR '000	on Jan. 1, 2015	Recognized in income statement	Recognized in Equity	Translation difference	on Dec. 31, 2015
Deferred tax assets					
Tax losses carried forward	1,817	(481)	0	41	1,377
Deferred revenue and credit loss reserve	868	423	0	(1)	1,290
Derivative	26	(1)	0		26
Total	**2,711**	**(59)**	**0**	**40**	**2,692**
Deferred tax liabilities					
Discretionary provisions	155	29	0	0	184
Deferred tax net	**2,556**	**(88)**	**0**	**40**	**2,508**

CHANGES IN DEFERRED TAXES DURING THE FINANCIAL YEAR 2014

EUR '000	on Jan. 1, 2014	Recognized in income statement	Recognized in Equity	Translation difference	on Dec. 31, 2014
Deferred tax assets					
Tax losses carried forward	1,123	688	0	6	1,817
Deferred revenue and credit loss reserve	731	135	0	2	868
Derivative	12	15	0		26
Total	**1,866**	**838**	**0**	**8**	**2,711**
Deferred tax liabilities					
Discretionary provisions	155	(0)	0	0	155
Deferred tax net	**1,711**	**838**	**0**	**8**	**2,556**

16. ACCOUNTS RECEIVABLE – CONSUMER LOANS

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Accounts receivable – consumer loans (gross)	155,890	105,710
Less: provision for impairment of loan receivables	(49,131)	(44,181)
Accounts receivable – consumer loans (net)	106,758	61,529

The Group does not have a material amount of individually impaired loan receivables. The ageing analysis of loan receivables which are collectively assessed for impairment is as follows:

EUR '000	Dec. 31, 2015				Dec. 31, 2014			
	GBV	Impairments	NBV	Impaired loan coverage ratio in %	GBV	Impairments	NBV	Impaired loan coverage ratio in %
Not due	81,686	(3,991)	77,695	4.9	37,376	(2,395)	34,981	6.4
1-90 days due	16,800	(4,769)	12,031	28.4	18,330	(4,987)	13,344	27.2
91-180 days due	11,832	(5,661)	6,172	47.8	6,956	(3,485)	3,471	50.1
> 181 days due	45,571	(34,711)	10,860	76.2	43,048	(33,315)	9,733	77.4
Total	**155,890**	**(49,131)**	**106,758**	**31.5**	**105,710**	**(44,181)**	**61,529**	**41.8**

The Group uses an allowance account to recognize the impairment losses on consumer loans. Reconciliation of movements in the allowance account is as follows:

EUR '000	2015	2014
Provision for impairment on January 1	(44,181)	(37,688)
Provisions accruals	(34,687)	(20,372)
Amounts fully reserved and booked out	29,737	13,879
Provision for impairment on December 31	(49,131)	(44,181)

17. CASH AND CASH EQUIVALENTS

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Cash at bank and in hand	17,452	8,026
Short-term bank deposits		
Cash and cash equivalents (excluding bank overdrafts)	**17,452**	**8,026**

18. SHARE CAPITAL AND OTHER RESERVES AND DISTRIBUTIONS TO EQUITY HOLDERS OF THE PARENT

EUR '000	Number of shares (i)	Share capital	Treasury share	Unrestricted equity reserve	Other reserves
On Jan. 1, 2014	**18,890,400**	**10,000**	**(142)**	**3,068**	**(171)**
Share issue					
Distribution of equity reserve				(695)	
Increase of share capital		7,290			
Currency translation differences					(221)
On Dec. 31, 2014	**18,890,400**	**7,300**	**(142)**	**2,373**	**(392)**
Share issue	2,833,560	2,834			
Share premium				43,414	
Distribution of equity reserve				(1,079)	
Currency translation differences					(252)
Other changes					7
On Dec. 31, 2015	**21,723,960**	**10,134**	**(142)**	**44,708**	**(638)**

(i) A share split was registered on September 26, 2014, with a split ratio of 1:1700. The number of shares presented in the table reflects this split on each reported date, i.e. instead of 11,112 shares actually available on January 1, 2014, 18,890,400 shares are presented in the table on January 1, 2014.

The cumulative translation differences of EUR -252 thousand in the statement of changes in consolidated shareholders' equity contain the translation differences arising from translating the financial statements of non-euro area business units.

On December 31, 2015, Ferratum Group had 146,200 treasury shares in its possession which represent approximately 0.8% of the share capital and voting rights. No consideration is paid to the treasury shares in a distribution of equity.

The unrestricted equity reserve contains the amount paid for shares in a share issue and the amount when converting convertible capital notes to shares. Other reserves include legal reserves in Ferratum Group companies.

19. INTEREST BEARING LIABILITIES

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Non-current interest bearing liabilities		
Bank borrowings	44	
Bonds issued	48,695	28,719
Total non-current interest bearing liabilities	48,739	28,719
Current interest bearing liabilities		
Bank borrowings	533	10,681
Bonds issued		7,416
Deposits from customers	3,009	2,137
Total current interest bearing liabilities	3,543	20,233
Total interest bearing liabilities	**52,281**	**48,952**

20. CURRENT NON-INTEREST BEARING LIABILITIES

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Current tax liabilities	1,002	1,634
Trade payables	2,727	4,401
Factoring trade payables	0	714
Other trade payables	2,727	3,686
Other current liabilities	6,290	3,209
Derivatives	129	119
Interest liabilities	931	463
Accrued employee expenses	1,214	866
Other current accrued liabilities on expenses, interest-free	4,016	1,760
Total current non-interest bearing liabilities	**10,019**	**9,244**

21. RELATED PARTY DISCLOSURE

Ferratum Group is controlled by Jorma Jokela, who owns 57% of the parent company's shares. The remaining shares are held by investors and key management personnel.

Related parties of Ferratum Group are members of the board, senior management team, their close family members and the companies in which the member of the board or senior management team has significant influence.

TRANSACTIONS WITH RELATED PARTIES

EUR '000	2015	2014
Purchase of goods from related parties – Entity controlled by key management personnel		
Purchase of services from related parties – Entity controlled by key management personnel	776	1,076
	776	1,076

Ferratum Group has business relationships with related party companies. The acquired services include administrative services, project management, advisory and consulting services, IT services, legal counseling, flight travel services and warehousing services. Related party transactions have been carried out on generally accepted market terms and they have been based on the market price of goods and services.

Option plans have been introduced for key management employees in 2014 and 2015. The terms and conditions of the options granted in 2015 are the same for the management and key employees. The terms and conditions of options granted to the select key management employees in 2014 are described in disclosure 23. The fair value of options is determined using the principles described in disclosure 23. The summary of options granted to key management employees in 2014 and 2015 is the following:

	2015	2014
Options granted during the year	40,800	238,000
Of which exercisable on December 31, 2015	-	178,500
Fair value in total (EUR '000)	262	977
Total number of shares the option rights are entitled to	40,800	238,000

KEY MANAGEMENT COMPENSATION

EUR '000	2015	2014
Compensation to key management (that consists of the Board of Directors and the senior management team)		
Salaries and other short-term employee benefits	1,337	1,139
Share-based payments	262	1,072
Total	**1,599**	**2,211**
Compensation for members of the Board of Directors and CEO		
Jorma Jokela, CEO, Member of the Board of Directors		
Salaries and other short-term employee benefits	225	198
Erik Ferm, Chairman of the Board of Directors		
Salaries and other short-term employee benefits	12	15
Share-based payments	0	65
Juhani Vanhala, Member of the Board of Directors		
Salaries and other short-term employee benefits	18	18*
Statutory pension cost	3	3*
Lea Liigus, Member of the Board of Directors		
Salaries and other short-term employee benefits	0	0
Pieter van Groos, Member of the Board of Directors		
Salaries and other short-term employee benefits	9	n/a
Total	**267**	**297***

*restated

22. COMMITMENTS

EUR '000	Dec. 31, 2015	Dec. 31, 2014
Credit limit agreement		
Total amount of limits granted to Ferratum	7,611	7,611
Limit in use	0	7,263
Collateral on own debt		
Guarantees	49,808	32,200
Corporate pledge	10,000	10,000
Pledged subsidiary shares	11	11
Pledged investments	5	5
Operating lease		
Lease liabilities due within the next 12 months	340	215
Lease liabilities due after the next 12 months	28	14
Total operating lease liabilities	**368**	**229**
Total office rent costs	**896**	**603**

23. SHARE-BASED PAYMENTS

Share purchase programs 2007 - 2012

During 2007-2012, select individuals and employees have been offered the opportunity to invest in the shares of the parent company of Ferratum Group. The individuals have purchased the shares at their fair value. According to IFRS 2 (Share-based payment) and the fact that these individual investors are also employed by Ferratum Group, certain expenses need to be recorded in the income statement as equity settled share-based payments although the share ownership doesn't have any cash impact on the company. These expenses reflect the potential upside for the minority shareholders in terms of value increase of the shares. The fair value of this potential increase calculated is recognized as expenses over the vesting period. The valuation of the shares was made on the date of the grant using the Black and Scholes model, adjusted to take into account the terms and conditions upon which the shares were granted (except for vesting conditions). Based on Ferratum Group's decision in Q4 2014 to list its shares, the vesting period changed to end on the date of the IPO. All remaining expenses were recognized over the accelerated vesting period. The total cost recognized as share-based compensation expense in the Company's profit or loss in 2014 amounted to EUR 95,351. The share purchase programs 2007-2012 will not have any further impact after the financial year 2014.

Employee option plan 2014

During October 2014, select key management employees were granted options to purchase a total of 238,000 shares of the company from Jorma Jokela. The exercise period starts on January 15, 2015, and ends on June 15, 2016, and there are no vesting conditions attached to the options or shares. In first quarter of 2015, the exercise period for 170,000 of these options was extended to December 31, 2017. The total fair value of the options on the grant date is approximately EUR 977,027 and the valuation of the share options is made using the Black and Scholes model taking into consideration the terms and conditions of the grant and the absence of a liquid market for the company's shares. Given that there are no vesting conditions attached to the shares, the total fair value is recognized as share-based compensation expense in the company's profit or loss with a respective entry to equity on day one. This expense has no cash impact on the company. Members of select key management exercised options to purchase a total of 59,500 shares in 2015.

Employee option plans 2015

New employee option plans were introduced in April and August 2015, designed to provide long-term incentives for key management and employees to deliver long-term shareholder returns and increase their commitment to the company. Under the plans, participants are granted options with a defined fixed exercise price which only vest if the EBITDA in the audited consolidated statements under IFRS of the company has grown by an average of 25% a year during the four financial years prior the commencement of the exercising period of the options. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option may be converted into one ordinary share.

The share subscription price for each option shall be EUR 11.90, which constitutes 70% of the initial public offering price of the company's share on Frankfurt Stock Exchange on February 6, 2015. The total fair value of the options on the grant date is approximately EUR 1,415 thousand (EUR 6.46 per option). The fair value on the grant date is independently determined using the Black and Scholes model taking into consideration the terms and conditions of the grant. The material model inputs for options granted during the year ended December 31, 2015, includes the exercise price, the term of the option, the share price on the grant date and the expected price volatility of the underlying shares. The expected dividend yield and the risk free interest rate for the term of the option did not have a material effect on the option value on the grant date.

The main parameters used in defining the fair value of the option programs 2014 and 2015 are:

	2015	2014
Share price on the date of issue, EUR *	22.47	6.75
Original subscription price, EUR	11.9	2.65
Duration (years)	4	4
Expected volatility, %	40	40
Fair value of option on the date of issue, EUR	6.46	4.11

*2015: weighted average value of 192,100 options with a share price of EUR 22.50 on the date of issue and 26,860 options with a share price of EUR 22.265 on the date of issue; 2014: pre-IPO valuation based on Black and Scholes model assumptions

Share options outstanding at the end of the year ended December 31, 2015:

Grant date	Number of options granted	Number of employees	Share price on grant date, EUR	Unexercised options	Exercise price, EUR	Share subscription period
October 31, 2014	238,000	3	6.75	178,500	2.65	Jan. 15, 2015 – June 15, 2016
April 10, 2015	192,100	35	22.50	192,100	11.90	May 1, 2019 – Apr. 30, 2021
August 1, 2015	26,860	3	22.27	26,860	11.90	Aug. 2, 2019 – July 31, 2021
Total	**456,960**	**41**		**397,460**		

On December 31, 2015, the vesting period left for the options granted in April 2015 is 3.3 years and for the options granted in August 2015 3.6 years.

Changes in the number of options outstanding during the years ended December 31, 2015, and 2014:

	2015		2014	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Number of options outstanding on January 1	2.65	238,000		0
Granted options during the year	11.90	218,960	2.65	238,000
Exercised options during the year	2.65	(59,500)		-
Forfeited options during the year		-		-
Number of options outstanding on December 31	7.75	397,460	2.65	238,000
Vested and exercisable options on December 31	2.65	178,500	2.65	238,000

Total expenses arising from share-based payment transactions recognized during the years ended December 31, 2015, and 2014 as part of employee benefit expense were as follows:

	2015	2014
Share purchase programs 2007 – 2012	-	95,351
Employee option plan 2014	-	977,027
Employee option plans 2015	225,186	-
Total expenses of share-based payment transactions	**225,186**	**1,072,378**

24. GROUP COMPANIES

Ownership in Group companies	Country	Group share of holding	Parent company share of holding
Ferratum Finland Oy	Finland	100%	100%
Ferratum Estonia OÜ	Estonia	100%	0%
Ferratum Latvia SIA	Latvia	100%	100%
UAB Ferratum	Lithuania	100%	100%
Ferratum Sweden AB	Sweden	100%	100%
Ferratum Czech s.r.o.	Czech Republic	100%	100%
Ferbuy Poland Sp. Z.o.o.	Poland	100%	100%
Ferratum Spain SL	Spain	100%	100%
Ferratum Bulgaria EOOD	Bulgaria	100%	100%
Ferratum Slovakia s.r.o.	Slovakia	100%	100%
Ferratum Denmark ApS	Denmark	100%	100%
Ferratum UK Ltd	Great Britain	100%	100%
Ferratum Capital Oy	Finland	100%	100%
Global Guarantee OÜ	Estonia	100%	100%
Ferratum d.o.o.	Croatia	100%	100%
Ferratum Capital Poland S.A.	Poland	100%	100%
Ferratum New Zealand Ltd.	New Zealand	100%	100%
Ferratum Finance B.V.	Netherlands	100%	100%
Pelegrat B.V.	Netherlands	100%	100%
Ferratum Australia Pty Ltd	Australia	100%	100%
Numeratum d.o.o.	Croatia	100%	100%
OOO Ferratum Russia	Russia	100%	100%
Rus-Kredit OOO	Russia	100%	100%
Ferratum Bank Ltd	Malta	100%	0.00001%
Ferratum (Malta) Holding Limited	Malta	100%	99.99999%
Ferbuy Singapore Pte. Ltd.	Singapore	90%	90%
Swespar AB	Sweden	100%	100%
Nereida Spain S.L.	Spain	100%	100%
Ferratum Capital Germany GmbH	Germany	100%	100%
Ferratum Germany GmbH	Germany	100%	100%
Ferratum Romania I.F.N.S.A.	Romania	99%	99%
Personal Big Data Oy	Finland	100%	100%
Sideways Sp Z.o.o.	Poland	100%	0%
Highways Sp Z.o.o.	Poland	100%	0%
Highways Sp. Z.o.o. Sp. k.	Poland	100%	0%
Ferratum Canada Inc	Canada	100%	100%
Ferratum Kredi Finansmani A.S	Turkey	100%	100%
Ferratum Georgia LLC	Georgia	100%	100%
Ferratum Mexico S. de R.L. de C.V.	Mexico	100%	99%
UAB "Inkasso Plus"	Lithuania	100%	100%

25. PARENT COMPANY STATEMENTS 2015

25.1 Ferratum Oyj Income statement

		Year ended December 31	
EUR '000	Note	2015	2014
Other operating income	2	2,705	1,379
Personnel expenses	4	(1,461)	(1,329)
Depreciation, amortization and impairment	6	(507)	(268)
Other operating expenses	7	(8,915)	(4,196)
Operating profit		(8,178)	(4,414)
Financial income and expenses	8	312	(62)
Profit/loss before extraordinary items		(7,866)	(4,476)
Extraordinary items	9	11,137	13,864
Profit/loss after extraordinary items		3,271	9,388
Income tax		-	(0)
Profit for the year		**3,271**	**9,387**

25.2 Ferratum Oyj Statement of Financial Position

EUR '000	Note	Dec. 31, 2015	Dec. 31, 2014
Assets			
Non-current assets			
Intangible assets	10	3,551	2,085
Tangible assets	11	119	96
Investments	12	18,252	14,422
Total non-current assets		**21,923**	**16,603**
Current assets			
Non-current receivables	13	45,427	15,070
Current receivables	14	31,958	21,981
Cash and bank		3,054	21
Total current assets		**80,439**	**37,072**
Total assets		**102,362**	**53,675**
Equity and liabilities			
Equity			
Share capital		10,134	7,300
Treasury shares		(142)	(142)
Other reserves total		44,708	2,373
Retained earnings		3,703	(5,685)
Profit/loss for the period		3,271	9,387
Total equity	16-17	**61,673**	**13,233**
Liabilities			
Non-current liabilities, interest-bearing	18	28,695	27,855
Current liabilities, interest-bearing	19	3,604	8,551
Current liabilities, interest-free	19	8,391	4,036
Total liabilities		**40,690**	**40,442**
Total equity and liabilities		**102,362**	**53,675**

25.3 Ferratum Oyj Cash Flow Statement

	Year ended December 31	
EUR '000	**2015**	**2014**
Cash flows from operating activities		
Profit / Loss for the period	3,271	9,387
Adjustments for:		
Depreciation, amortization & impairment loss	507	268
Financial income and expenses	(312)	62
Tax on income from operations	-	0
Other adjustments	(11,089)	(14,335)
Operating profit before working capital changes	(7,623)	(4,617)
Working capital changes:		
Increase (-) /decrease(+) in trade and other receivables	(4,737)	(8,312)
Increase (+) / decrease (-) in trade payables	3,781	1,571
Cash generated from operations	**(8,578)**	**(11,358)**
Interest paid	(2,893)	(2,719)
Dividends received	4,210	1,120
Interest received	2,704	3,906
Other financing items	(143)	164
Income taxes paid	-	(0)
Cash flow before extraordinary items	(4,699)	(8,887)
Net cash from operating activities	**(4,699)**	**(8,887)**
Cash flows from investing activities		
Purchase of tangible and intangible assets	(2,025)	(545)
Proceeds from the sale of tangible and intangible assets	7	-
Acquisition of subsidiaries	(3,862)	(773)
Disposal of subsidiaries	5	6,800
Loans granted (-) / Repayments of loans (+)	(30,018)	6,985
Net cash used in investing activities	**(35,893)**	**12,467**
Cash flows from financing activities		
Proceeds from issue of share capital	48,171	-
Costs related to issue of share capital	(1,923)	-
Proceeds from borrowings (+) / Repayment (-)	(4,107)	(3,017)
Dividends paid	(1,079)	(695)
Group contribution received (+) / paid (-)	2,564	24
Net cash used in financing activities (C)	**43,625**	**(3,688)**
Net increase/decrease in cash and cash equivalents	**3,033**	**(108)**
Cash and cash equivalents at the beginning of the period	21	129
Net increase/decrease in cash and cash equivalents	3,033	(108)
Cash and cash equivalents at the end of the period	3,054	21

25.4 Notes to the financial statements of the parent company

1. NOTES TO FINANCIAL STATEMENT OF PARENT COMPANY

Parent company information

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

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 - 3 to 10 years

Tangible assets - 25% declining depreciation

Comparative data

The length of the financial year is 12 months (Jan. 1, 2015 – Dec. 31, 2015).

Foreign currency valuation

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

Exceptional items

Extraordinary items consist of recurring restructuring costs related to operations and group contributions received from Ferratum Finland Oy.

Share capital

The share capital of the company is EUR 10,133,560 and the number of shares is 21,723,960. The shares have no nominal value. All the shares are attached with equal voting rights and equal right when distributing dividend.

25.5 Notes to the income statement of the parent company

2. Other operating income, EUR '000	2015	2014
Other operating income	2,705	1,379

3. Average personnel	2015	2014
During financial year	15	15

4. Personnel expenses, EUR '000	2015	2014
Wages and salaries	(1,226)	(1,095)
Pension expenses	(194)	(182)
Other social expenses	(41)	(53)
Personnel expenses, total	**(1,461)**	**(1,329)**

5. Management compensation, EUR '000	2015	2014
Board of directors and CEO	151	132

6. Depreciation and amortization by asset class category, EUR '000	2015	2014
Intangible assets		
Other capitalized expenditure	(441)	(206)
Tangible assets		
Machinery and equipment	(66)	(62)
Total depreciation and amortization	**(507)**	**(268)**

7. Other operating expenses , EUR '000	2015	2014
Selling, marketing and administration	(8,795)	(4,127)
Audit fees	(120)	(69)

8. Financial income and expenses, EUR '000	2015	2014
Financial income		
Intra-group dividend income	1,103	1,185
Intra-group dividend income, total	1,103	1,185
Other intra-group interest and financial income	3,119	2,185
Other interest and financial income from others	1	4
Other financial income	3,120	2,189
Financial income, total	**4,222**	**3,373**
Financial expenses		
Other intra-group interest and financial expenses	(3,337)	(3,383)
Other interest and financial expenses from others	(574)	(52)
Financial expenses, total	**(3,910)**	**(3,436)**
Financial income and expenses, total	**312**	**(62)**
Foreign exchange gains and losses, total	**(444)**	**285**

9. Extraordinary items, EUR '000	2015	2014
Other extraordinary income	-	6,797
Other extraordinary expenses	-	(479)
Group contributions received	11,137	7,545
Extraordinary items, total	**11,137**	**13,864**

25.6 Notes to the statement of financial position of the parent company

10. Intangible assets, EUR '000	Other capitalized expenditures
Acquisition cost on January 1, 2015	2,691
Additions during the year ended December 31, 2015	1,907
Acquisition cost on December 31, 2015	4,598
Accumulated depreciation on January 1, 2015	(606)
Depreciation during the year ended December 31, 2015	(441)
Accumulated depreciation on December 31, 2015	(1,047)
Net Book value on December 31, 2015	**3,551**
Net Book value on January 1, 2015	**2,085**

11. Tangible assets, EUR '000	Machinery and equipment	Other tangible assets	Total
Acquisition cost on January 1, 2015	236	1	237
Additions during the year ended December 31, 2015	118	-	118
Disposals during the year ended December 31, 2015	(63)	-	(63)
Acquisition cost on December 31, 2015	291	1	292
Accumulated depreciation on January 1, 2015	(141)	-	(141)
Accumulated depreciation of disposals	34	-	34
Depreciation during the year ended December 31, 2015	(66)	-	(66)
Accumulated depreciation at December 31, 2015	(173)	-	(173)
Net Book value on December 31, 2015	119	1	119
Net Book value on January 1, 2015	95	1	96

12. Investments, EUR '000	Other shares and equity interests
Acquisition cost on January 1, 2015	14,422
Additions during the year ended December 31, 2015	3,862
Disposals during the year ended December 31, 2015	(32)
Acquisition cost on December 31, 2015	18,252
Book value on December 31, 2015	**18,252**
Book value on January 1, 2015	**14,422**

13. Non-current receivables, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Receivables from intra-group companies	45,424	15,065
Permanent receivables from employees	4	5

14. Current receivables, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Other receivables	98	265
Receivables from intra-group companies	30,283	20,186
Accruals	1,577	1,530
Current receivables, total	**31,958**	**21,981**

15. Accruals, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Other accruals	1,581	1,535

16. Change in equity 2014, EUR '000	Share capital	SVOP reserve	Retained earnings	Equity total
Total Equity on January 1, 2014	**10**	**3,068**	**1,463**	**4,541**
Distribution of unrestricted equity		(695)		(695)
Reclassifications between items	7,290		(7,290)	-
Profit/loss for the period			9,387	9,387
Total equity on December 31, 2014	**7,300**	**2,373**	**3,560**	**13,233**

17. Change in equity 2015, EUR '000	Share capital	SVOP reserve	Retained earnings	Equity total
Total equity on January 1, 2015	**7,300**	**2,373**	**3,560**	**13,233**
Share issue	2,834	45,337	-	48,171
Costs related to share issue	-	(1,923)	-	(1,923)
Distribution of unrestricted equity	-	(1,079)	-	(1,079)
Profit/loss for the period	-	-	3,271	3,271
Total equity on December 31, 2015	**10,134**	**44,708**	**6,831**	**61,673**

18. Non-current liabilities, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Loans from financial institutions	44	4
Non-current intra-group debts	28,651	27,850
Total non-current liabilities	**28,695**	**27,855**

19. Current liabilities, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Loans from financial institutions	23	2,521
Trade payables	594	1,228
Other liabilities	460	100
Accruals	784	378
Intra-group liabilities	10,135	8,361
Total current liabilities	**11,995**	**12,587**

20. Accruals (non-current and current), EUR '000	Dec. 31, 2015	Dec. 31, 2014
Accruals of personnel expenses	229	182
Other accruals	555	196
Total accruals (non-current and current)	**784**	**378**

21. Other rental liabilities, EUR '000	Dec. 31, 2015	Dec. 31, 2014
Current rental liabilities	17	17

22. Commitments, EUR '000	Dec. 31, 2015	Dec.31, 2014
Corporate pledge	7,500	7,500
Pledged subsidiary shares, book value	11	11
Commitments for intra-group companies	49,808	32,200

Ferratum Oyj is the guarantor of the bonds issued by Ferratum Capital Germany GmbH, Ferratum Capital Poland and Ferratum Bank Malta. The funds from the bond issues have in accordance with the intercompany loan agreements been lent to Ferratum Oyj.

23. Related party transactions

No loans and or any other commitments were issued to any related parties in 2015.

26. LIST OF ACCOUNTING LEDGERS

Income statement	Electric format
Balance sheet	Electric format
General ledger	Electric format
Daily journal	Electric format
Accounting documents	Electric format
Chart of accounts	Electric format
Annual report	Paperback

27. APPROVAL OF THE ANNUAL REPORT

The Ferratum Group Annual Report 2015 is approved and submitted by the company's Management Board composed of:

Erik Ferm

Chairman of the Board

Lea Liigus

Member of the Board

Jorma Jokela

CEO, Member of the Board

Pieter van Groos

Member of the Board

Juhani Vanhala

Member of the Board

Our auditor's report has been issued today

Helsinki, March 23, 2016

PricewaterhouseCoopers Oy

Authorized Public Accountants

Mikko Nieminen, Authorized Public Accountant

Contact Persons

Ferratum Group

Paul Wasastjerna

Head of Investor Relations

T: +358 (0)40 724 8247

F: +358 (0)20 741 1614

M: paul.wasastjerna@ferratum.com

Ferratum Group

Dr. Clemens Krause

CFO

T: +49 (0)30 88715 308

F: +49 (0)30 88715 309

M: clemens.krause@ferratum.com

pwc

Auditor's Report *(Translation from the Finnish Original)*

To the Annual General Meeting of Ferratum Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Ferratum Oyj for the year ended 31 December, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Oy, Authorised Public Accountants, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, fax +358 20 787 8000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 23 March 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
Authorised Public Accountant

Our company website
www.ferratumgroup.com

Jorma Jokela, CEO

Clemens Krause, CFO

Paul Wasastjerna, Head of Investor Relations