

4finance Holding S.A.

Société anonyme

**Annual accounts
For the financial year ended
December 31, 2017**

(with the Report of Independent Auditors)

Registered office:

8-10, avenue de la Gare

L-1610 Grand Duchy of Luxembourg

Luxembourg Trade and Companies Register number: B 171 059

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Annual Accounts Helpdesk :

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RCSL Nr. : B171059

Matricule : 2014 2210 267

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2017 to ⁰² 31/12/2017 (in ⁰³ EUR)

4finance Holding S.A.
 8-10, Avenue de la Gare
 L-1610 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 151.103.018,24	110 160.009.294,07
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1119 _____	119 _____	120 _____
4. Payments on account and intangible assets under development	1121 _____	121 _____	122 _____
II. Tangible assets	1123 _____	123 _____	124 _____
1. Land and buildings	1125 _____	125 _____	126 _____
2. Plant and machinery	1127 _____	127 _____	128 _____
	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	135	136
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	151	152
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163	164
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171	172
a) becoming due and payable within one year	1173	173	174
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>1.007.342,89</u>	198 <u>18.195,45</u>
E. Prepayments	1199 <u>6</u>	199 <u>12.705,01</u>	200 <u>41.215,41</u>
TOTAL (ASSETS)		201 <u>234.109.149,45</u>	202 <u>228.637.732,21</u>

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CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>7</u>	301 <u>68.556.125,23</u>	302 <u>85.085.472,95</u>
I. Subscribed capital	1303	303 <u>35.750.000,00</u>	304 <u>35.751.000,00</u>
II. Share premium account	1305	305 <u>0,00</u>	306 <u>1.941.517,46</u>
III. Revaluation reserve	1307	307	308
IV. Reserves	1309	309 <u>2.538.001,08</u>	310 <u>177.214,00</u>
1. Legal reserve	1311	311 <u>2.360.787,08</u>	312 <u>0,00</u>
2. Reserve for own shares	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves, including the fair value reserve	1429	429 <u>177.214,00</u>	430 <u>177.214,00</u>
a) other available reserves	1431	431 <u>177.214,00</u>	432 <u>177.214,00</u>
b) other non available reserves	1433	433	434
V. Profit or loss brought forward	1319	319 <u>18.854.954,41</u>	320 <u>-2.567.289,72</u>
VI. Profit or loss for the financial year	1321	321 <u>11.413.169,74</u>	322 <u>49.783.031,21</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
B. Provisions	1331	331	332
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337	337	338
C. Creditors	1435	435 <u>165.553.024,22</u>	436 <u>143.552.259,26</u>
1. Debenture loans	1437	437	438
a) Convertible loans	1439	439	440
i) becoming due and payable within one year	1441	441	442
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445	445	446
i) becoming due and payable within one year	1447	447	448
ii) becoming due and payable after more than one year	1449	449	450
2. Amounts owed to credit institutions	1355	355	356
a) becoming due and payable within one year	1357	357	358
b) becoming due and payable after more than one year	1359	359	360

The notes in the annex form an integral part of the annual accounts

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Matricule : 2014 2210 267

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____ 8	367 _____ 307.805,23	368 _____ 176.281,18
a) becoming due and payable within one year	1369 _____	369 _____ 307.805,23	370 _____ 176.281,18
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____ 9	379 _____ 165.118.361,99	380 _____ 143.366.286,08
a) becoming due and payable within one year	1381 _____	381 _____ 51.076.521,91	382 _____ 143.366.286,08
b) becoming due and payable after more than one year	1383 _____	383 _____ 114.041.840,08	384 _____ 0,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____ 10	451 _____ 126.857,00	452 _____ 9.692,00
a) Tax authorities	1393 _____	393 _____ 126.857,00	394 _____ 9.692,00
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 _____	398 _____
i) becoming due and payable within one year	1399 _____	399 _____	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 _____ 234.109.149,45	406 _____ 228.637.732,21

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PROFIT AND LOSS ACCOUNT**Financial year from** 01 01/01/2017 **to** 02 31/12/2017 (in 03 EUR)

4finance Holding S.A.

8-10, Avenue de la Gare

L-1610 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____ 11	671 _____ -883.209,17	672 _____ -1.614.290,43
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____ -883.209,17	604 _____ -1.614.290,43
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 _____	622 _____

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	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 <u>12</u>	715 <u>49.759.237,02</u>	716 <u>58.428.000,00</u>
a) derived from affiliated undertakings	1717 <u></u>	717 <u>49.759.237,02</u>	718 <u>58.428.000,00</u>
b) other income from participating interests	1719 <u></u>	719 <u></u>	720 <u></u>
10. Income from other investments and loans forming part of the fixed assets	1721 <u></u>	721 <u></u>	722 <u></u>
a) derived from affiliated undertakings	1723 <u></u>	723 <u></u>	724 <u></u>
b) other income not included under a)	1725 <u></u>	725 <u></u>	726 <u></u>
11. Other interest receivable and similar income	1727 <u>13</u>	727 <u>11.790.311,89</u>	728 <u>542.716,63</u>
a) derived from affiliated undertakings	1729 <u></u>	729 <u>8.122.895,67</u>	730 <u>321.250,18</u>
b) other interest and similar income	1731 <u></u>	731 <u>3.667.416,22</u>	732 <u>221.466,45</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663 <u></u>	663 <u></u>	664 <u></u>
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 <u></u>	665 <u>-25.096.202,17</u>	666 <u>0,00</u>
14. Interest payable and similar expenses	1627 <u>14</u>	627 <u>-24.039.802,83</u>	628 <u>-7.570.184,99</u>
a) concerning affiliated undertakings	1629 <u></u>	629 <u>-20.342.038,68</u>	630 <u>-7.541.156,30</u>
b) other interest and similar expenses	1631 <u></u>	631 <u>-3.697.764,15</u>	632 <u>-29.028,69</u>
15. Tax on profit or loss	1635 <u>15</u>	635 <u></u>	636 <u></u>
16. Profit or loss after taxation	1667 <u></u>	667 <u>11.530.334,74</u>	668 <u>49.786.241,21</u>
17. Other taxes not shown under items 1 to 16	1637 <u></u>	637 <u>-117.165,00</u>	638 <u>-3.210,00</u>
18. Profit or loss for the financial year	1669 <u></u>	669 <u>11.413.169,74</u>	670 <u>49.783.031,21</u>

NOTE 1 GENERAL INFORMATION

4finance Holding S.A., hereinafter the "Company", was incorporated on 24 July, 2012 and is organized under the laws of Luxembourg as a "société anonyme" for an unlimited period.

The registered office of the Company is established in Luxembourg City.

On 20 November 2017, the registered office of the Company was moved from 9, Allée Scheffer, L-2520 Grand Duchy of Luxembourg to 8-10, avenue de la Gare, L-1610 Grand Duchy of Luxembourg.

The financial year of the Company starts on 1 January, and ends on 31 December of each year.

The object of the Company is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the administration, management, control and development of such participations. The Company may in particular acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and/or other participation securities, bonds, debentures, certificates of deposit and/or other debt instruments and more generally any securities and/or financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further make direct or indirect real estate investments and invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Company may borrow and raise money in any form and in particular by way of private or public offer. It may issue notes, bonds and debentures and any kind of debt which may be convertible and/or equity securities, in particular by way of private or public placement. The Company may lend funds including the proceeds of any borrowings and/or issues of debt securities to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further mortgage, pledge, and transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may generally employ any techniques and instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Company against credit, currency exchange, interest rate risks and other risks.

The Company may generally carry out any operations and transactions, which directly or indirectly favour or relate to its object.

The Company also prepares consolidated accounts as of December 31, 2017, which is subject to publication in Luxembourg. 4finance Holding S.A. and its subsidiaries are a part of a wider group and are also included in the consolidated accounts of 4finance Group S.A. which is the Company's parent.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December, 2002, as amended by the law of 10 December, 2010 (the "Law"), determined and applied by the directors of the Company (the "Board of Directors").

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company maintains its books and records in EUR and prepares its annual accounts in accordance with applicable laws and regulations in Luxembourg as well as with the generally accepted accounting principles in force in the Grand Duchy of Luxembourg. The annual accounts are prepared in accordance with the going concern principle.

Going concern

Management of the Company believe that, considering all factors including the financial resources and commitments of the Company, the Company will carry on its business as a going concern. The annual accounts are prepared on the going concern basis of accounting.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Financial assets

Shares in affiliated undertakings or participating interests, investments held as fixed assets and loans to these undertakings are valued at purchase price and nominal value respectively, including the expenses incidental thereto.

In case of durable depreciation in value according to the opinion of the Management, value adjustments are made in respect of financial assets, so that a lower value is attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is uncertain. These value adjustments are reversed if the reasons for which they were recognised have ceased to apply.

Foreign currency translation

The Company maintains its accounting records in EUR and the balance sheet and the profit and loss accounts are expressed in this currency.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

In accordance with prudence principles found within generally accepted accounting principles in Luxembourg ("LuxGaap"), other assets are translated separately, at the lower of the value converted using the historical exchange rate and the value converted using the exchange rate at the balance sheet date. Conversely, other liabilities are translated separately, at the higher of the value converted using the historical exchange rate and the exchange rate at the balance sheet date. Consequently both realised and unrealised exchange losses are recorded in the profit and loss account while exchange gains are recorded in the profit and loss account at the moment of their realisation only.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and any net unrealised loss is recorded in the profit and loss account whilst any net unrealised exchange gains are not recognised.

Prepayments

This asset item includes expenditure incurred during the financial year but relating to a subsequent financial year:

Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Current tax provision

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Other creditors".

The advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

The difference must be entirely written off when the debt is repaid. Debts are recorded under subordinated debts when their status is subordinated to unsecured debts.

NOTE 3 FINANCIAL ASSETS

a) The movements for the year are as follows:

	Affiliated undertakings	Participating interests	Investments held as fixed assets	Total
	Shares EUR	Shares EUR	EUR	EUR
Gross book value - opening balance	152.967.371,57	2.141.922,50	4.900.000,00	160.009.294,07
Additions for the year	10.428.926,36	—	4.990.000,00	15.418.926,36
Disposals for the year	—	—	—	—
Transfers for the year	—	—	—	—
Gross book value - closing balance	163.396.297,93	2.141.922,50	9.890.000,00	175.428.220,43
Value adjustments - opening balance	—	—	—	—
Allocations for the year	(24.325.202,19)	—	—	(24.325.202,19)
Reversals for the year	—	—	—	—
Transfers for the year	—	—	—	—
Value adjustments - closing balance	(24.325.202,19)	—	—	(24.325.202,19)
Net book value- closing balance	139.071.095,74	2.141.922,50	9.890.000,00	151.103.018,24
Net book value - opening balance	152.967.371,57	2.141.922,50	4.900.000,00	160.009.294,07

4finance Holding S.A.
Société anonyme
Notes to the annual accounts
As of December 31, 2017
Denominated in EUR

b) Undertakings in which the Company holds interests in their share capital or in which it is a general partner are as follows:

Undertaking's name	Percentage of holding	Percentage of holding	Last balance sheet date	Net equity at the last balance sheet date	Result for the last financial year	Net book value 31.12.2017	Net book value 31.12.2016
				EUR	EUR	EUR	EUR
4finance A/S	Latvia	100,00%	31.12.2017	98.005.549,76	80.776.722,71	35.750.000,00	35.750.000,00
Zaplo SP.Z.O.O	Poland	100,00%	31.12.2017	595.930,80	168.005,93	1.149.474,44	1.149.474,44
SIA VIVUS	Latvia	100,00%	31.12.2017	14.537.853,19	6.314.980,22	425.000,00	425.000,00
SIA ONDO	Latvia	100,00%	31.12.2017	2.379.049,93	835.616,54	425.000,00	425.000,00
4Finance IT SIA	Latvia	100,00%	31.12.2017	(3.152.438,45)	(2.247.962,53)	1.180.014,00	1.180.014,00
Zaplo IFN SA	Romania	99,90%	31.12.2017	1.752.239,00	(1.659.860,53)	7.208.373,57	203.840,57
Intersale Services Limited	Gibraltar	100,00%	31.12.2017	(1.008.369,25)	(540.710,34)	128,00	128,00
SIA 4Finance Media	Latvia	100,00%	31.12.2017	1.118.929,91	563.092,82	2.800,00	2.800,00
GoodCredit Universal Credit Organizatoin CJSC	Armenia	100,00%	31.12.2017	398.290,70	24.772,43	1.624.403,56	1.624.403,56
Prestamo Movil S.A	Argentina	98,75%	31.12.2017	(2.547.273,47)	(4.805.324,62)	6.248.279,25	2.907.895,58
4Finance S A De C.V Sofom EN R	Mexico	99,99%	31.12.2017	(10.336.161,93)	(5.923.523,72)	—	473.202,20
4fSales	USA	100,00%	31.12.2017	(9.017.779,88)	(605.962,69)	182.577,89	182.577,89
Integrated Management Services Mexico S A de C.V	Mexico	99,00%	31.12.2017	15.912,05	(14.622,70)	2.296,56	2.296,56
4 F Servicos de Correspondente Bancario Ltda.	Brazil	99,99%	31.12.2017	(384.790,48)	(420.296,78)	—	430.000,00
Vivus S.R.L.	Dominican	99,90%	31.12.2017	(2.983.486,37)	(2.389.253,95)	403.726,30	403.726,30
Credit Service UAB	Lithuania	100,00%	31.12.2017	(5.545.784,78)	(3.367.627,36)	56.915,67	56.915,67
Finansu administravimas UAB	Lithuania	100,00%	31.12.2017	2.292.012,24	2.703.531,05	2.500,00	2.500,00
Friendly Finance OU	Estonia	80,00%	31.12.2017	8.169.206,27	(4.419.159,56)	5.378.000,00	28.800.000,00
TBIF Financial services B.V.	Netherlands	100,00%	31.12.2017	56.387.488,99	(1.347.980,61)	78.947.596,80	78.947.596,80
Debt Solution SIA	Latvia	100,00%	31.12.2017	(55.625,78)	(65.625,78)	10.000,00	—
Monetago PL SP.Z.O.O.	Poland	100,00%	31.12.2017	42.005,87	(5.215,86)	49.009,69	—
Finstar Labs GmbH	Germany	100,00%	31.12.2017	(479.924,41)	(89.656,67)	25.000,00	—
						139.071.095,73	152.967.371,57

The figures in relation to “Net Equity” and “Result for the last financial year”, presented in the table above are extracted from the consolidation table which formed part of the audit of the consolidated financial statements of the company as at December 31, 2017.

NOTE 4 AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

This item is detailed as follows:

	2017 EUR	2016 EUR
Becoming due and payable within one year		
Interest from Loan to 4finance Group S.A.	6.985.523,43	48.159,90
Loan and interest from loan to BillFront GmbH	150.895,83	—
Loan to Piressa Holdings Limited	5.100.000,00	—
Dividends receivable from 4finance AS	16.190.969,40	34.128.000,00
Total	28.427.388,66	34.176.159,90
Becoming due and payable after more than one year		
TBIF share capital decrease from previous shareholders	2.866.414,00	2.866.414,00
Loan to 4finance Group S.A.	50.676.972,90	31.522.842,63
Total	53.543.386,90	34.389.256,63

Loan to 4finance Group SA located in Luxembourg with interest 13,75% per year and maturity 9 July, 2019.

Loan to BillFront GmbH located in Germany with interest 5,00% per year and maturity 19 October, 2018.

Loan to Piressa Holdings Limited located in Cyprus with interest 13,75 % per year and maturity 2 May, 2018.

NOTE 5 OTHER DEBTORS

Other debtors consist of Tax Advances amounting to EUR 15.307,75

NOTE 6 PREPAYMENTS

Prepayments are mainly composed of following expenses:

	2017 EUR	2016 EUR
Annual surveillance fee	—	28.510,41
Communication advisors	12.705,00	12.705,00
	12.705,00	41.215,41

NOTE 7 CAPITAL AND RESERVES

As at December 31, 2017 the share capital of the Company amounted to EUR 35.750.000,00 and is represented by 3.575.000.000 shares fully paid up with a nominal value of EUR 0,01 each.

The movements on the "Subscribed capital" item during the year are as follows:

	12.31.2017 EUR	Number of Shares	Total number of Shares
Subscribed capital - opening balance	35.750.000,00	3.575.000.000	3.575.000.000
Subscription for the year	—	—	—
Subscription for the year	—	—	—
Subscribed capital - closing balance	35.750.000,00	3.575.000.000	3.575.000.000

Share premium and similar premiums

The movement on the 'Share premium' item during the year are as follows:

	Share premium 2017 EUR	Share premium 2016 EUR
Share premium and similar premiums - opening balance	1.941.517,44	1.941.517,44
Additions for the year	—	—
Reductions for the year	(1.941.517,44)	—
Share premium and similar premiums - closing balance	—	1.941.517,44

	Legal reserve EUR	Reserve for own shares EUR	Other reserves EUR	Loss brought forward EUR	Profit or loss for the financial year EUR	Interim dividends EUR
As at the beginning of the year 2017	—	—	177.214,00	(2.567.289,70)	49.783.031,21	—
Movements for the year	—	—	—	49.783.031,21	(49.783.031,21)	—
Appropriation to the legal reserve	2.360.787,08	—	—	(2.360.787,08)	—	—
Dividend	—	—	—	(26.000.000,00)	—	—
Other movements	—	—	—	—	—	—
Result for the financial year	—	—	—	—	11.413.169,74	—
As at the end of the year 2017	2.360.787,08	—	177.214,00	18.854.954,43	11.413.169,74	0,00

In accordance with Luxembourg Law of 10 August, 1915, as amended, on commercial companies, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the sole shareholder

NOTE 8 TRADE CREDITORS

Trade creditors consist of following expenses:

	2017 EUR	2016 EUR
Audit and accounting fees	163.473,80	176.036,83
Legal fees	141.304,45	181,35
Other fees	3.026,98	—
	307.805,23	176.218,18

NOTE 9 AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	Within one year EUR	After more than one year EUR	Total 2017 EUR	Total 2016 EUR
4Finance S.A.	50.251.692,28	114.041.840,08	164.293.532,36	141.969.605,48
4Finance Group S.A.	779.737,35	—	779.737,35	975.804,00
4Finance AS	18.721,83	—	18.721,83	392.491,46
Credit Service UAB	22.983,39	—	22.983,39	22.983,39
Integrated Management Services Mexico	2.296,54	—	2.296,54	2.296,54
Vivus S.R.L.	—	—	—	2.014,69
4Finance IT SIA	1.090,52	—	1.090,52	1.090,52
Total	51.076.521,91	114.041.840,08	165.118.361,99	143.366.286,08

NOTE 10 OTHER CREDITORS

Other Creditors consist of Tax and social security debts amounting to EUR 126.857,00.

NOTE 11 OTHER EXTERNAL EXPENSES

	2017	2016
	EUR	EUR
Legal fees	445.699,37	977.752,79
Other fees	66.187,02	308.496,29
Audit and other fees to auditors	149.918,98	258.443,59
Other insurance fees	—	21.666,67
Bank account charges	3.455,75	20.684,13
Accounting fees	21.051,28	10.030,42
Data processing	3.209,80	8.550,66
Rental fees	11.235,45	3.410,01
Publications	7.835,83	3.415,29
Advisory fees	24.850,40	—
Tax consultancy fees	149.415,29	1.490,58
Luxembourg Chamber of Commerce contribution	350,00	350,00
Total	883.209,17	1.614.290,43

Other fees includes IFRS 9 impact assessment, communication advisors fee, monthly surveillance fee.

NOTE 12 INCOME FROM PARTICIPATING INTERESTS

Derived from affiliated undertakings:	2017	2016
	EUR	EUR
Dividends received from 4finance AS	49.295.012,02	58.428.000,00
Dividends received from UAB Finansu Administravimas	464.225,00	—
Total	49.759.237,02	58.428.000,00

NOTE 13 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

a) derived from affiliated undertakings

	2017	2016
	EUR	EUR
Interest income and similar income	8.122.895,67	321.250,18
Total	8.122.895,67	321.250,18

b) other interest and similar income

	2017	2016
	EUR	EUR
Foreign currency exchange gains	3.667.416,22	221.466,45
Total	3.667.416,22	221.466,45

NOTE 14 INTEREST PAYABLE AND SIMILAR EXPENSES

a) concerning affiliated undertakings

	2017	2016
	EUR	EUR
4f Exchange liquidation	42.743,93	—
Interest charge on loan amounts owed to affiliated undertakings	20.299.294,75	7.541.156,30
	20.342.038,68	7.541.156,30

b) other interest and similar expenses

	2017	2016
	EUR	EUR
Foreign currency exchange losses	3.697.744,95	25.028,69
Bank interest	19,20	4.000,00
	3.697.764,15	29.028,69

NOTE 15 TAXES

The Company is subject to the general tax regulation applicable to the commercial companies residing in Luxembourg.

NOTE 16 AUDITOR FEES

The total fees accrued by the Company and paid to the auditor/ audit firm are presented as follows:

	2017	2016
	EUR	EUR
Audit fees KPMG Baltics	129.536,78	92.093,63
Audit fees KPMG Luxembourg	20.382,20	115.902,16
Other fees	—	50.447,80
	149.918,98	258.443,59

NOTE 17 ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

During the year ended December 31, 2017 the Company did not grant any loans to the management or supervisory bodies (2016: nil).

NOTE 18 OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

On 28 April 2017, the Company and the subsidiaries entered into an indenture according to the terms and conditions of which, the Company and the subsidiaries guarantee the validity and enforceability of the indenture, issued USD 325,000,000 10.75% Senior Notes due 2022 and the obligations of the issuer under the indenture.

On 23 May 2016, the Company and the subsidiaries entered into an agreement whereby the Company and the subsidiaries guarantee the validity and enforceability of the indenture, issued EUR 150,000,000 11.25% Senior Notes due 2021 and the obligations of the issuer under the indenture.

On 14 August 2014, the Company and the subsidiaries entered into an indenture according to the terms and conditions of which, the Company and the subsidiaries guarantee the validity and enforceability of the indenture, issued USD 200,000,000 11.75% Senior Notes due 2019 and the obligations of the issuer under the indenture. Since 28 April 2017 outstanding amount of hereby mentioned Senior Notes is USD 68,000,000.

The Company acts as a guarantor for leases of office space:

- 1) Guaranty in respect of lease agreement concluded between SIA 4finance IT Branch in UK and Lawnpond Limited;
- 2) Guaranty in respect of lease agreement concluded between 4f Sales Inc. and Aventura Harbour Borrower LLC;
- 3) Guaranty in respect of lease agreement concluded between 4finance, S.A. de C.V., SOFOME N.R. and Banca Mifel, S.A.;
- 4) Guaranty in respect of lease agreement concluded between 4finance EOOD and Art Build-Up Ltd.;
- 5) Guaranty in respect of lease agreement concluded between VIVUS, S.R.L. and COLE, S.R.L.

NOTE 19 SUBSEQUENT EVENTS

On 14 December, 2017, 4finance Holding S.A. entered into the share purchase agreement on acquisition of 20% of the share capital of Friendly Finance OU. Conditions precedent for the completion of the transaction are fulfilled and the completion is planned in May 2018. After completion 4finance Holding S.A. will become owner of 100% of the share capital of Friendly Finance OU.

4finance Holding S.A. has issued comfort letters confirming that if needed, will, to the extent commercially reasonable, support its indirect subsidiary Credit Management LLC and subsidiary 4fSales Inc. to ensure that their liabilities arising out the transactions concluded with 4finance S.A., SIA 4finance Media and SIA 4finance IT and its branches are fulfilled when due.



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To the Shareholders of
4finance Holding S.A.
8-10, avenue de la Gare
L-1610 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of 4finance Holding S.A. (the "Company"), which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

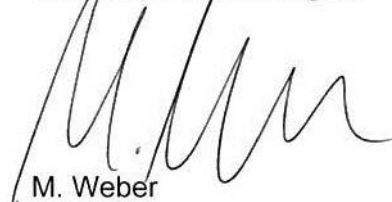
- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 7 May 2018

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in black ink, appearing to be 'M. Weber', written over the printed name.

M. Weber