Ferratum™
More than money to everyone

ANNUAL REPORT 2014

HIGHLIGHTS

NEW RECORD LEVEL ACHIEVED

Revenues up **21 %** to **EUR 70.5 million** with accelerating growth rate during the year: **44 %** revenue growth from Q1 to Q4 2014

PROFITABLE GROWTH CONTINUED

Adjusted EBIT rose by around **61 %** to **EUR 11.8 million**. EBIT margin stands at **16.7 %**

GROWTH STRATEGY CONSEQUENTLY IMPLEMENTED

Ferratum Bank Ltd: use of EU banking licence expanded to eight countries
Geographic expansion: business launch in two additional countries (3 per Q1 2015)
Diversification of product portfolio: product portfolio extended to four products
New vision: leading mobile bank

IPO AS MILESTONE FOR CONTINUING DYNAMIC GROWTH

With successful IPO in February 2015 **EUR 48 million** growth capital were raised

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Part 1 – Unaudited

Part 2 – Audited

USING OUR EXPERIENCE

CREATING MILESTONES

OUR PRINCIPLES

DIGITALISING BUSINESS

SHAPING FUTURE

1 million customers

4 products

10 years

20 countries

May I introduce – Ferratum Group

The FinTech company Ferratum Group is a leading international provider of mobile consumer loans and thus has an impressively long track record and extensive experience in mobile banking services.

We are a Helsinki-based company and one of the first to provide loans via the Internet and mobile phones when we commenced operating in 2005. Today one of the broadest geographic presences – we operate in 20 countries across Europe, the Asia-Pacific region and Canada.

Our business is all about people. Customer satisfaction is at the heart of everything we do at Ferratum Group. 1.0 million customers and 2.8 million user accounts – these figures bear testimony to our customer-oriented products and services.

Our vision

Based on the granting of the EU banking licence our vision is to become a leading international mobile bank offering a wider range of products.

The banking sector is undergoing a profound upheaval, which opens up huge market opportunities. As a pioneer for mobile consumer loans in Europe, we are well positioned in this upbeat environment. Our aim is to be at the forefront of the mobile revolution in banking. Our main focus is on simple mobile solutions that satisfy the expectations of customers today – with Ferratum Group, the smartphone becomes a mobile bank.

Our mission

More than money to everyone: Our mission is to provide the best consumer interface for loan processes and a 24/7 personalised customer service accessible through mobile devices, the Internet or our partners.

The special strength of our business is expressed in the promise we make to our customers: We offer simple, easy to use product applications, as well as fast, transparent and confidential loan processes.

"With our EU banking licence and our established Big Data technology, we are poised to establish ourselves as a mobile bank in the age of the digital revolution in the banking sector."

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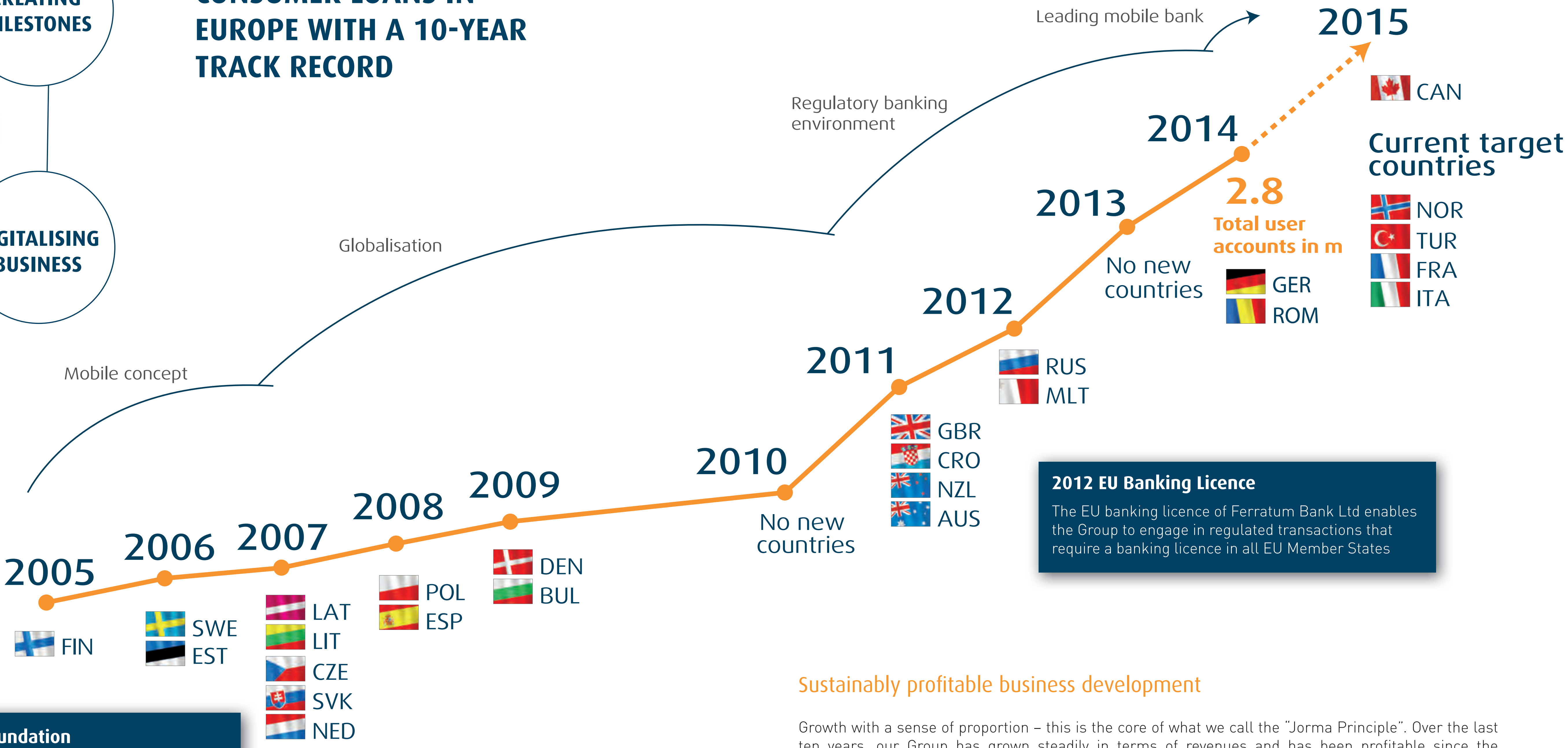
PIONEER FOR MOBILE CONSUMER LOANS IN EUROPE WITH A 10-YEAR TRACK RECORD

2015 IPO

New foundation for our in growth: EUR 48 million growth capital from the IPO in Frankfurt



2012 EU Banking Licence

The EU banking licence of Ferratum Bank Ltd enables the Group to engage in regulated transactions that require a banking licence in all EU Member States

2005 Foundation

Jorma Jokela founded the Group in Finland as pioneer for mobile short-term consumer loans in Europe

Sustainably profitable business development

Growth with a sense of proportion – this is the core of what we call the "Jorma Principle". Over the last ten years, our Group has grown steadily in terms of revenues and has been profitable since the foundation in 2005. We have achieved this by continuously expanding our geographic reach, as well as our customer and user base. Within the scope of our expansion in Europe, Australia, Canada and New Zealand, we have refined our product portfolio and increased our operational efficiency in terms of new market entries. We have developed and optimised our loan approval technology and improved our legal and regulatory compliance processes.

Operating in many different legal environments requires localised skills, such as an understanding of the local regulatory regime, adaptability with regard to regulatory changes, as well as a scalable IT and business system. Our EU banking licence, the established Big Data technology, combined with our extensive knowledge and the experience we are accumulating, are factors that make a significant contribution to strengthen our market position and writing a history of profitable growth.

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STEP BY STEP – IPO IS CRUCIAL STEP OF DEVELOPMENT

On the way to a mobile bank

On February 6, 2014 the time had come: Our first step as a listed company on the floor of the Frankfurt Stock Exchange and, at the same time, the first IPO of a FinTech company in Germany. After months of preparation, we realised a significant milestone in Ferratum Group´s history that will underpin the implementation of our growth strategy.

„ The successful IPO is a very important step for Ferratum Group. We will use the net proceeds from the IPO to implement our growth strategy. "

Offering:
6,517,188 shares
(incl. over-allotment)

Placement volume:
EUR 110.8 m

Gross proceeds from capital increase:
EUR 48.2 m

Issue price:
EUR 17.0

Our start on the Frankfurt Stock Exchange

The shares of Ferratum Group are now traded in the Prime Standard of the regulated market of the Frankfurt Stock Exchange. On the first trading day we rang the bell for the opening price and celebrated the stock market debut on the trading floor in Frankfurt with invited guests.

Ferratum Group achieved a total placement volume of EUR 110.8 million with a price per share of EUR 17. Trading started at an initial price of EUR 17.50 suggesting a positive trend of the share price.

And for those who not yet in the know: The IPO marked Ferratum Group's second capital market transaction on the Frankfurt Stock Exchange. In 2013, the bond issued on the Frankfurt Stock Exchange met with a very positive response (Entry Standard). Frankfurt would seem to augur well for us.

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ACHIEVING HIGHEST CUSTOMER BENEFIT WITH CUTTING EDGE PRODUCTS AND SERVICES

Self-learning algorithms

We use our own software-based scoring system to evaluate the creditworthiness of new and existing customers. This provides us with key information, such as whether people registering with Ferratum Group have reported the correct information, and if a potential customer is able to pay the loan back at the end of the term. This software-based scoring system combines historical data from all the markets in which we operate with current information on the specific market and the individual customer. We base our lending decisions on a careful assessment of the borrower's financial position, the ability to repay loans, and whether the borrower's requirements and objectives will be met by the loan. The associated mathematical analysis – based on algorithms – is therefore anchored in the legal framework. In order to improve our scoring results, our software-based scoring procedures are refined and updated on an ongoing basis.

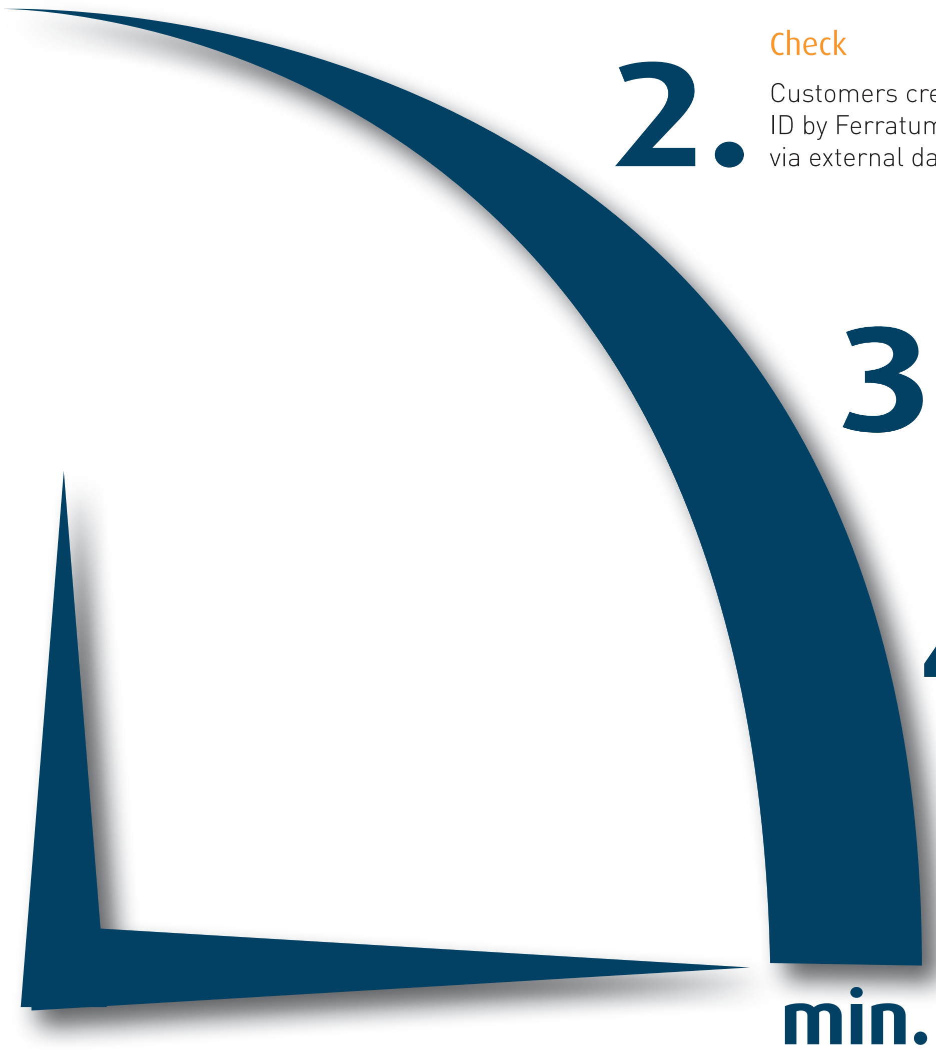
Diversified product portfolio

Product	Per Q4 2014 active in:
Microloans • Range: EUR 25 – EUR 1,000 • Maturity: 7 – 90 days	19 markets[1]
Plus Loans • Range: EUR 500 – EUR 2,000 • Maturity: 6 – 15 months	8 markets
Credit Limit • Range: EUR 0 – EUR 2,000 • Maturity: flexible	4 markets[2]
FerBuy • Secure and flexible ecommerce payment solution	2 markets

[1]20 markets per Q1 2015 [2]6 markets per Q1 2015

30 target countries

Our promise – Fast, easy and efficient process



1. Loan application
From EUR 25 to EUR 2,000
for 15 to 450 days

2. Check
Customers credit and
ID by Ferratum Group and
via external databases

3. Decision
Instant loan decision
(online, mobile)

4. Approval
Loan approval by
customer (online, mobile);
Contract is set

5. Payment
Loan payout by
Ferratum Group;
Invoice via mail

6. Repayment
Invoice via post, loan and handling fee payment by
customer on due data

LEVERAGING THE MASSIVE OPPORTUNITIES OF FINTECH

Digital revolution – banking at a turning point

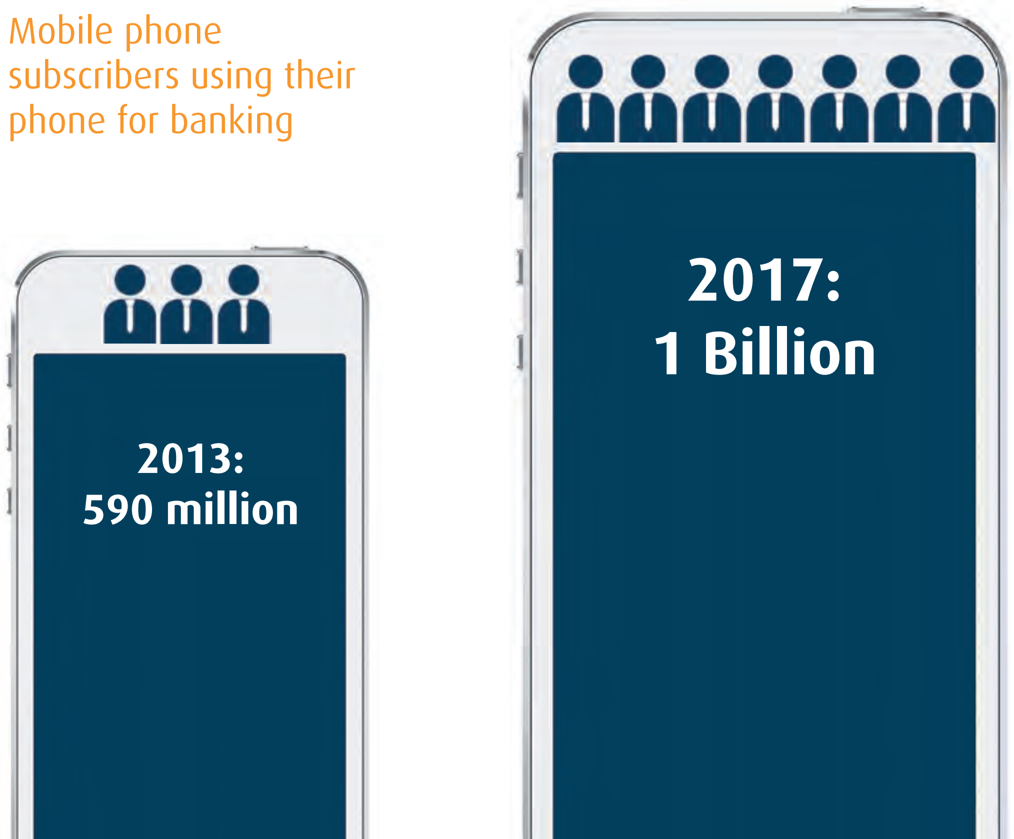
Smartphones are being increasingly used to deal with the things of everyday life. According to recent forecasts, registered smartphone SIM cards are likely to reach 6 billion worldwide by 2020.[3] The number of users who use their smartphone for private banking purposes is expected to virtually double worldwide, to one billion by 2017, up from 590 million in 2013.[4] At the same time, the annual smartphone sales volume is expected to exceed one billion in 2017.

This trend towards digitalisation is set to pick up growing momentum and will also take an increasing hold on the financial services sector. With expanded technological capabilities and specialised know-how in the areas of mobile and banking, we have installed excellent prerequisites when it comes to delivering innovative mobile solutions for the banking customer of today.

[3] GSMA: Smartphones to account for two thirds of world's mobile market by 2020, 2014

[4] Juniper Research: Press Release: Mobile Banking Users to Exceed 1 billion in 2017, Representing 15% of Global Mobile Subscribers

Mobile phone subscribers using their phone for banking



Our growth strategy – Ferratum Group on track

We focus on sustainably developing and expanding our business as mobile lender. We aim to expand our operations to encompass a total of 30 countries in the medium term and to address different customer segments through new products recently introduced. This expansion strategy that is at the core of our business strategy involves diversifying our geographic presence by extending our reach in Europe and internationally. We will forge ahead with promoting our growth and enhancing our product portfolio in our existing markets in Europe, Australia, New Zealand and Canada.

In addition, we will work untiringly toward our long-term goal of evolving into a mobile bank and of launching a multi-banking app. The app is intended to serve customers as a central platform for all of our existing products, including the option of opening a current account and other deposit products.

DEAR SHAREHOLDERS,

We are pleased to present our first Annual Report as a listed company in the Prime Standard of the Frankfurt Stock Exchange in Germany. The fiscal year 2014, that was characterised by significant increases in both revenues and profitability, has been the most successful in our company's ten-year history. Furthermore, our successful IPO in February 2015 marked a milestone that will underpin our dynamic growth in the years ahead.

In the fiscal year 2014, we expanded our business activities and increased our customer base by 25.9 % year on year to approximately one million customers (2013: 0.8 million customers). As a result, we achieved record revenues of EUR 70.5 million (2013: EUR 58.2 million), reflecting an increase of more than 21 % in comparison with the previous year, with the growth rate accelerating as the year progressed. Adjusted by the one-time effect due to IPO, operating profit (EBIT) soared by 60.8 % to EUR 11.8 million, which corresponds to an adjusted EBIT margin of 16.7 %. Including IPO-related costs, EBIT nonetheless posted an above-average increase, up 44.8 % to EUR 10.6 million (2013: EUR 7.3 million), resulting in an EBIT margin of 15.1 % (2013: 12.6 %).

The consequent implementation of Ferratum Group's corporate strategy facilitated its ongoing growth. A key component of our strategy is expanding into new markets. In 2014, we launched our operations in the two new countries of Germany and Romania. We plan to continue the geographic expansion in 2015 and beyond: Having entered the Canadian market at the beginning of 2015, we operate today in 20 countries around the globe. In the medium term, we aim to build a market presence in 30 countries.

A further key component of our strategy is to use the group bank licence in more countries. The year 2014 saw Ferratum Bank Ltd commence operations in another six countries: Germany, Estonia, Latvia, the Czech Republic, Bulgaria and Sweden. We are now using the EU banking licence in eight countries, which, differentiate us from many competitors und gives more creditbility as well as regulatory and operational advantages.

In the fiscal year 2014, we successfully extended our product portfolio that currently consists of four products. In addition to our established micro loans, we now offer instalment loans (PlusLoan) in eight countries, as well as a credit limit product with flexible repayment modalities (Credit Limit) in four countries (year-end 2014; six countries by the end of the first quarter of 2015). These new products enable us to offer larger credit amounts to our customers with longer terms, thereby raising revenues per customer. With Ferbuy, an online payment solution with an optional credit line in two countries. We plan to roll out the new products into further existing countries during the current fiscal year.

The banking sector is undergoing a phase of transition: The triumphant advent of the Internet and ubiquitous smartphones have already revolutionised our daily lives. This digitalisation trend is set to pick up growing momentum and will also take an increasing hold on the financial services sector. In view of this development, we have much our agenda to shape the revolution in the banking sector as one of the first European providers of mobile consumer loans, with longstanding expertise in the area of mobile banking services.

We raised EUR 48.2 million in growth capital through our successful IPO in February 2015. Backed by our sound financial position, our EU banking licence, and our established Big Data technology, we are poised to establish ourselves as a mobile bank in the age of the digital revolution in the banking sector. In this context, development in 2015 will be focused on deposit taking via the Ferratum Bank and further improving mobile usability by introducing a new mobile bank application.

We would like to thank you as our valued Shareholders for the trust you have placed in us. We hope that you will continue to accompany us on the exciting course we will be charting. Our special thanks naturally go to our employees who have made such a huge contribution to taking our vision further through their commitment, flexibility and innovativeness.

Helsinki, March 2015

Jorma Jokela

CEO Ferratum Group

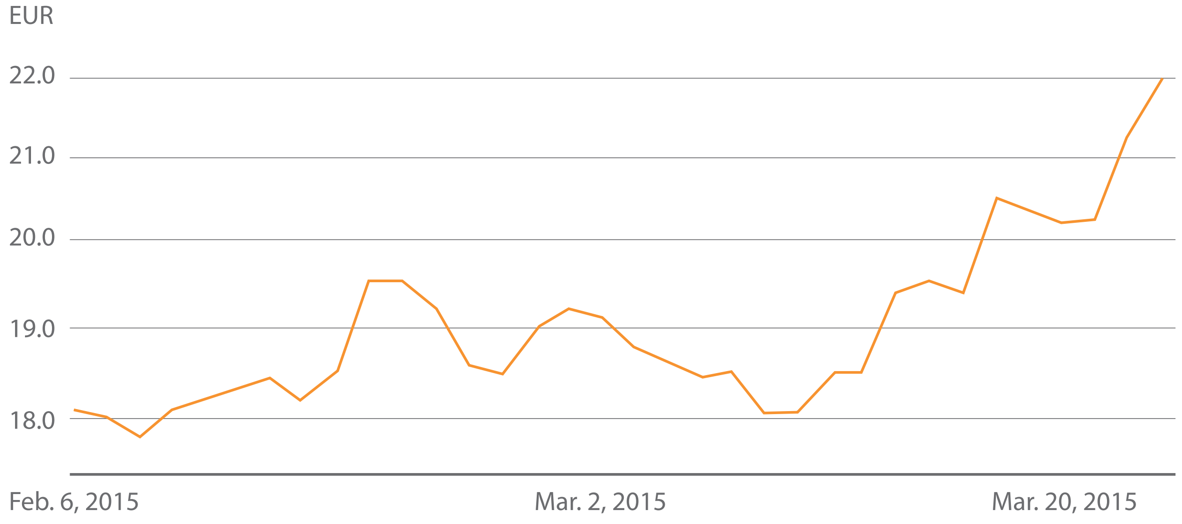
FERRATUM OYJ SHARE

INITIAL PUBLIC OFFERING AND SHARE PRICE PERFORMANCE

Ferratum Group successfully concluded its Initial Public Offering in the Prime Standard segment of the Frankfurt Stock Exchange on February 6, 2015. The placement volume amounted to EUR 110.8 million and comprised 6,517,188 shares, including the over-allotment. Of these shares, 2,833,560 shares derive from a capital increase and from selling shareholders who additionally granted a Greenshoe option for the over-allotment of 850,068 shares. The Greenshoe option was fully exercised as early as February 16, 2015. Ferratum received EUR 48.2 million as gross issue proceeds from the capital increase, being used to implement its growth strategy. The funds are to be used to implement its growth strategy. Based on a total of 21,723,960 outstanding shares admitted for trading and an issue price of EUR 17, the company's market capitalisation stood at around EUR 370 million at its market debut.

On February 6, 2015 saw the start to trading at an initial price of EUR 17.50, which is around 3 % above the issue price of EUR 17 per share. On the first day of trading the share closed at EUR 18.08. Since then, the share price has performed well overall, closing on March 25, 2015 at EUR 22. The market capitalisation of Ferratum Oyj therefore posted EUR 477.9 million on March 26, 2015.

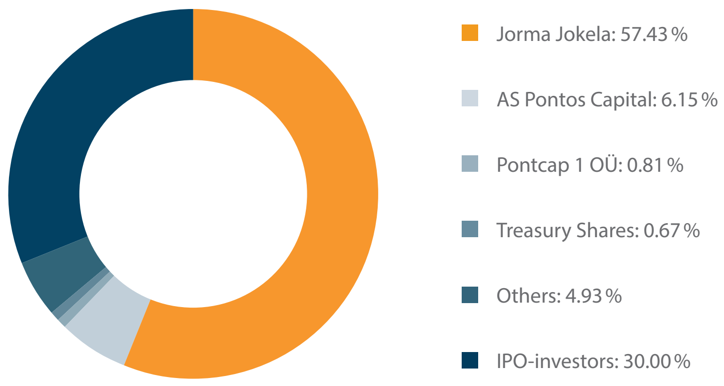
Share price performance (February 6, 2015 –March 25, 2015)



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
Designated sponsor	ICF BANK AG
Initial listing	February 6, 2015
Issue price (EUR)	17
Number and class of shares	21,723,960 ordinary shares with no nominal value

Shareholder structure



Following the IPO, Jorma Jokela, founder and CEO of the Ferratum Group, remains the majority shareholder with 57.43 %. As a result of the full exercise of the Greenshoe option on February 16, 2015, the total number of shares placed in the IPO of Ferratum Oyj amounts to 6,517,188 shares, bringing free float to 30.00 %.

AS Pontos Capital and Pontcap 1 OÜ – two of the three largest shareholders of Ferratum Oyj before the IPO – now hold 6.15 % and 0.81 %.

Financial Calendar 2015

May 13, 2015	Report for the first three months of 2015
June 2, 2015	Annual General Meeting 2015
August 13, 2015	Report for the first half-year 2015
November 12, 2015	Report for the first nine months of 2015
November 23-25, 2015	Analyst Conference, German Equity Forum 2015

INVESTOR RELATIONS

The Ferratum Group's investor relations places great emphasis on informing investors, analysts and financial journalists transparently and reliably concerning the development of the company, and on entering into active dialogue with the stakeholders. The regular and prompt publication of news about the company underscores its goal of providing comprehensive information about the company´s performance. At the same time, being listed in the Prime Standard segment of the Frankfurt Stock Exchange already requires Ferratum Group to comply with the highest standards of transparency.

Interested investors, analysts and journalists will find all the pertinent information at www.ferratumgroup.com under the Investor Relations heading. This information is constantly updated. Naturally, we are also at hand via phone and e-mail if you require more information on Ferratum Group.

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INDUSTRY-RELATED CONDITIONS

The Group's strategy is geared to expanding its product portfolio and developing its business into a leading mobile bank. Mobile banking is defined as the provision of financial services using a mobile device. Traditionally, customers were able to 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 the rapid growth of mobile applications has prompted traditional banks as well to develop mobile applications that can be downloaded onto a mobile device and used to access account information and functionalities.[5] According to the FRB Report, the United States, for instance, has reported strong growth in the use of mobile banking since the end of 2013, a development that seems likely to accelerate as more consumers use smartphones to access mobile applications for bank services. The trend toward mobile banking also involves the lower income segments of the population. People in these segments own smartphones but are partly not customers of a bank, or only use certain bank services, such as a dedicated account for their salaries (so-called „underbanked" customers). In the United States, for example, 69 % of customers who do not have a bank account have access to a mobile phone (almost half of which are smartphones), whereas 88 % of underbanked customers have access to a mobile phone (64 % of which are smartphones).[6]

Since the mobile banking market is highly correlated with the mobile phone market, the development of mobile devices in general is an indicator of the mobile banking market's potential. Recent forecasts assume the number of overall smartphone connections will soar to 6 billion by 2020.[7] By this time, projections indicate that mobile devices are set to become the primary internet connection tool as well.[8] The number of users who use their smartphone for private banking purposes is expected to virtually double worldwide, from 590 million in 2013 to up to one billion in 2017.[9] Take-up of mobile phone banking is also growing at a faster pace than internet banking. Banks offering mobile applications are registering fast growth in downloads. For example, the UK's Lloyds Banking Group's weekly app use rose from 2.1 million uses in 2012 to 4.7 million in 2013, and by mid-2014 app usage growth was reported at 6.6 million.[10]

The adoption of mobile banking also changes the way customers can borrow money. According to John Sills, Head of Customer Innovation and Perception at HSBC, „over the next few years the lending landscape will change as banks may no longer be the first point of call for those looking for credit". This trend set in several years ago when banks were no longer the sole providers of unsecured credits. Back then, during the financial crisis, point-of-sale finance companies and short-term credit lenders, Ferratum among them, entered the market to stop the gap left by some banks that had curtailed the amount of credit available to customers. A lean loan application process, with its emphasis on convenience rather than cost, is an important factor for many of these customers.

[5] Federal Reserve Board: Consumers and Mobile Financial Services 2014
[6] Federal Reserve Board: Consumers and Mobile Financial Services 2014
[7] GSMA: Smartphones to account for two thirds of world's mobile market by 2020, 2014
[8] International Telecommunication Union: The state of broadband 2012: achieving digital inclusion for all
[9] Juniper Research: Press Release: Mobile Banking Users to Exceed 1 billion in 2017, Representing 15 % of Global Mobile Subscribers
[10] BBA supported by Ernst & Young: The Way We Bank Now: It´s in your hands, 2014

Audited Part

BOARD OF DIRECTOR'S REPORT 2014

Ferratum Oyj and its subsidiaries form a group, Ferratum Group, which is an international leading provider of mobile consumer loans. The Ferratum Group headquartered in Helsinki, Finland is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

The Ferratum Group commenced its activities in May 2005 and has grown rapidly with a presence in 25 countries across Europe, North America and the APAC region (20 countries with operational activities). The Group has one million active and former customers who have been granted one or more loans in the past and a total of 2.8 million user accounts in its database (as of December 31, 2014).

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

In September 2014 the parent company of the Ferratum Group was renamed from JT Family Holding Oy to Ferratum Oyj and transformed from private limited liability company (Oy) into a public limited liability company (Oyj).

On February 6, 2015 Ferratum Group was admitted to the Prime Standard of the Frankfurt Stock Exchange in Germany. The Ferratum Group received EUR 48.2 million in gross issue proceeds arising from the capital increase.

Financial highlights, EUR	1.1.-31.12.2014	1.1.-31.12.2013
Revenue	70,508,257	58,198,340
Operating profit before IPO related items*)	11,787,660	N/A
Operating profit	10,611,418	7,328,569
Profit before tax	6,530,678	3,888,552
Net cash flows from operating activities	(9,901,787)	(8,175,772)
Net cash flows from investing activities	(1,918,010)	(1,003,115)
Net cash flows from financing activities	2,748,420	25,110,411
Net increase/decrease in cash and cash equivalents	(9,071,377)	15,931,524
Accounts receivable – consumer loans (net)	61,529,207	44,683,369
Cash and cash equivalents	8,025,869	17,528,034
Total assets	79,805,225	71,762,727
Non-current liabilities	28,884,945	26,417,083
Current liabilities	29,476,792	29,666,881
Equity	21,443,488	15,678,763
Equity ratio %	26.9	21.8
Net debt to equity ratio	2.35	2.46
Profit before tax %	9.3	6.7

*) 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 to 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.

CALCULATION OF KEY FINANCIAL RATIOS

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

$$\text{Net debt to equity ratio} = 100 \times \frac{\text{Total liabilities – cash and cash equivalents}}{\text{Total equity}}$$

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

KEY ACTIONS AND DEVELOPMENTS

During the fiscal year 2014 the Ferratum Group continuously strengthened and expanded its international market position. In concrete terms, the company focused on the following measures which were already contributing to the group's growth and profitability:

- Sound funding: In 2014 the group applied the proceeds from the bond issued in Germany in the fourth quarter 2013 in a volume of EUR 25 million. The net receivables from customers has subsequently increased to EUR 61.5 million at the end of 2014 compared to EUR 44.7 million at the end of 2013. Cash and cash equivalents remained strong with a volume of EUR 8.0 million as of December 31, 2014.
- In 2014 the Ferratum Bank (with its credit institution licence issued by Malta Financial Services Authority) launched its operations in Germany (Q1), Estonia (Q2), Latvia (Q2), Czech Republic (Q3), Bulgaria (Q3) and Sweden (Q4). The EU banking licence provides access to new external banking scoring databases, while allowing the business to expand to more countries with strict regulatory lending requirements. It also offers options for extending the product portfolio, most particularly for encompassing deposits, to support the profitable growth of Ferratum Group. Furthermore, the credit institution activities enhance the existing level of trustworthiness.
- The Ferratum Group continued to diversify its product portfolio. In addition to its established microloan, the Ferratum Group offers an instalment loan (PlusLoan) in eight countries as well as a credit limit product in four countries as of year-end 2014. Based on these products the Ferratum Group can offer higher loan amounts and longer terms which increases revenues per customer. Supplementing the product portfolio reinforces the 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 the Ferratum Group´s development.

Based on these growth drivers the Ferratum Group continued its positive growth trend in 2014 achieving new records in terms of revenues of EUR 70.5 million and an operating profit of EUR 11.8 million. The accelerating growth momentum over the course of the year 2014, with 44 % revenue growth from the first to the fourth quarter, is particularly noteworthy:

EUR	1Q 2014	2Q 2014	3Q 2014	4Q 2014
Revenues (accumulated)	14,654,881	30,831,540	49,429,408	70,508,257
Revenues (quarterly)	14,654,881	16,176,658	18,597,869	21,078,849

In 2014 the Ferratum Group reported an overall positive cash flow from taxes of EUR 698 thousand, receiving tax reimbursements of EUR 1.6 million from previous years.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Credit limit products were launched in two more countries during the first two months of 2015 and are offered in a total of six countries.

On January 30, 2015, the Ferratum Group commenced its operations in Canada. With the launch of the Ferratum Group's services in Canada, the company is now active in 20 countries worldwide.

On February 6, 2015, the 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 to 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 the Ferratum Group and another 850,068 shares from the 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 the Ferratum Group, remains the company's majority shareholder holding 57.43 % 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 supposed to strongly support Ferratum Group´s further development.

The proceeds from the IPO were deployed with immediate effect in February 2015 to repay drawdowns on the Ferratum Group´s variable refinancing facilities (Svea). Loan notes totaling EUR 5 million held with a German insurance company were notified, i.e. these are now to be paid as per August 30, 2015. These two initial measures form part of the changes planned in the company's debt structure, in the future, deposits are to replace a certain volume of capital market debt and thereby significantly reducing the group's funding costs.

Ferratum Bank Ltd is currently analyzing its potential participation in the capital markets with a view to exploring different funding mechanisms and hence widening its liquidity sources. As part of its liquidity management framework, Ferratum Bank Ltd will assess the possibility of structuring a debt issuance program taking into account the investment objectives of professional and other experienced investors.

TREASURY UPDATE

The Ferratum Group ended the year 2014 with a cash position of EUR 8.0 million (2013: EUR 17.5 million). In 2014 the Ferratum Group issued a new bond (series B2, maturity date: May 23, 2017) with a maturity of three years in Poland and paid back three bonds (series A1, A3 and A5) in May and June – all denominated in Polish zloty (PLN). The strong liquidity position of the group enabled it to slightly reduce the refinancing volume in PLN.

The credit line with Nordea was raised from EUR 5 million to EUR 7.5 million in October 2014. The group provided additional collateral for the higher credit line, including a floating charge agreement with Ferratum Oyj, worth EUR 7.5 million, and Ferratum Finland Oy, worth EUR 2.5 million. The new increased credit line was agreed between Nordea and Ferratum Capital Oy and is guaranteed by Ferratum Oyj.

Ther Creditreform rating agency confirmed the conferred investment grade rating of BBB- on Ferratum´s German bond (WKN: A1X3VZ) on September 24, 2014.

CUSTOMER BASE

	Jan - Dec 2014	Jan - Dec 2013	Growth-%
Total user accounts*)	2,816,758	1,872,868	50.4 %
Registered accounts	1,858,003	1,111,755	67.1 %
Active/former customers	958,755	761,113	26.0 %
New customers	197,642	170,113	16.2 %

*) Total user accounts as of December 31, 2014, i.e. registered accounts and active / former customers. At the end of 2014 a thorough review of user accounts was conducted and 417 thousand user accounts were eliminated from the database.

PERSONNEL

At year-end 2014, the Ferratum Group employed 383 persons in 25 countries compared with 310 persons in 23 countries in 2013. The average number of personnel in 2014 was 346 (2013: 283 persons). Payroll expenses amounted to EUR 8.6 million (2013: EUR 6.9 million).

SIGNIFICANT INVESTMENTS

The investments in 2014 have been made for improvements of the IT system and to commence the business in two new countries of Germany and Romania. Additionally the software, worth EUR 500 thousand, was purchased for the mobile bank in 2014.

After the IPO significant future investments will be made by accelerating geographical growth and in IT development projects necessary for operations especially the system platform for the mobile bank. The strengthened equity basis allows also an accelerated roll out of the new and more capital intensive products, especially Plusloans and Credit Limit into existing countries.

RISK FACTORS AND RISK MANAGEMENT

The purpose of risk management is to minimise 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 the Ferratum Group's operations can be divided into three main categories: credit risks (receivables from customers), market risks (including foreign exchange risks, interest rate risk and other price risks) and operational risks (such as IT risks and legal and regulatory risks and other operational risks).

Credit risks have been managed by developing risk management tools to assist the subsidiaries in evaluation of 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 have been 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 the Ferratum Group. Regulatory and legal risks are centrally managed by the group's legal function in close cooperation with authorities of the respective countries and relevant stakeholders. Potential or foreseeable changes in applicable laws are analysed on an ongoing basis and any necessary modifications to the Ferratum Group´s legal structure are proactively implemented.

The smooth and continuous operation of critical IT systems has been effectively guaranteed by various information security solutions. The 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 for 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 appropriate software, including instructions on the control and monitoring of risks. The CEO is responsible for the daily operations of the group. Each member of the Management Team bears ultimate responsibility for identifying and controlling the risks related to their functions in line with instructions from the Board.

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

Political risk is also a relevant risk factor for Ferratum Group. The Ferratum Group monitors closely the most recent developments in Russia. As part of risk mitigation, the Ferratum Group has significantly reduced the amount of receivables from customers in Russia.

FUTURE DEVELOPMENT

In the fiscal year 2015 the Ferratum Group plans to launch business under the credit institution licence in further countries where a credit institution licence is or may be required. The Ferratum Group expects to strengthen its position and evolve further towards its vision of becoming the leading mobile bank. Areas of focus in 2015 include deposit taking via the Ferratum Bank, improving mobile usability by introducing a new mobile bank application, entering the markets of new countries, and rolling out Credit Limit and PlusLoans to existing countries.

SHARES OF THE COMPANY

There were 11,112 issued shares as of December 31, 2013. There is one share series. As part of the preparation for the Ferratum Group´s IPO in September 2014 the following changes regarding the parent company took place:

- The parent company, JT Family Holding Oy, was renamed as Ferratum Oyj.
- A share split (1:1700) was registered, specifically, Ferratum Oyj had 18,890,400 shares instead of 11,112 at the end of 2014.
- The share capital was increased from EUR 10,000 to EUR 7,300,000.

All issued shares are fully paid up. Each share confers one vote and equal rights to dividend and claims on the company's assets in proportion to the number of shares issued.

PURCHASE OF TREASURY SHARES

The company owned 86 treasury shares on December 31, 2013. Following the share split in September 2014 the new number of shares stood at 146,200 shares. No shares were purchased or sold by Ferratum Oyj or any group company in 2014.

BOARD OF DIRECTORS' PROPOSAL FOR PROFIT DISTRIBUTION AND RETURN OF CAPITAL

The profit for the fiscal year 2014 of Ferratum Oyj amounted to EUR 9,387,479. Distributable equity of the parent company at the end of the fiscal year stood at EUR 5,933,433. The Board of Directors proposes that the company will not distribute any dividends from retained earnings. The Board of Directors further proposes that EUR 0.05 per share be distributed from the funds invested in the unrestricted equity reserve, to the shareholders as a return of capital, which is equivalent to EUR 1,078,888 return of capital; no capital is returned to the shares held by parent company. Compared with year-end 2014 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 return of capital does not jeopardise 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. 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

				Year ended December 31	
EUR	NOTE	2014 before IPO related items	2014 IPO related items	2014 Total	2013
Revenue	4	70,508,257		70,508,257	58,198,340
Other income		156,929		156,929	136,670
Impairments on loans		(20,372,148)		(20,372,148)	(21,598,446)
Operating expenses:					
Personnel expenses (i)	5	(10,790,672)	(977,027)	(11,767,699)	(8,760,443)
Selling and marketing expenses		(9,608,371)		(9,608,371)	(5,961,239)
Lending costs		(4,569,326)		(4,569,326)	(2,850,851)
Other administrative expenses		(3,032,685)		(3,032,685)	(3,629,055)
Depreciations and amortistion	6	(627,789)		(627,789)	(526,844)
Other operating expenses	7	(9,876,534)	(199,215)	(10,075,749)	(7,679,563)
Operating profit		**11,787,660**	**(1,176,242)**	**10,611,418**	**7,328,569**
Finance income	8	98,978		98,978	75,025
Finance costs	9	(4,179,718)		(4,179,718)	(3,515,042)
Finance costs – net		(4,080,740)		(4,080,740)	(3,440,017)
Profit before income tax		**7,706,920**	**(1,176,242)**	**6,530,678**	**3,888,552**
Income tax expense	10	(911,254)		(911,254)	(341,606)
Profit for the period		**6,795,667**	**(1,176,242)**	**5,619,425**	**3,546,946**
Earnings per share, basic and diluted	11			**0.30**	**0.19**
Profit attributable to:					
• owners of the parent company				5,619,425	3,546,946
• non-controlling interests (NCI)				0	0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31	
EUR	Note	2014	2013
Profit for the period		5,619,425	3,546,946
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation difference		(232,440)	(229,252)
Total items that may be reclassified to profit or loss subsequently		(232,440)	(229,252)
Total comprehensive income		**5,386,985**	**3,317,694**
Allocation of total comprehensive income to:			
• owners of the parent company		5,386,985	3,317,694
• non-controlling interests (NCI)		0	0

The notes on pages 32 to 72 are an integral part of these condensed interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR	Note	2014	2013
Assets			
Non-current assets			
Property, plant and equipment	12	293,658	282,051
Intangible assets	13	4,383,520	3,104,905
Deferred income tax assets	14	2,711,290	1,865,580
Total Non-Current Assets		**7,388,468**	**5,252,536**
Current assets			
Accounts receivable – consumer loans	15	61,529,207	44,683,369
Other receivables		2,193,944	3,963,145
Income tax assets		667,737	335,643
Cash and cash equivalents (excluding bank overdrafts)	16	8,025,869	17,528,034
Total current assets		**72,416,757**	**66,510,191**
Total assets		**79,805,225**	**71,762,727**
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	17	7,300,000	10,000
Treasury shares	17	(142,315)	(142,315)
Reserves	17	(392,343)	(171,135)
Unrestricted equity reserve	17	2,372,952	3,067,590
Retained earnings		12,305,194	12,914,623
Total equity		**21,443,488**	**15,678,763**
of which relate to Non-controlling interests			
Liabilities			
Non-current liabilities			
Borrowings	18	28,719,385	26,244,738
Other payables		10,803	17,479
Deferred income tax liabilities	14	154,757	154,866
Total non-current liabilities		**28,884,945**	**26,417,083**
Current liabilities			
Income tax liabilities		1,633,965	455,909
Borrowings	18	20,233,026	19,538,425
Trade payables	19	4,400,650	7,282,034
Other current liabilities	19	3,209,151	2,390,513
Total current liabilities		**29,476,792**	**29,666,881**
Total liabilities		**58,361,737**	**56,083,964**
Total equity and liabilities		**79,805,225**	**71,762,727**

CONSOLIDATED STATEMENT OF CASH FLOW

EUR	2014	2013
Cash flows from operating activities		
PROFIT/LOSS FOR THE PERIOD	5,619,425	3,546,946
Adjustments for:		
Depreciation and amortisation	627,789	526,844
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets		196,152
Finance costs, net	4,080,740	3,440,017
Tax on income from operations	911,254	341,606
Transactions without cash flow	(406,368)	53,016
Working capital changes:		
Increase (-) /decrease(+) in trade receivables (interests accrued)	(6,806,423)	(10,430,250)
Increase (+) /decrease(-) in allowances for doubtful current trade receivables	6,493,156	18,544,514
Increase (-) /decrease(+) in other current receivables	1,769,201	(2,947,664)
Increase (+) / decrease (-) in trade payables and other current liabilities	(2,062,746)	(1,340,400)
Interest paid	(4,309,150)	(3,859,481)
Interest received	92,374	25,949
Other financing items	(77,333)	(430,822)
Income taxes paid	(923,479)	(968,064)
Taxes received back	1,622,345	
Loans granted	(174,872,660)	(162,968,684)
Proceeds from repayments of loans	158,340,090	148,094,549
Net cash from operating activities	**(9,901,787)**	**(8,175,772)**
Cash flows from investing activities		
Purchase of tangible and intangible assets	(1,929,976)	(1,306,695)
Proceeds from sale of tangible and intangible assets	11,966	150,753
Proceeds from sale of other assets		152,827
Net cash used in investing activities	**(1,918,010)**	**(1,003,115)**
Cash flows from financing activities		
Purchase of own shares		(126,186)
Proceeds from short-term borrowings	10,016,527	8,997,633
Repayment of short-term borrowings	(1,757,934)	(7,111,294)
Proceeds from long-term borrowings	4,934,547	25,000,000
Repayment of long-term borrowings	(9,750,082)	(859,743)
Dividends paid / distribution of equity reserve	(694,638)	(790,000)
Net cash used in financing activities	**2,748,420**	**25,110,411**
Net increase/decrease in cash and cash equivalents	**(9,071,377)**	**15,931,524**
Cash and cash equivalents at the beginning of the period	17,528,034	2,670,730
Exchange gains/(losses) on cash and cash equivalents	(430,788)	(1,074,221)
Net increase/decrease in cash and cash equivalents	(9,071,377)	15,931,524
Cash and cash equivalents at the end of the period	**8,025,869**	**17,528,034**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Changes in equity 1 - 12 / 2013, EUR	Share capital	Treasury shares	Unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Equity holders of parent	NCI	Total equity
Opening balance 01/01/2013	**10,000**	**(16,130)**	**3,067,590**	**1,610**	**3,709**	**10,093,483**	**13,160,263**	**0**	**13,160,263**
Comprehensive income									
Profit or loss						3,546,946	3,546,946	0	3,546,946
Other comprehensive income									
Currency translation difference:				(71)	(176,674)	(52,508)	(229,252)	0	(229,252)
Total comprehensive income				**(71)**	**(176,674)**	**3,494,438**	**3,317,693**	**0**	**3,317,693**
Transactions with owners									
Dividend distribution						(790,000)	(790,000)	0	(790,000)
Acquisition of treasury shares		(126,186)					(126,186)	0	(126,186)
Share based payments						116,702	116,702	0	116,702
Other changes				290			290	0	290
Total transactions with owners		**(126,186)**		**290**	**-**	**(673,298)**	**(799,194)**	**0**	**(799,194)**
Total equity 31/12/2013	**10,000**	**(142,315)**	**3,067,590**	**1,829**	**(172,964)**	**12,914,623**	**15,678,763**	**0**	**15,678,763**

Changes in equity 1 - 12 / 2014, EUR	Share capital	Treasury shares	Unrestricted equity reserve	Other reserves	Translation differences	Retained earnings	Equity holders of parent	NCI	Total equity
Opening balance 01/01/2014	**10,000**	**(142,315)**	**3,067,590**	**1,829**	**(172,964)**	**12,914,623**	**15,678,763**	**0**	**15,678,763**
Comprehensive income									
Profit or loss						5,619,425	5,619,425	0	5,619,425
Other comprehensive income									
Currency translation difference:				(9)	(221,199)	(11,232)	(232,440)	0	(232,440)
Total comprehensive income				**(9)**	**(221,199)**	**5,608,193**	**5,386,985**	**0**	**5,386,985**
Transactions with owners									
Distribution of Equity reserve (i)			(694,638)				(694,638)		(694,638)
Increase of share capital(ii)	7,290,000					(7,290,000)	0	0	0
Share-based payments						1,072,378	1,072,378	0	1,072,378
Total transactions with owners	**7,290,000**		**(694,638)**			**(6,217,622)**	**377,740**	**0**	**377,740**
Total equity 31/12/2014	**7,300,000**	**(142,315)**	**2,372,952**	**1,820**	**(394,163)**	**12,305,194**	**21,443,488**	**0**	**21,443,488**

(i) The Board of Directors proposes not to distribute dividends from retained earnings, but to distribute the presented amount out of the invested funds in the unrestricted equity reserve as a return of capital

(ii) The Board of Directors made a decision to increase the Share capital of the Company by 7.29 million EUR from funds available in Retained earnings

1. GENERAL INFORMATION

Ferratum Group is one of the leading providers of mobile consumer loans globally. It is an independent group and it doesn't belong to any other group in the financial or commercial sector. Ferratum Group is operating under generally accepted ethical principles, and is one of the leading players in developing the credibility of mobile consumer lending and common industry processes, 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, 2014. The Board of Directors of Ferratum Group has approved these financial statements for publication on March 27, 2015. 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.

The group has adopted the following new and revised standards during the year:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interests in other entities
- IAS 27 (revised 2011) Separate financial statements
- IAS 28 (revised 2011), Associates and joint ventures

In addition, there have been some amendments to existing standards. None of the new or revised standards or amendments had 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. These assumptions and estimates affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this financial statements release, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2013.

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 authorisation for issue of these financial statements. 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.

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: amortised 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 use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

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 unrealised 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 recognises 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 recognised 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 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 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 recognised 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 recognised in income statement or other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment are recognised 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 recognised 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 recognised within other operating (expenses) / income (net) in the income statement.

2.6 Intangible assets

Intangible assets of Ferratum Group are mainly representing immaterial rights (licences, trademark etc.) and capitalised software development costs.

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences 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 recognised 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 capitalised 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 recognised as an expense as incurred. Development costs recognised as assets are amortised 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 amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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 categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if 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 recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised 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 recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have 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 amortised 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 AMORTISED 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:

(i) adverse changes in the payment status of borrowers in the portfolio; and

(ii) 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 recognised 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 are recognised in the financial statements based on historical trends and collective assessment of groups of microloans with similar credit risk characteristics. These loan receivables include loan principal amount as well as related accrued fees (process, prolonging, reminder 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 recognised 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 recognised the previously recognised 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

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

Fees paid on the establishment of loan facilities are recognised 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 amortised 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 capitalised as a pre-payment for liquidity services and amortised 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 recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, 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 recognised 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 realised or the deferred tax liability is settled.

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

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 microloan financing activities, by charging one or more of the following fees to the customer: process fee (representing interest yield on initial microloan period), prolonging fees (representing interest yield for any extension of the repayment date for the original maturity date of the microloan), 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 in 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 effective interest method. The effective interest method is a method of calculating the amortised 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 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 was 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 granted loans i.e. the loan amount, maturity and repayment schedules and the associated fees which are used as a basis for the 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 on 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 day to day basis. The effective interest rate is based on the number of days between the day in which the loan is paid out and the day on which the loan is contractually due.

2.16 Finance income and costs

Interest income and expense for all interest-bearing financial instruments, except microloans, are recognised 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 selected individuals and employees have been offered 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 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 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

Derivatives of the group only contain interest rate swaps. The derivative contracts are initially recognized at fair value on the date they are entered into operation. Subsequent measurement is also based at their fair value. The fair value of interest rate swaps is calculated by discounting the future cash flows at current interest rate at the balance sheet date. Interest rate swaps are part of 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 programme focuses on the unpredictability of financial markets and seeks to minimise 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, which function is however carried out by all the members of the group's management.

(a) Credit risk

Ferratum Group takes on exposure to credit risk, which is the risk that 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 analysed by class and IAS 39 categorisation, reflecting the maximum exposure to credit risk before collateral held or other credit enhancements, are as follows:

	31-Dec-2014	31-Dec-2013
Loans and receivables:		
Cash and cash equivalents (i)	8,025,869	17,528,034
Accounts receivable – consumer loans	61,529,207	44,683,369
Other receivables	2,193,944	3,963,145
	71,749,020	**66,174,548**

(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 at December 31, 2014 and 2013, 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 centrally steered by the risk team. Measuring and monitoring the performance of the countries credit portfolio´s actual risk KPI´s 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 to 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 repeated customers. Based on the obtained credit score, customers are grouped into risk classes that determine the possible credit decision.

Ferratum Group centrally calculates reserving needs for group accounting purposes and also supports subsidiaries in calculating their local reserving requirements. The reserving requirements are calculated based on 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 get 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 is the risk 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, recognised 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. At 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 result from intra-group borrowings, main foreign exchange risk arises from Polish Zloty. At December 31, 2014, if 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 483 thousand higher / lower, mainly as a result of foreign exchange gains / losses on intra group borrowings (2013: EUR 310 thousand).

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 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, 2014 and year ended December 31, 2013, Ferratum Group's borrowings at variable rate were denominated in PLN and EUR.

EUR	31-Dec-2014	31-Dec-2013
Fixed interest rate borrowings	33,404,014	25,646,366
Variable interest rate borrowings	15,548,397	20,136,797
Total borrowings	**48,952,411**	**45,783,163**

Ferratum Group analyses 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, 2014 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 25 % of the group's variable rate borrowings. Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

At December 31, 2014, if interest rates at 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 129 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 in and aggregated by Ferratum Group finance. Ferratum Group finance monitors rolling forecasts of the group's liquidity requirements to ensure 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 – for example, currency restrictions. Surplus cash held by the operating entities over and above balance required for working capital management are 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. At the reporting date, the group had unused credit lines amounting to EUR 348 thousand.

Ferratum Group has entered into one factoring agreement in Finland, whereby a portfolio of loan receivables is transferred to counterparty against a cash payment. The risks and benefits related to the transferred assets are not, however, transferred given that the group has repurchase obligation in case of 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 recognised.

Repayment schedule for financial liabilities as of December 31, 2014 including future interest payments is as follows. Variable interest payments are estimated based on the spot interest rate level at the balance sheet date. The amounts are undiscounted.

31 December 2014	Less than 12 months	Between 1 – 2 years	Between 2-5 years	Over 5 years
Bank borrowings	10,680,502			111,000
Interest	444,554	2,054	6,161	2,054
Corporate loan	5,000,000			
Interest	261,816			
Bonds issued	2,415,724		28,714,954	
Interest	2,554,442	2,442,994	4,221,497	
Deposits from customers	2,136,800			
Derivatives	23,875	23,875	71,626	
Trade payables and other current liabilities	7,609,801			
	31,127,513	**2,468,922**	**33,014,237**	**113,054**

31 December 2013	Less than 12 months	Between 1 – 2 years	Between 2-5 years	Over 5 years
Bank borrowings	4,717,276			
Interest	578,973			
Corporate loan	5,000,000			
Interest	511,000			
Bonds issued	9,821,149	2,498,616	23,746,122	
Interest	2,797,741	2,108,178	5,605,479	
Deposits from customers	1,110,760			
Derivatives	9,090	9,090	27,269	
Trade payables and other current liabilities	9,672,547			
	34,218,536	**4,615,884**	**29,378,870**	

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, 2014, Ferratum Group's strategy, which was unchanged from 2013, was to maintain the gearing ratio below 3.

Gearing ratio	31-Dec-2014	31-Dec-2013
Total liabilities	58,361,737	56,083,964
Less: cash and cash equivalents	8,025,869	17,528,034
Net debt	50,335,868	38,555,930
Total equity	21,443,488	15,678,763
Gearing ratio	2.3	2.5

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 at 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	31-Dec-2014	31-Dec-2014	31-Dec-2013	31-Dec-2013	Level of fair value measurement
	Carrying value	Fair value	Carrying value	Fair value	
Financial liabilities					
Items recognised at amortised cost					
Loans from financial institutions	10,680,502	10,916,239	9,717,276	9,674,172	Level 3
Bonds	36,130,678	36,622,797	36,065,887	35,483,937	Level 1
Items recognised at fair value through profit and loss					
Derivatives	119,376	119,376	45,449	45,449	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 loan at the reporting date. These are categorized within level 3, given that credit spread is a significant unobservable input based on the management estimation.

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

4. SEGMENT INFORMATION

Ferratum Group has two operating reportable segments. Operating segments are based on Group's management structure which consists of two geographical regions: West and East. The West region includes Australia, New Zealand, Canada (launched in January 2015), UK, Spain, Netherlands, Belgium (active until 2013), Sweden, Denmark, Germany and Finland. The East region includes Estonia, Lithuania, Latvia, Poland, Czech Republic, Slovakia, Croatia, Bulgaria, Russia and Romania.

4.1 Business segments 2014

Year ended December 31

EUR	West	East	Other*	Group
Revenue	42,376,860	28,131,397	-	70,508,257
Other income	138,529	111,983	(93,583)	156,929
Impairments on loans	(11,272,563)	(9,099,585)	-	(20,372,148)
Operating expenses:				
Selling, marketing and administration	(15,343,504)	(11,053,084)	(2,581,494)	(28,978,082)
Depreciations and amortisation	(242,324)	(117,850)	(267,615)	(627,789)
Other operating expenses	(2,824,686)	(3,124,158)	(4,126,905)	(10,075,749)
Operating profit	**12,832,312**	**4,848,703**	**(7,069,597)**	**10,611,418**
Total segment assets	**45,137,553**	**31,028,348**	**3,639,324**	**79,805,225**
Total segment liabilities	**38,890,305**	**15,121,345**	**4,350,087**	**58,361,737**

* 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.

4.2 Business segments 2013

				Year ended December 31
EUR	West	East	Other*	Group
Revenue	33,912,729	24,285,611	-	58,198,340
Other income	24,619	21,339	90,713	136,670
Impairments on loans	(11,970,260)	(9,628,186)	-	(21,598,446)
Operating expenses:				
Selling, marketing and administration	(14,103,533)	(5,463,510)	(1,634,545)	(21,201,588)
Depreciations and amortisation	(247,196)	(53,310)	(226,338)	(526,844)
Other operating expenses	(3,369,228)	(1,318,739)	(2,991,596)	(7,679,563)
Operating profit	**4,247,132**	**7,843,205**	**(4,761,767)**	**7,328,570**
Total segment assets	**48,872,658**	**20,041,427**	**2,848,642**	**71,762,727**
Total segment liabilities	**38,741,293**	**13,224,625**	**4,118,046**	**56,083,965**

* 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.

4.3 Geographical areas

EUR	2014	2013
Revenue, abroad	55,364,389	47,627,726
Revenue, domestic	15,143,868	10,570,614
Total Revenue	**70,508,257**	**58,198,340**

5. PERSONNEL EXPENSES

EUR	2014	2013
Salaries and other employee benefits (incl. bonuses)	(8,621,591)	(6,934,860)
Employee pension expenses	(310,749)	(415,100)
Other personnel expenses	(1,762,982)	(1,293,782)
Share-based payments equity settled (i)	(1,072,378)	(116,702)
Total Personnel expenses	**(11,767,699)**	**(8,760,443)**

(i) The major part of these expenses (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.

6. DEPRECIATION AND AMORTISATION

EUR	2014	2013
Depreciation and Amortisation		
Tangible assets		
Machinery & Equipment	(113,261)	(123,520)
Other tangible assets	(4,259)	(1,590)
Total Tangible assets	**(117,520)**	**(125,110)**
Intangible assets		
Trademark and licenses	(220,462)	(220,136)
IT Software	(289,807)	(181,599)
Total Intangible assets	**(510,269)**	**(401,734)**
Total depreciation and amortisation	**(627,789)**	**(526,844)**

7. OTHER OPERATING EXPENSES

EUR	2014	2013
Rent and other office expenses	(1,568,334)	(1,224,806)
Travel expenses	(1,233,334)	(1,076,971)
Professional fees (excl. Audit)	(3,084,439)	(2,453,667)
Audit fees	(348,013)	(239,558)
Other expenses	(3,841,629)	(2,684,562)
Other operating expenses	**(10,075,749)**	**(7,679,563)**

Audit fees and other services from audit companies:

EUR	2014	2013
PwC		
Audit fees	237,910	193,581
Non-audit fees:		
Tax advise	46,081	12,779
Other services	572,607	224,224
Other audit companies		
Audit fees	110,103	45,978
Non-audit fees:		
Other services	7,909	123,888
Total audit fees	**348,013**	**239,558**
Total non-audit fees	**626,597**	**360,892**

8. FINANCE INCOME

EUR	2014	2013
Interest income from cash and cash equivalents	98,978	64,380
Derivative held for trading – net gain / (loss)		10,645
Total finance income	**98,978**	**75,025**

9. FINANCE COSTS

EUR	2014	2013
Interest on borrowings	(4,121,093)	(2,760,367)
Derivatives held for trading – net gain / (loss)	(73,927)	
Other finance expenses paid on borrowings	(12,192)	(406,231)
Foreign exchange loss on liabilities, realized	27,494	(348,444)
Total finance costs	**(4,179,718)**	**(3,515,042)**

10. INCOME TAX EXPENSES

EUR	2014	2013
Current tax:		
Current tax on profits for the year	(1,504,176)	(597,640)
Adjustments in respect of prior years	(253,295)	(3,773)
Total current tax	**(1,757,471)**	**(601,413)**
Changes in deferred taxes	846,217	259,806
Total deferred tax	**846,217**	**259,806**
Income tax expense	**(911,254)**	**(341,606)**

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	2014	2013
Profit before tax	**6,530,678**	**3,888,552**
Tax calculated at Finnish tax rate	(1,306,136)	(952,695)
Tax effects of:		
• Difference between Finnish tax rate and rates in other countries	(187,244)	631,957
• Income not subject to tax	2,279,139	476,171
• Expenses not deductible for tax purposes	(1,215,740)	(1,414,155)
• Utilization of previously unrecognized tax losses	918,330	818,356
• Tax losses for which no deferred income tax asset was recognised	0	(942,997)
• Tax assets from previously unrecognised tax losses	813,141	982,477
Re-measurement of deferred tax – change in tax rate *	(94,508)	67,142
Changes in tax provisions	(1,953,132)	0
Adjustment in respect of prior years	(85,443)	(3,773)
Others	(79,661)	(4,089)
Tax charge	**(911,254)**	**(341,606)**

* The corporate income tax rate decreased in Finland from 24,5 % to 20 %, in Denmark from 25 % to 24,5 % and in Slovakia from 23 % to 22 % in 2014. 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	2014	2013
Losses carried forward balance at 31-Dec	**8,525,803**	**8,831,983**
out of which		
• expires in one year	1,336,892	0
• expires in two years' time	379,000	0
• expires later than two years	6,809,911	8,831,983

11. 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 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 1:1,700.

EUR	2014	2013
Profit for the reporting period attributable to owners of the parent	5,619,425	3,546,946
Weighted average number of ordinary shares in issue	18,744,200	18,765,345
Earnings per share, basic and diluted	**0.30**	**0.19**

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, 2014 is EUR 0.26 (2013: EUR 0.16). Before the IPO related items the earnings per share were EUR 0.36 based on 18,744,200 shares and EUR 0.31 based on 21,577,760 shares.

12. PROPERTY, PLANT AND EQUIPMENT

EUR	Machinery & Equipment	Other tangible assets	Total
Cost, opening balance, as at January 1, 2013	**558,201**	**69,307**	**627,508**
Year ended December 31, 2013:			
Additions of the period	251,314	8,242	259,556
Disposals of the period	(382,499)	(12,448)	(394,947)
Reclassification during the period	59,198	(63,898)	(4,700)
Cost, closing balance, as at December 31, 2013	**486,214**	**1,203**	**487,417**
Cumulative depreciation, opening balance, as at January 1, 2013	**(327,091)**	**(2,059)**	**(329,150)**
Year ended December 31, 2013:			
Cumulative depreciation of disposals	245,691	3,203	248,893
Depreciation for the period	(123,520)	(1,590)	(125,110)
Cumulative depreciation, closing balance, as at December 31, 2013	**(204,920)**	**(446)**	**(205,366)**
Net book amount, opening balance	**231,110**	**67,248**	**298,358**
Net book amount, closing balance	**281,294**	**757**	**282,051**
Cost, opening balance, as at January 1, 2014	**486,214**	**1,203**	**487,417**
Year ended December 31, 2014:			
Additions of the period	92,109	48,984	141,093
Disposals of the period	(27,019)		(27,019)
Reclassification during the period			
Cost, closing balance, as at December 31, 2014	**551,304**	**50,187**	**601,491**
Cumulative depreciation, opening balance, as at January 1, 2014	**(204,920)**	**(446)**	**(205,366)**
Year ended December 31, 2014:			
Cumulative depreciation of disposals	15,053		15,053
Depreciation for the period	(113,261)	(4,259)	(117,520)
Cumulative depreciation, closing balance, as at December 31, 2014	**(303,128)**	**(4,705)**	**(307,833)**
Net book amount, opening balance	**281,294**	**757**	**282,051**
Net book amount, closing balance	**248,176**	**45,482**	**293,658**

13. INTANGIBLE ASSETS

EUR	Immaterial rights	Internally generated software development costs	Computer Software	Total
Cost, opening balance, as at January 1, 2013	**1,103,505**	**904,661**	**1,179,216**	**3,187,381**
Year ended December 31, 2013:				
Additions of the period	597	847,982	198,560	1,047,139
Disposals of the period				
Cost, closing balance, as at December 31, 2013	**1,104,102**	**1,752,642**	**1,377,776**	**4,234,521**
Cumulative depreciation, opening balance, as at January 1, 2013	**(441,449)**	**0**	**(286,193)**	**(727,642)**
Year ended December 31, 2013:				
Cumulative depreciation of disposals	(239)			(239)
Depreciation for the period	(220,136)		(181,599)	(401,734)
Cumulative depreciation, closing balance, as at December 31, 2013	**(661,823)**	**0**	**(467,792)**	**(1,129,615)**
Net book amount, opening balance	**662,056**	**904,661**	**893,023**	**2,459,739**
Net book amount, closing balance	**442,278**	**1,752,643**	**909,984**	**3,104,905**
Cost, opening balance, as at January 1, 2014	**1,104,102**	**1,752,642**	**1,377,776**	**4,234,521**
Year ended December 31, 2014:				
Additions of the period		1,788,883		1,788,883
Disposals of the period				
Cost, closing balance, as at December 31, 2014	**1,104,102**	**3,541,526**	**1,377,776**	**6,023,404**
Cumulative depreciation, opening balance, as at January 1, 2014	**(661,823)**	**-**	**(467,792)**	**(1,129,615)**
Year ended December 31, 2014:				
Cumulative depreciation of disposals				
Depreciation for the period	(220,462)		(289,807)	(510,269)
Cumulative depreciation, closing balance, as at December 31, 2014	**(882,285)**	**-**	**(757,599)**	**(1,639,884)**
Net book amount, opening balance	**442,278**	**1,752,643**	**909,984**	**3,104,905**
Net book amount, closing balance	**221,817**	**3,541,526**	**620,177**	**4,383,520**

14. DEFERRED INCOME TAX ASSETS AND LIABILITIES

Changes in deferred taxes during the financial year 2014

EUR	at 1-Jan-2014	Recognized in income statement	Recognized in Equity	Translation difference	at 31-Dec-2014
Deferred tax assets					
Tax losses carried forward	1,123,241	688,165	0	5,560	1,816,966
Deferred revenue and credit loss reserve	730,725	134,856	0	2,344	867,925
Derivative	11,614	14,785	0		26,399
Total	**1,865,580**	**837,806**	**0**	**7,904**	**2,711,290**
Deferred tax liabilities					
Discretionary provisions	154,866	(142)	0	33	154,757
Deferred tax net	**1,710,714**	**837,948**	**0**	**7,871**	**2,556,533**

Changes in deferred taxes during the financial year 2013

EUR	at 1-Jan-2013	Recognized in income statement	Recognized in Equity	Translation difference	at 31-Dec-2013
Deferred tax assets					
Tax losses carried forward	1,599,931	(455,342)	0	(21,347)	1,123,241
Deferred revenue and credit loss reserve	269,400	525,908	0	(64,583)	730,725
Derivative	13,743	(2,129)	0	0	11,614
Total	**1,883,073**	**68,437**	**0**	**(85,930)**	**1,865,580**
Deferred tax liabilities					
Discretionary provisions	344,845	(191,370)	0	1,390	154,866
Deferred tax net	**1,538,228**	**259,806**	**0**	**(87,320)**	**1,710,714**

15. ACCOUNTS RECEIVABLE – CONSUMER LOANS

EUR	31-Dec-2014	31-Dec-2013
Accounts receivable – consumer loans (gross)	105,710,443	82,371,449
Less: provision for impairment of loan receivables	(44,181,235)	(37,688,079)
Accounts receivable – consumer loans (net)	**61,529,207**	**44,683,369**

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	31-Dec-2014			31-Dec-2013		
	GBV	Impairments	NBV	GBV	Impairments	NBV
Not due	37,376,215	(2,395,374)	34,980,842	17,768,761	(1,314,774)	16,453,987
1-90 days due	18,330,285	(4,986,513)	13,343,772	11,770,407	(3,106,821)	8,663,586
91-180 days due	6,956,152	(3,484,713)	3,471,438	10,992,578	(4,067,267)	6,925,311
> 181 days due	43,047,791	(33,314,635)	9,733,155	41,839,702	(29,199,218)	12,640,485
Total	**105,710,443**	**(44,181,235)**	**61,529,207**	**82,371,449**	**(37,688,079)**	**44,683,369**

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

EUR	2014	2013
Provision for impairment at January 1	(37,688,079)	(19,143,565)
Provisions accruals	(20,372,148)	(21,598,446)
Amounts fully reserved and booked out	13,878,992	3,053,932
Provision for impairment at December 31	**(44,181,235)**	**(37,688,079)**

16. CASH AND CASH EQUIVALENTS

EUR	31-Dec-2014	31-Dec-2013
Cash at bank and in hand	8,025,869	17,528,034
Short-term bank deposits		
Cash and cash equivalents (excluding bank overdrafts)	**8,025,869**	**17,528,034**

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

EUR	Number of shares (i)	Share capital	Treasury share	Unrestricted equity reserve	Other reserves
At 1-Jan-2013	**18,890,400**	**10,000**	**(16,130)**	**3,067,590**	**5,320**
Share issue					
Acquisition of treasury shares			(126,186)		
Currency translation differences					(176,455)
At 31-Dec-2013	**18,890,400**	**10,000**	**(142,315)**	**3,067,590**	**(171,135)**
Share issue					
Distribution of Equity reserve				(694,638)	
Increase of share capital		7,290,000			
Currency translation differences					(221,208)
At 31-Dec-2014	**18,890,400**	**7,300,000**	**(142,315)**	**2,372,952**	**(392,343)**

(i) A share split has been 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 Ferratum Oyj has now 18.890.400 shares.

The cumulative translation differences EUR -221 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, 2014 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 treasury shares are to be used for share purchase plans.

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.

18. INTEREST BEARING LIABILITIES

EUR	31-Dec-2014	31-Dec-2013
Non-current interest bearing liabilities		
Bonds issued	28,719,385	26,244,738
Total Non-current interest bearing liabilities	**28,719,385**	**26,244,738**
Current interest bearing liabilities		
Bank borrowings	10,680,502	3,606,516
Bonds issued	7,415,724	14,821,149
Deposits from customers*	2,136,800	1,110,760
Total Current interest bearing liabilities	**20,233,026**	**19,538,425**
Total interest bearing liabilities	**48,952,411**	**45,783,163**

* In the annual report 2013 the amount was included in Bank borrowings under Current interest bearing liabilities.

19. CURRENT NON-INTEREST BEARING LIABILITIES

EUR	31-Dec-2014	31-Dec-2013
Current tax liabilities	1,633,965	455,909
Trade payables	4,400,650	7,282,034
Factoring trade payables	714,300	4,806,779
Other trade payables	3,686,350	2,475,255
Other current liabilities	3,209,151	2,390,513
Derivatives	119,376	45,449
Interest liabilities	463,464	559,147
Accrued employee expenses	866,230	568,918
Other current accrued liabilities on expenses, interest-free	1,760,081	1,217,000
Total current non-interest bearing liabilities	**9,243,766**	**10,128,456**

20. RELATED PARTY DISCLOSURE

Ferratum Group is controlled by Jorma Jokela, who owns 57 % (after IPO) 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	2014	2013
Purchase of goods from related parties – Entity controlled by key management personnel		
Purchase of services from related parties – Entity controlled by key management personnel	1,076,087	817,049
	1,076,087	**817,049**

Ferratum Group has business relationships with related party companies. The acquired services include administration 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 market price of goods and services.

Key management compensation

EUR	2014	2013
Compensation to Key Management (that consists of the Board of Directors and the Senior Management Team)		
Salaries and other short-term employee benefits	1,138,709	1,022,006
Share based payments	1,072,378	116,702
Total	**2,211,087**	**1,138,708**
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	198,185	203,209
Erik Ferm, Chairman of the Board of Directors		
Salaries and other short-term employee benefits	15,000	15,000
Share based payments	64,978	30,098
Juhani Vanhala, Member of the Board of Directors		
Salaries and other short-term employee benefits	26,100	27,000
Statutory pension cost	4,325	4,474
Lea Liigus, Member of the Board of Directors		
Salaries and other short-term employee benefits	0	0
Kai Becker, Member of the Board of Directors		
Salaries and other short-term employee benefits	0	0
Total	**308,588**	**279,781**

21. COMMITMENTS

EUR	2014	2013
Credit limit agreement		
Total amount of limits granted to Ferratum	7,611,000	2,500,000
Limit in use	7,263,061	779,251
Collateral on own debt		
Guarantees	32,199,814	38,869,630
Corporate pledge	10,000,000	3,000,000
Pledged subsidiary shares	11,000	10,000
Pledged investments	5,000	5,000

22. SHARE BASED PAYMENTS

Over time selected 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 needs 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 value increase of the shares. The fair value of this potential increase calculated is recognized as expenses over the vesting period. Based on Ferratum Group´s decision in Q4 2014 to list its shares all remaining expenses were no longer recognized over the vesting period but immediately, i.e. there won´t be any further impact after the financial year 2014.The valuation of the shares is made on the date of the grant using Black and Scholes -model, adjusted to take into account the terms and conditions upon which the shares were granted (except for vesting conditions).

During October 2014, selected key management employees were granted options to purchase total of 238,000 shares of the Company from Jorma Jokela. The exercise period starts on 15 January 2015 and ends on 15 June 2016 and there are no vesting conditions attached to the options or shares. In February 2015 the exercise period for 170,000 of these shares has been extend to 31.12.2017. Total fair value of the options at the grant date is approximately EUR 977,027 and the valuation of the share options is made using 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 will be recognised 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 to the Company.

GENERAL DETAILS:

	Scheme 2007	Scheme 2008	Scheme 2009	Scheme 2010	Scheme 2011	Scheme 2012	Scheme 2014
Number of personnel in scheme at grant date	4	1	3	12	2	5	3
Number of shares sold at grant date	100	10	165	325	40	183	N/A
Number of shares at 31.12.2013	94	10	165	205	40	183	N/A
Number of shares at 31.12.2014	94	10	165	205	40	183	N/A
Vesting period begins (date)	12/31/2007	10/9/2008	1/2/2009	4/22/2010	4/30/2011	2/28/2012	N/A
Vesting period ends	12/30/2011	10/8/2012	1/1/2013	4/21/2014	4/29/2015	2/27/2016	N/A
Share ownership obligation (in years)	4	4	4	4	4	4	N/A
Vesting period left	Vested	Vested	Vested	Vested	0.33 years	1.16 years	N/A
Realization of pay-out criteria (%) at the end of reporting period	100 %	100 %	100 %	100 %	92 %	71 %	N/A
Total value of award at grant date, EUR	36,957	4,693	93,045	214,741	41,408	220,316	977,027
The impact of the scheme on 2014 result before tax, EUR	-	-	-	-	13,727	81,624	977,027
The impact of the scheme on 2013 result before tax, EUR	-	-	-	51,207	10,352	55,079	-

23. 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 Belgium BVBA	Belgium	100 %	99.99 %
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 %

24. PARENT COMPANY STATEMENTS 2014

24.1 Ferratum Oyj Income statement

EUR	Note	Year ended December 31 2014	2013
Other operating income	2	1,378,846	1,683,038
Personnel expenses	4	(1,329,389)	(1,545,169)
Depreciation, amortisation and impairment	6	(267,615)	(226,338)
Other operating expenses	7	(4,195,788)	(3,042,972)
Operating profit		(4,413,946)	(3,131,442)
Financial income and expenses	8	(62,267)	2,521,969
Profit/loss before extraordinary items		(4,476,213)	(609,472)
Extraordinary items	9	13,864,082	68,553
Profit/loss after extraordinary items		9,387,869	(540,919)
Income tax		(390)	0
Profit for the year		**9,387,479**	**(540,919)**

24.2 Ferratum Oyj Statement of financial position

EUR	Note	31-Dec-2014	31-Dec-2013
Assets			
Non-current assets			
Intangible assets	10	2,085,030	1,760,404
Tangible assets	11	96,405	143,281
Investments	12	14,421,850	13,659,370
Total Non-current Assets		**16,603,286**	**15,563,054**
Current assets			
Non-current receivables	13	15,070,241	21,131,384
Current receivables	14	21,980,886	8,605,370
Cash and bank		21,020	129,197
Total current assets		**37,072,147**	**29,865,951**
Total assets		**53,675,433**	**45,429,006**
Equity and liabilities			
Equity			
Share capital		7,300,000	10,000
Treasury shares		(142,315)	(142,315)
Other reserves total		2,372,952	3,067,590
Retained earnings		(5,684,680)	2,146,236
Profit/loss for the period		9,387,479	(540,919)
Total equity	16-17	**13,233,436**	**4,540,591**
Liabilities			
Non-current liabilities, interest-bearing	18	27,854,817	26,794,043
Current liabilities, interest-bearing	19	8,551,284	12,628,998
Current liabilities, interest-free	19	4,035,896	1,465,373
Total liabilities		**40,441,997**	**40,888,414**
Total equity and liabilities		**53,675,433**	**45,429,006**

24.3 Ferratum Oyj Cash flow statement

	Year ended December 31	
EUR	2014	2013
Cash flows from operating activities		
Profit / Loss for the period	9,387,479	(540,919)
Adjustments for:		
Depreciation, amortisation & impairment loss	267,615	226,338
Financial income and expenses	62,267	(2,521,969)
Tax on income from operations	390	-
Other adjustments	(14,335,099)	54,278
Operating profit before working capital changes	**(4,617,348)**	**(2,782,273)**
Working capital changes:		
Increase (-) /decrease(+) in trade and other receivables	(8,311,685)	(3,282,099)
Increase (+) / decrease (-) in trade payables	1,571,029	(726,010)
Cash generated from operations	**(11,358,004)**	**(6,790,382)**
Interest paid	(2,718,621)	(2,703,013)
Dividends received	1,119,909	-
Interest received	3,905,845	3,353,632
Other financing items	164,247	18,802
Income taxes paid	(390)	-
Cash flow before extraordinary items	(8,887,014)	(6,120,961)
Net cash from operating activities	**(8,887,014)**	**(6,120,961)**
Cash flows from investing activities		
Purchase of tangible and intangible assets	(545,366)	(411,309)
Proceeds from sale of tangible and intangible assets	-	29,136
Acquisition of subsidiaries	(772,557)	(1,530,481)
Disposal of subsidiaries	6,800,000	5,000
Loans granted (-) / Repayments of loans (+)	6,984,627	(12,334,824)
Net cash used in investing activities	**12,466,704**	**(14,242,478)**
Cash flows from financing activities		
Purchase of own shares	-	(126,186)
Proceeds from borrowings (+) / Repayment (-)	(3,016,940)	19,660,463
Dividends paid	(694,638)	(790,567)
Group contribution received (+) / paid (-)	23,711	1,150,000
Net cash used in financing activities (C)	**(3,687,867)**	**19,893,711**
Net increase/decrease in cash and cash equivalents	**(108,177)**	**(469,728)**
Cash and cash equivalents at beginning of the period	129,197	598,924
Net increase/decrease in cash and cash equivalents	(108,177)	(469,728)
Cash and cash equivalents at the end of the period	21,020	129,197

24.4 Notes to the financial statements of parent company

1. Notes to financial statement of parent company

PARENT COMPANY INFORMATION

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

ACCOUNTING PRINCIPLES

VALUATION METHODS

Tangible assets have been valued at acquisition cost.

ALLOCATION PRINCIPLES AND METHODS

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

DEPRECIATION PERIODS

Investments for rental premises - 4 years
Immaterial rights - 3 to 10 years
Tangible assets - 25 % declining depreciation

COMPARATIVE DATA

The length of the financial year is 12 months (Jan 1, 2014 – Dec 31, 2014).

FOREIGN CURRENCY VALUATION

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

EXCEPTIONAL ITEMS

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

SHARE CAPITAL

The share capital of the company is EUR 7,300,000 and the number of shares is 18,890,400 . The shares have no nominal value. All the shares are attached with equal voting rights and equal right when distributing dividend.

24.5 Notes to the income statement of parent company

2. Other operating income	2014	2013
Other operating income	1,378,846	1,683,038

3. Average personnel	2014	2013
During financial year	15	23

4. Personnel expenses	2014	2013
Wages and salaries	(1,094,503)	(1,317,179)
Pension expenses	(181,513)	(181,879)
Other social expenses	(53,373)	(46,111)
Personnel expenses, total	**(1,329,389)**	**(1,545,169)**

5. Management compensation	2014	2013
Board of directors and CEO	140,047	212,056

6. Depreciation and amortisation by asset class category	2014	2013
Intangible assets		
Other capitalised expenditure	(205,665)	(147,564)
Tangible assets		
Machinery and equipment	(61,950)	(78,774)
Total Depreciation and Amortisation	**(267,615)**	**(226,338)**

7. Other operating expenses	2014	2013
Selling, marketing and administration	(4,126,764)	(2,990,710)
Audit fees	(69,024)	(52,263)

8. Financial income and expenses	2014	2013
Financial income		
Intra-group dividend income	1,184,677	3,043,010
Intra-group dividend income, total	1,184,677	3,043,010
Other intra-group interest and financial income	2,184,799	2,884,161
Other interest and financial income from others	3,860	7,973
Other financial income	2,188,659	2,892,134
Financial income, total	**3,373,337**	**5,935,144**
Financial expenses		
Other intra-group interest and financial expenses	(3,383,194)	(2,252,327)
Other interest and financial expenses from others	(52,410)	(1,160,848)
Financial expenses, total	**(3,435,604)**	**(3,413,175)**
Financial income and expenses, total	**(62,267)**	**2,521,969**
Foreign exchange gains and losses, total	**284,515**	**(388,738)**

9. Extraordinary items	2014	2013
Other extraordinary income	6,797,423	-
Other extraordinary expenses	(478,517)	-
Group contributions received	7,545,176	68,553
Extraordinary items, total	**13,864,082**	**68,553**

24.6 Notes to the statement of financial position of parent company

10. Intangible assets	Other capitalised expenditures
Acquisition cost at January 1, 2014	2,160,422
Additions during the year ended December 31, 2014	530,292
Acquisition cost at December 31, 2014	2,690,714
Accumulated depreciation at January 1, 2014	(400,018)
Depreciation during the year ended December 31, 2014	(205,666)
Accumulated depreciation at December 31, 2014	(605,684)
Net Book value at December 31, 2014	**2,085,030**
Net Book value at January 1, 2014	**1,760,404**

11. Tangible assets	Machinery and equipment	Other tangible assets	Total
Acquisition cost at January 1, 2014	221,105	950	222,055
Additions during the year ended December 31, 2014	15,074	-	15,074
Acquisition cost at December 31, 2014	236,179	950	237,129
Accumulated depreciation at January 1, 2014	(78,774)	-	(78,774)
Depreciation during the year ended December 31, 2014	(61,950)	-	(61,950)
Accumulated depreciation at December 31, 2014	(140,723)	-	(140,723)
Net Book value at December 31, 2014	**95,455**	**950**	**96,405**
Net Book value at January 1, 2014	**142,331**	**950**	**143,281**

12. Investments	Other shares and equity interests
Acquisition cost at January 1, 2014	13,659,370
Additions during the year ended December 31, 2014	772,557
Disposals during the year ended December 31, 2014	(10,077)
Acquisition cost at December 31, 2014	14,421,850
Book value at December 31, 2014	**14,421,850**
Book value at January 1, 2014	**13,659,370**

13. Non-current receivables	31-Dec-2014	31-Dec-2013
Receivables from intra-group companies	15,065,241	21,125,384
Permanent receivables from employees	5,000	6,000

14. Current receivables	31-Dec-2014	31-Dec-2013
Other receivables	264,951	414,445
Receivables from intra-group companies	20,186,415	6,834,509
Accruals	1,529,521	1,356,417
Current receivables, total	**21,980,886**	**8,605,370**

15. Accruals	31-Dec-2014	31-Dec-2013
Other accruals	1,534,521	1,362,417

16. Change in equity 2013	Share capital	SVOP reserve	Retained earnings	Equity total
Total Equity at January 1, 2013	**10,000**	**3,067,590**	**2,920,106**	**5,997,696**
Dividend distribution			(790,000)	(790,000)
Treasury shares			(126,186)	(126,186)
Profit/loss for the period			(540,919)	(540,919)
Total equity at December 31, 2013	**10,000**	**3,067,590**	**1,463,001**	**4,540,591**

17. Change in equity 2014	Share capital	SVOP reserve	Retained earnings	Equity total
Total Equity at January 1, 2014	**10,000**	**3,067,590**	**1,463,001**	**4,540,591**
Distribution of unrestricted equity		(694,638)		(694,638)
Reclassifications between items	7,290,000		(7,290,000)	-
Other changes			4	4
Profit/loss for the period			9,387,479	9,387,479
Total equity at December 31, 2014	**7,300,000**	**2,372,952**	**3,560,484**	**13,233,436**

18. Non-current liabilities	31-Dec-2014	31-Dec-2013
Loans from financial institutions	4,432	26,105
Non-current intra-group debts	27,850,385	26,767,938
Total Non-current liabilities	**27,854,817**	**26,794,043**

19. Current liabilities	31-Dec-2014	31-Dec-2013
Loans from financial institutions	2,520,605	3,279,251
Trade payables	1,227,798	181,435
Other liabilities	99,699	128,541
Accruals	378,174	457,264
Intra-group liabilities	8,360,904	10,047,880
Total current liabilities	**12,587,180**	**14,094,371**

20. Accruals (non-current and current)	31-Dec-2014	31-Dec-2013
Accruals of personnel expenses	182,198	199,091
Other accruals	195,979	258,174
Total	**378,178**	**457,264**

21. Other rental liabilities	31-Dec-2014	31-Dec-2013
Current rental liabilities	16,634	16,389

22. Commitments	31-Dec-2014	31-Dec-2013
Credit limit agreement		
Total amount of granted limit		2,500,000
Limit in use		779,251
Corporate pledge	7,500,000	3,000,000
Pledged subsidiary shares, book value	11,000	10,000
Commitments for intra-group companies	32,199,814	38,869,630

Ferratum Oyj is the guarantor of the bonds issued by Ferratum Capital Germany GmbH and Ferratum Capital Poland. The funds from the bond issues have in accordance with the intercompany loan agreements been lent to Ferratum Oyj. Ferratum Oyj is also the guarantor of the agreement with Svea Ekonomi AB where it guarantees the debt of Ferratum Finland Oy, Ferratum Sweden AB and Ferratum Estonia OÜ to Svea Ekonomi AB.

23. Related party transactions

No loans and nor any other commitments have been issued to any related parties during 2014.

25. 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

26. APPROVAL OF ANNUAL REPORT

The Ferratum Group Annual Report 2014 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

Kai Becker
Member of the Board

Juhani Vanhala
Member of the Board

We today issue a report on the audit performed

Helsinki, 27.03.2015
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

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, 2014. 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.com/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 27 March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
Authorised Public Accountant