



Ceratiidae II AB (publ.)

Annual report 2015

Zmarta Group

14 April 2016

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2015 IN WORDS

We look back at a very eventful year where we have performed extremely well, and executed on a number of exciting activities.

During 2015, our new consumer finance platform Zmarta was launched. With the launch of Zmarta, we aim to reach a broader consumer audience with our new offering.

We have expanded our operations to a new market, Germany, which marked a significant step in the Group's international expansion strategy. Zmarta has been well received by the German market so far and we are very excited to continue the expansion during 2016.

Our service offer has been broadened to, as a complement to loan, also include services related to savings, credit cards and insurance.

In Sweden, we received our permit from the Swedish Financial Supervisory Authority in July 2015, and are now granted permission to operate on the Swedish broker market. We remain positive to the regulation of the market and welcome further implementation of the rules.

Financially, we have delivered a strong growth in both revenue and EBITDA during the year and we are very proud to present the consolidated financial statements for 2015.

FINANCIAL STATEMENTS

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ADMINISTRATION REPORT

This is an English translation and in case of any discrepancies, the Swedish version has priority.

The Board of Directors and Chief Executive Officer hereby submit the annual report and consolidated financial statements for Ceratiidae II AB (publ), corporate ID number 556925-9517 with registered office in Ängelholm. It is proposed that the annual report's income statements and balance sheets be adopted at the annual general meeting on 26 May 2016.

Business concept

The Group's business concept is to facilitate credits and other financial services for private individuals.

Business and organisation

Zmarta Group is a financial technology company that offers a range of services within consumer finance, with a focus on personal loan brokerage. The Group operates across Sweden, Norway, Finland and Germany.

The Group was created in conjunction with H.I.G.'s acquisition in 2013.

Zmarta Group employs c. 200 professionals across offices in Ängelholm, Stockholm, Oslo, Helsinki and Munich.

- The launch of Zmarta in Germany in November marked a significant step for the company and our international expansion strategy.
- To further enhance the investment in the new consumer finance platform Zmarta, the Group changed its name in November from Freedom Finance Group to Zmarta Group.

Multi-year comparison

Multi-year comparison (SEK million)	2015	2014	*2013
Net turnover	347.0	253.1	154.2
Growth in net turnover, %	37.1%	64.1%	n/a
EBITDA	83.4	47.0	20.2
EBITDA margin	24.0%	18.6%	13.1%
Adjusted EBITDA	93.3	71.7	n/a
EBIT	68.7	32.6	11.2
EBIT margin	19.8%	12.9%	7.2%
Earnings for the period	25.3	-22.3	-20.3
Assets	604.9	591.8	589.3
Equity	192.0	175.1	195.8
Equity/assets ratio %	31.7%	29.6%	33.2%
Net debt/equity ratio	1.2	1.6	1.3
Return on equity, %	13.2%	-12.7%	-10.3%
Cash flow from operating activities	62.5	-21.4	-4.2
Average number of employees	209	166	129
Turnover per employee	1.7	1.5	1.2

* Relates to the period 1 May – 31 December 2013, 8 months

Significant events during the financial year

- In February the Group's new consumer brand, Zmarta, was launched in Sweden, and later in spring also in Finland and Norway.
- To broaden the Group's product offering and appeal to a wider group of customers, a new insurance comparison product was launched in the second quarter.
- In July, the Group received its permit from the Swedish Financial Supervisory Authority, and are thus granted permission to operate on the Swedish broker market.

Definitions of key figures can be found on page 32.

Income

Earnings before taxes depreciation and amortisation (EBITDA) amounted to SEK 83.4 million (47.0) and the EBITDA margin amounted to 24.0% (18.6). Operational adjusted EBITDA, which has been adjusted for non-recurring items such as transaction costs and reorganization costs, amounted to SEK 93.3 million (71.7). For more details on adjusted EBITDA please refer to the Interim Financial Report for quarter 4 2015. Earnings before interest and taxes (EBIT) amounted to SEK 68.7 million (32.6) and the EBIT margin

amounted to 19.8 % (12.9). Net financial income/expense amounted to SEK -36.9 million (-57.3) and income after net financial items to SEK 31.8 million (-24.7). After tax of SEK -6.6 million (2.5), profit/loss for the year amounted to SEK 25.3 million (-22.3). During the financial year of 2014 the Group was charged with costs in connection with refinancing of SEK 18.2 million, which had a negative effect on net financial income/expense.

Financial position

The group's cash and cash equivalents amounted to SEK 96.4 million (63.7) as at 31 December 2015. Cash flow from operating activities amounted to SEK 62.5 million (-21.4). After net investments of SEK 1.5 million (2.8), along with a new share issue, new loans taken out and amortization totalling SEK -22.8 million (32.7), the year's cash flow amounted to SEK 38.3 million (8.5).

The group's net debt amounted to SEK 237.3 million (284.4). The net debt/equity ratio was 1.2 times (1.6) and the equity/assets ratio amounted to 31.7 % (29.6).

As per the balance sheet date, the Group and the parent company have no short-term interest-bearing debts. During 2014 the Group refinanced through issuing a 5-year bond on the Swedish market amounting to SEK 350 million. The company's long-term financing can thus be regarded as secure. As per the balance sheet date, the company has bonds in its own keeping of SEK 69 million (45) which can be converted into liquid assets.

Future expectations

Further digital transformation will be a key focus in 2016, with the purpose of making our online offering even better, and to further develop the Zmarta App and our 'Money Helper' concept. We will continue to grow the German business and continuously examine potential new markets and products to strengthen our customer offering.

Risks and uncertainty factors

The Group Executive Board has identified risks and uncertainty factors within the following areas; operational, external, legal regulations and financing.

Customers

The Group is dependent on the banks that lend money and obtaining brokerage from them.

Brokering commissions

The Group is dependent on the willingness of private individuals to apply for loans, and this is affected by global and national economic developments, and fluctuations in interest rates.

Legal risks

The group's business is regulated and new rules in Sweden have been introduced for brokering and issuing credits to consumers from 1 January 2015 which entail the Group having to have a permit from the Swedish Financial Supervisory Authority in order to conduct its business. The group's Swedish subsidiary, Freedom Finance Kreditservice AB received its permit in July. Changes in the legislation or political decisions can thus have a negative effect on Ceratiidae's capacity to pursue or develop its business.

Financial risks

The group's international operations entail a number of financial risks. The group's parent company provides financing to the Group companies and also manages financial risks so as to minimise the effects on the group's earnings. The Group is primarily exposed to financing-, currency-, interest rate- and credit risks. For further information about the group's financial risks and how it manages them, see note 21.

Staff

The Zmarta Group views its employees as a crucial factor for its business operations. Attracting and retaining staff, together with skills development, is necessary for the group's success and in order to meet the targets set for growth and business development.

Information about the average number of employees and salary expenses during the year is to be found in note 11.

Corporate governance

The company has prepared a Corporate Governance Report which, in accordance with the Swedish Annual Act chapter 6 §8, is prepared as a document separate from the Annual Report.

Ownership structure as per 2015-12-31

Ceratiidae II AB is a wholly-owned subsidiary of Ceratiidae I AB. The group's parent company is H.I.G. Europé – Freedom S.á.r.l. 5, rue Guillaume Kroll L-1882, Luxembourg. Corporate identity number B162307.

The parent company

The parent company's business is focussed on administration of shares in subsidiaries and coordination of external financing for the group.

In 2014 Ceratiidae II AB (publ) issued a Senior Secured bond, which is listed on the NASDAQ OMX Stockholm Corporate Bond Market.

The parent company has no employees.

Proposed appropriation of profits in the parent company

The following profits are at the disposal of the annual general meeting (SEK thousand):

Earnings carried forward	217,343
Profit for the year	<u>0</u>
Profit carried forward	217,343

The board of directors proposes that the above be carried forward.

CONSOLIDATED STATEMENT OF EARNINGS AND COMPREHENSIVE INCOME

SEK thousands	Note	2015	2014
Revenue	3	346,965	253,095
Cost of Sales	4,5	-112,899	-74,408
Gross Profit		234,066	178,687
Distribution expenses	4,5,11	-67,553	-55,186
Administrative expenses	4,5,11,12,13	-97,804	-90,882
Other operating expenses		-	-26
OPERATING PROFIT		68,709	32,593
Finance income	6,9	5,973	8,922
Finance costs	7,9	-42,866	-66,250
Net finance cost		-36,893	-57,328
PROFIT BEFORE TAX		31,816	-24,735
Income tax expense	10	-6,555	2,458
PROFIT FOR THE YEAR		25,261	-22,277

Consolidated statement of other comprehensive income

SEK thousands	Note	2015	2014
Net income		25,261	-22,277
Other comprehensive income			
Items to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		-8,374	1,212
Other comprehensive income for the year		-8,374	1,212
Comprehensive income for the year		16,887	-21,065
Earnings per share		33,77	-42,13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK thousands	Note	2015-12-31	2014-12-31
ASSETS			
Non-current assets			
Intangible assets	12		
Goodwill		370,664	378,983
Customer relationships		83,601	96,786
Brands		5,015	6,736
Other intangible assets		662	47
Total intangible assets		459,942	482,552
Tangible assets			
Equipment	13	2,522	3,146
Total tangible assets		2,522	3,146
Deferred taxes recoverable	18	4,401	6,947
Total non-current assets		466,865	492,645
Current assets			
Accounts receivable	15	37,866	27,987
Other receivables		212	652
Income taxes recoverable		-	5,162
Prepaid expenses and accrued income	16	3,538	1,698
Cash and cash equivalents	19	96,417	63,676
Total current assets		138,033	99,175
TOTAL ASSETS		604,898	591,820
EQUITY AND LIABILITIES			
Equity			
Share capital	17	500	500
Other paid-up capital		217,343	217,343
Foreign exchange reserve		-8,611	-237
Retained earnings		-17,267	-42,528
Total equity		191,965	175,078
Non-current liabilities			
Loans and borrowings	21	333,667	348,034
Deferred tax liabilities	18	27,755	32,346
Total non-current liabilities		361,422	380,380
Current liabilities			
Accounts payable		9,682	9,599
Liabilities to Group companies		293	185
Income tax payable		5,173	0
Other liabilities		4,727	3,237
Accrued expenses and deferred income	20	31,636	23,341
Total current liabilities		51,511	36,362
TOTAL EQUITY AND LIABILITIES		604,898	591,820
Information about the group's pledged assets and contingent liabilities	22		

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

SEK thousands	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. profit/loss for the year	Total equity
Opening balance 1 January 2014	157	217,343	-1,449	-20,251	195,800
Total income					
Net profit/loss for the year				-22,277	-22,277
Other comprehensive income					
Currency translation differences			1,212		1,212
Total comprehensive income	0	0	1,212	-22,277	-21,065
Transactions with the owner					
Issue of share capital	343				343
Total contribution from the shareholder	343	0	0	0	343
Closing balance as at 31 December 2014	500	217,343	-237	-42,528	175,078

SEK thousands	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. profit/loss for the year	Total equity
Opening balance 1 January 2015	500	217,343	-237	-42,528	175,078
Total income					
Net profit/loss for the year				25,261	25,261
Other comprehensive income					
Currency translation differences			-8,374		-8,374
Total comprehensive income	0	0	-8,374	25,261	16,887
Closing balance as at 31 December 2015	500	217,343	-8,611	-17,267	191,965

CONSOLIDATED CASH FLOW STATEMENT

SEK thousands	Note	2015	2014
Operational activities			
Operating profit		68,709	32,593
<i>Adjustment for items not included in the cash flow</i>			
Depreciation		14,676	14,441
Profit on sales of tangible assets		-	139
Interest received		4,798	1,273
Interest paid		-25,237	-56,977
Income tax paid		1,735	-702
Cash flow from operating activities before changes in working capital		64,681	-9,233
Change in working capital			
Increase (-)/Decrease (+) in accounts receivable		-11,742	-3,997
Increase (-)/Decrease (+) in other receivables		-1,412	-5,785
Increase (+)/Decrease (-) in accounts payable		311	2,141
Increase (+)/Decrease (-) in other short-term liabilities		10,696	-4,536
Cash flow from operating activities		62,534	-21,410
Investment activities			
Investment in tangible assets		-818	-1,172
Investment in intangible assets		-640	-
Investment in subsidiaries	25	-	-1,616
Cash flow from investing activities		-1,458	-2,788
Financing activities			
New issue		-	343
Issue of bond loan		-	350,000
Cost of raising bond loan		-	-7,081
Repurchase of bond loan		-22,825	-45,000
Repayment of loans		-	-267,922
Loans taken up		-	2,402
Cash flow from financing activities		-22,825	32,742
CHANGE IN CASH AND CASH EQUIVALENTS		38,251	8,544
Cash and cash equivalents at the start of the year		63,676	55,382
Cash and cash equivalents acquired		-	-125
Exchange rate difference in cash and cash equivalents		-5,510	-125
Cash and cash equivalents at the end of the year		96,417	63,676

INCOME STATEMENT FOR THE PARENT COMPANY

SEK thousands	Note	2014	2014
Net turnover		-	-
Administrative expenses		-339	-10
OPERATING INCOME		-339	-10
Other interest income and similar income	6	19,679	11,215
Other interest costs and other similar costs	7	-33,209	-19,624
Net interest income/expense		-13,530	-8,409
INCOME AFTER FINANCIAL ITEMS		-13,869	-8,419
Appropriations	8	13,869	8,419
INCOME BEFORE TAX		0	0
Income tax		-	-
NET PROFIT/LOSS FOR THE YEAR		0	0

The year's comprehensive income coincides with the year's profit/loss

BALANCE SHEET FOR THE PARENT COMPANY

SEK thousands	Note	2015-12-31	2014-12-31
ASSETS			
Fixed assets			
Financial fixed assets			
Receivables from Group companies		274,106	285,290
Participations in Group companies	14	217,500	217,500
Total financial assets		491,606	502,790
Total fixed assets		491,606	502,790
Current assets			
Prepaid expenses and accrued income	16	77	18
Cash and cash equivalents		2,589	13,273
Total current assets		2,666	13,291
TOTAL ASSETS		494,272	516,081
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (500,000,000 shares)	17	500	500
Total restricted equity		500	500
Non-restricted equity			
Profit carried forward		217,343	217,343
Net profit/loss for the year		0	0
Total non-restricted equity		217,343	217,343
Total equity		217,843	217,843
Long-term liabilities			
Long-term liabilities	21	275,929	297,919
Total long-term liabilities		275,929	297,919
Short-term liabilities			
Liabilities to group companies		185	-
Other liabilities		-	50
Accrued expenses and deferred income	20	315	269
Total short-term liabilities		500	319
TOTAL EQUITY AND LIABILITIES		494,272	516,081
PLEGGED SECURITIES	22	217,500	217,500
CONTINGENT LIABILITIES		None	None

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

SEK thousands	Share capital	Profit carried forward	Profit for the year	Total equity
Opening balance 1 January 2014	157	217,343	0	217,500
Net profit/loss for the year				0
Issue of share capital	343			343
Closing balance as at 31 December 2014	500	217,343	0	217,843

SEK thousands	Share capital	Profit carried forward	Profit for the year	Total equity
Opening balance 1 January 2015	157	217,343	0	217,843
Net profit/loss for the year				0
Closing balance as at 31 December 2015	500	217,343	0	217,843

STATEMENT OF CASH FLOW FOR THE PARENT COMPANY

SEK thousands	2015	2014
Operational activities		
Operating income	-339	-10
<i>Adjustment for items not included in the cash flow</i>		
Group contribution	13,869	8,419
Interest received	18,504	11,215
Interest paid	-25,224	-19,624
Cash flow from operating activities before changes in working capital	6,810	0
Change in working capital		
Increase (-)/Decrease(+) in other receivables	-59	-18
Increase (+)/Decrease(-) in other short-term liabilities	181	319
Cash flow from operating activities	122	301
Investment activities		
Investment in subsidiaries	-	-
Cash flow from investing activities	0	0
Financing activities		
New issue	-	343
Issue of bond loan	-	350,000
Cost of raising bond loan	-	-7,081
Repurchase of bond loan	-22,825	-45,000
Increase (+)/Decrease (-) in long-term financial receivables	5,209	-285,290
Cash flow from financing activities	-17,616	12,972
CHANGE IN CASH AND CASH EQUIVALENTS	-10,684	13,273
Cash and cash equivalents at the start of the year	13,273	0
Cash and cash equivalents at the end of the year	2,589	13,273

NOTES

NOTE 1 GENERAL INFORMATION

The Ceratiidae II AB Group was formed during financial year 2013 through the acquisition of the two subsidiaries Ceratiidae Norway AS and Ceratiidae III AB.

The consolidated financial statements of Ceratiidae II AB (publ) and its subsidiaries for the year ended 31 December 2015 were authorised for issue in accordance with the resolution of the Board of Directors on 14 April 2016. It is proposed that the annual report and consolidated financial statements be adopted at the annual general meeting of 26 May 2016.

Ceratiidae I AB is the highest consolidating entity. The consolidated financial statements for the entity can be ordered from Ceratiidae I AB, c/o Freedom Finance Kreditservice, Box 1068, 262 21 Ängelholm, Sweden.

NOTE 2 IMPORTANT ACCOUNTING PRINCIPLES

The accounting principles for the Group set out below have been applied for all periods presented in the group's financial statements. The group's accounting principles have been applied to reporting and consolidation of parent company and subsidiaries.

2.1 BASIS FOR PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as they have been adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary accounting rules for groups" has been applied. The parent company's accounts have been prepared in accordance with the Annual Accounts Act and RFR 2, accounting for legal entities. In cases where the parent company applies accounting principles other than the Group's, this is indicated below under the section "The parent company's accounting principles".

2.2 BASIS FOR VALUATIONS APPLIED IN PREPARING THE FINANCIAL STATEMENTS

Assets and liabilities have been prepared on a historical cost basis.

2.3 FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The group's functional currency is Swedish kronor, which also constitutes the reporting currency for the Group and the parent company. The financial statements are presented in thousands of Swedish kronor (TSEK) unless otherwise indicated.

2.4 ESTIMATES IN THE FINANCIAL STATEMENTS

Preparing the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of the accounting principles and the reported amounts for assets, liabilities, revenues and expenses. The actual outcome may deviate from these estimates.

The estimates and assumptions are reviewed regularly. Changes to the estimates are reported in the period in which the change is made if the change only affects this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

The most important estimates made relate to the company's impairment test in relation to goodwill, see note 12.

2.5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2015. None of the new amendments that are effective for periods beginning on or after 1 January 2015 have had a material impact on the annual consolidated financial statements of the group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.6 CLASSIFICATION

Capital assets and long-term liabilities in the parent company and the Group consist of amounts that are expected to be recovered or paid after more than twelve months counted from the balance sheet date. Current assets and short-term liabilities in the parent company and the Group consist of amounts that are expected to be recovered or paid within twelve months counted from the balance sheet date.

2.7 BUSINESS SEGMENT ACCOUNTING

A business segment is a part of the Group that conducts operations from which revenues can be generated and which incurs costs and for which independent financial information is available. A business segment's earnings are followed up by the company's chief operating decision-maker in order to evaluate the earnings and be able to allocate resources to the business segment.

The group's business operations essentially comprise loan brokering in Sweden, Norway, Finland and Germany, which is followed up by country by the chief operating decision-maker, which means that the Group comprises four business segments.

2.8 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements cover the parent company and all subsidiaries. Subsidiaries comprise the companies over which the parent company has direct or indirect controlling influence. The subsidiaries report according to the acquisition method, which means that assets and liabilities that have been taken over initially are recognized at their fair values at the time of acquisition. Transaction expenses that arise, with the exception of transaction expenses that are attributable to issue of own capital instruments or liability instruments, are reported directly in the year's earnings.

Internal receivables, liabilities and profits or losses that arise in connection with intra-Group transactions are eliminated when preparing the consolidated financial statements. Consolidation in connection with

acquisition takes place from the date when we obtain a controlling influence and with disposals, at the date when the controlling influence ceases.

2.9 REPORTING OF REVENUES

Revenues are reported at fair value of what is received or will be received for services in the group's operational activities. Revenues are reported excluding value added tax and after elimination of intra-Group sales. Revenue is recognized when its amount can be measured reliably and it is likely that future economic benefit will accrue to the group. It is deemed not possible to measure the amount of revenue reliably before all obligations in relation to the sale have been fulfilled or matured. The group's revenues consist primarily of brokering revenues which arise in connection with the group's customers, i.e. credit institutes accepting the commission that has been brokered and providing credit to the applicant.

2.10 REMUNERATION TO EMPLOYEES SHORT-TERM REMUNERATION

Short-term remuneration to employees such as salaries, paid holidays and social costs etc. are reported as the employees perform services in exchange for compensation.

A provision is reported for the expected cost of bonus payments when the Group has an applicable legal or informal obligation to make such payments as a consequence of obtaining services from employees and it is possible to calculate the obligation reliably.

DEFINED CONTRIBUTION PENSION PLANS

There are both defined benefit and defined contribution pensions within the group. A defined contribution plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. A defined benefit pension plan is a pension plan that is not based on contribution. What characterises defined benefit plans is that they specify an amount for the pension benefits that an employee receives after retirement, usually based on one or several

factors such as age, period of service and salary.

Pension obligations for salaried employees in Sweden are secured through an insurance in Alecta. This is a defined benefit plan which covers several employers. For the 2015 financial year, the Group has not had access to such information to enable it to present this plan as a defined benefit plan.

For defined contribution pension plans, the Group pays contributions to privately administered pension insurance plans on a contractual basis. The group has no further payment obligations when the contributions are paid. The contributions are reported as staff expenses when they are due for payment.

2.11 TAX

Taxes are reported in the income statement except when the underlying transaction is reported in other comprehensive income or in equity. In those cases the related tax effect is reported in other comprehensive income or in equity. Current tax is tax that is to be paid or received for the present year including any adjustment of current tax related to previous periods. Deferred tax is calculated according to the balance sheet method, based on temporary differences between reported and fiscal value of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be realised and with application of the tax rates and tax regulations that are decided or notified as per the balance sheet date.

Temporary differences are not taken into account in consolidated goodwill, nor are any differences arising from initial recognition of assets and liabilities which are not business acquisitions that at the time of the transaction do not affect either reported or taxable earnings. Furthermore, temporary differences attributable to participations in subsidiaries that are not expected to be reversed within the foreseeable future are not taken into account.

Deferred tax assets regarding deductible temporary differences and deficit deductions are only reported to the extent that it is likely that they will be able to be used. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be used.

2.12 FINANCIAL REVENUES AND COSTS

Financial revenues consist of interest income on accounts receivable, interest on balances in bank or tax accounts.

Financial costs consist of interest expenses on loans and costs for raising loans, as well as currency differences on liabilities in foreign currency.

Interest income and interest expenses are reported in the income statement in the period to which they are attributable.

2.13 FINANCIAL INSTRUMENTS

On the asset side, financial instruments recognised in the balance sheet include cash and bank balances, accounts receivable and other receivables. The items on the liability side are loan liabilities and accounts payable.

2.14 RECOGNITION IN AND REMOVAL FROM THE BALANCE SHEET

A financial asset or liability is recognised in the balance sheet when the company becomes a party to a contract. A receivable is recognised in the balance sheet when the invoice has been sent. A liability is recognised when the counterparty has performed and a contractual obligation has arisen to pay, even if the invoice has not yet been received. A financial asset (or part thereof) is removed from the balance sheet when the contractual rights have been realised, become due or expired or when the company transfers in all essentials the risks and benefits that are associated with ownership. A financial liability (or part thereof) is removed from the balance sheet when the contractual obligation has been fulfilled or is extinguished in some other way. A financial asset and a financial liability is only offset and recognised in a net amount in the balance sheet when a legal right to offset the amounts exists, and when the aim is to settle these items with a net amount, or to

simultaneously realise the asset and settle the liability.

2.15 CLASSIFICATION AND VALUATION

The group's financial instruments are initially valued at the fair value with addition for transaction expenses.

The valuation of financial instruments after initial recognition is dependent on how the instrument is classified. All the group's financial assets belong to the valuation category "Loans and receivables". The assets in this category are fixed or determinable payments and are not listed on an active market. This category includes accounts receivables, cash and bank balances, and other receivables. The assets are valued at accrued acquisition value. Accounts receivable are reported at the amount that is expected to be realised, i.e. after deductions for uncertain receivables. Accounts receivables' expected duration is short, which is why reporting is at nominal amounts without discounting.

All the group's financial liabilities belong to the valuation category "Other financial liabilities". This category includes loans and other financial liabilities, for example, accounts payable. The liabilities are valued at amortised cost using the effective interest method, which means that transaction expenses and any discounts or premiums in connection with the liability are amortised over the liability's duration as a part of the effective interest. Profit and loss that arises when liabilities are redeemed are reported in the income statement. Accounts payable are expected to have a short duration and are therefore recognised at a nominal amount without discounting.

2.16 WRITE-DOWN OF FINANCIAL INSTRUMENTS

The Group assesses on each balance sheet date whether there are objective grounds for impairment for a financial asset. A provision for depreciation of accounts receivable is made when there are objective grounds that the Group will not be able to receive all amounts that are due according to the receivables' original terms. Significant financial

difficulties for the debtor, the likelihood that the debtor will enter bankruptcy or undergo a financial reconstruction and default on or delay payments are regarded as indicators that there might be an impairment of an account receivable. The size of the provision is determined by the difference between the asset's carrying amount and the current value of the assessed future cash flow, discounted by the original effective interest. Write-down of accounts receivable are recognised in other external costs.

2.17 GOODWILL

Goodwill arises in connection with acquisition of subsidiaries, associated companies and joint ventures and relates to the amount by which the purchase price exceeds the group's share in the fair value of identifiable assets, liabilities and contingent liabilities in the company acquired. Goodwill is tested for impairment annually or more often if events or changes in circumstances indicate a potential reduction in value. The carrying amount of goodwill is compared with the recoverable amount, which is the highest of the value in use and the fair value minus selling expenses. Any depreciation is reported immediately as a cost and is not reversed. The group's cash generating units that are expected to benefit from the business acquisition and that have given rise to the goodwill item are tested annually for any impairment.

2.18 CUSTOMER RELATIONSHIPS AND BRANDS

Customer relationships and brands arise in connection with acquisition of subsidiaries, associated companies and joint ventures and have been valued at market value at the date of acquisition. Customer relationships are deemed to have a life of 10 years, which is based on analyses undertaken of how long the company has its customers. Brands are deemed to have a life of 5.8 years.

2.19 EQUIPMENT

Equipment has been included at acquisition value with deductions for accumulated depreciation according to plan.

Equipment is written off linearly over the period of use, which is normally estimated to amount to 3-5 years. Depreciation takes place from the date the asset is acquired. The period of use is the period during which the asset is expected to be available for use in the group.

2.20 WRITE-DOWNS

The group's recognised assets are assessed on each balance sheet date to determine whether impairment is indicated. IAS 36 is applied with regard to write-downs of assets other than financial assets, which is reported according to IAS 39. For exceptional assets according to the above, the carrying amount is assessed according to the respective standard.

If there is any indication, the asset's recoverable amount is assessed. The asset is written down at the recoverable amount if the carrying amount exceeds the recoverable amount. The recoverable amount is the highest of fair value minus selling expenses and its value of use. For write-down of financial assets see above.

2.21 PROVISIONS

Provisions are presented in the balance sheet when there is a legal or informal obligation due to an event that has occurred and when it is likely that the obligation will be met and the amount can be calculated reliably. If the effect of when in time the payment is made is significant, provisions are calculated through calculating the expected future cash flow at current value with a discounting factor (before tax), which reflects the market's current valuation of the time value and the potential risks that are attributable to the obligation. Provisions for deferred tax liability are not subject to discounting.

2.22 ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired from suppliers in the course of operational activities. Accounts payable are classified as short-term liabilities if they fall due within one year or earlier (or during normal business

cycle if it is longer). If not, they are recorded as long-term liabilities.

Accounts payable are initially recorded at fair value and subsequently at deferred acquisition value with application of the effective interest method.

2.23 BORROWINGS AND LOAN EXPENSES

Borrowings are reported initially at fair value, net after transaction costs. Borrowings are subsequently reported at amortised cost and any difference between amount received (net after transaction costs) and repayment amount is reported in the income statement distributed over the term, with application of the effective interest method.

2.24 CONTINGENT LIABILITIES

Contingent liabilities are recognised when there is a possible undertaking derived from events that have occurred, and when said occurrence is only confirmed by one or more doubtful future event(s); or there is an undertaking which is not reported as a liability or a provision because it is not likely that an outflow of resources will be needed. The Group has no liabilities to report.

2.25 CASH FLOW STATEMENTS

The cash flow statements are prepared according to the indirect method. Change in the year's cash balance is divided into business-, investments- and financing operations respectively. The point of departure for the indirect method is the operating income adjusted with such transactions that do not entail inward or outward payments.

2.26 TRANSACTIONS WITH ASSOCIATED COMPANIES

Transactions with associated companies are implemented at market prices and are recorded in their entirety where they arise. Intra-Group transactions are eliminated in the consolidated financial statements.

2.27 GROUP CONTRIBUTION

Group contributions that are provided/received to/from companies outside the Group are reported in equity as a

transaction with the company's owner. Tax assignable to these group contributions is recorded equivalently.

2.28 COST OF SALES

Cost of Sales refer to marketing costs paid to receive applications which generates the Group's revenue.

2.29 THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The Financial Reporting Board's statements applicable to listed companies have also been applied. RFR 2 entails the parent company applying all IFRS and statements adopted by the EU in the annual report for the legal entity, as long as it is possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and with respect to the connection between accounting and taxation. The recommendation specifies which exceptions from and additions to IFRS should be made.

DIFFERENCES BETWEEN THE GROUP'S AND THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

The differences between the group's and the parent company's accounting principles are set out below. The accounting principles given below for the parent company have been applied consistently for all periods that are presented in the parent company's financial statements.

PARTICIPATIONS IN SUBSIDIARIES

Participations in subsidiaries are reported in the parent company according to the acquisition value method. This means that transaction expenses are included in the carrying amount for holdings in subsidiaries. The consolidated financial statements present transaction expenses attributable to subsidiaries directly in the profit/loss when they arise.

GROUP CONTRIBUTIONS

The parent company has chosen to report group contributions in accordance with the alternative rule, which means that group contributions are reported as appropriations.

NOTE 3 SEGMENT INFORMATION

The group's principal activity is facilitating loans in Sweden, Norway, Finland and Germany. The table below shows the net turnover per country/segment.

by country	Revenue		EBITDA	
	2015	2014	2015	2014
Sweden	210,847	185,356	39,415	37,427
Norway	104,292	38,953	50,501	6,397
Finland	31,775	28,786	-1,050	3,210
Germany	51	-	-5,481	-
Total	346,965	253,095	83,385	47,034

Of the reported value of assets in the group 61,8 % (91.4 %) is attributable to Sweden and the rest to Norway/Finland/Germany. 78,5 % (83.3 %) of liabilities in the group are attributable to Sweden and the rest to Norway/Finland/Germany. The company's senior management follows up the segment in relation to operating income before depreciation (EBITDA), which is set out above.

Two of the group's customers account for 9.2% and 7.6% respectively of the turnover during 2015. These revenues are reported in the Sweden segment.

NOTE 4 REMUNERATION AND EXPENSES FOR AUDITORS

	Group		Parent company	
	2015	2014	2015	2014
KPMG				
Audit assignments	1,203	967	-	-
Tax consultancy	-	-	-	-
Other services	998	556	-	-
Total	2,201	1,523	0	0

The parent company's costs have been reported in the subsidiaries.

NOT 5 EXPENSES BY NATURE

	Group	
	2015	2014
Employee benefit expenses incl social charges	-102 516	-85 782
Depreciation	-14 676	-14 441
Other expenses, primarily purchased services	-161 064	-120 253
Total operating expenses	-278 256	-220 502

NOTE 6 FINANCE INCOME

	Group		Parent company	
	2015	2014	2015	2014
Interest income	4,668	1,273	4,241	902
Intra-group interest	-	-	14,263	8,212
Exchange rate differences	130	5,549	-	1
Other financial revenues	1,175	2,100	1,175	2,100
Total	5,973	8,922	19,679	11,215

NOTE 7 FINANCE COSTS

	Group		Parent company	
	2015	2014	2015	2014
Interest expense	-34,324	-28,219	-25,186	-13,869
Intra-group	-	-	-2,124	-1,272
Exchange rate differences	-6,516	-9,273	-3,851	-
Other financial expenses	-2,116	-28,758	-2,048	-4,483
Total	-42,866	-66,250	-33,209	-19,624

NOTE 8 APPROPRIATIONS

	Parent company	
	2015	2014
Group contribution	13,869	8,419
Total	13,869	8,419

NOTE 9 EXCHANGE RATE DIFFERENCES - NET

Exchange rates have been reported in the consolidated income statement as follows:

	Group	
	2015	2014
Other external costs	-	-
Financial items - net	-6,386	-3,724
Total	-6,386	-3,724

NOTE 10 TAXES

	Group	
	2015	2014
Current tax	-8,420	-702
Deferred tax	1,865	3,160
Total	-6,555	2,458
Effective tax	17%	10%

The income tax on the Group's earnings before tax is different from the theoretical amount that should have been the case using a weighted average tax rate for the earnings in the consolidated companies according to the following:

	2015	2014
Current tax		
Earnings before tax	38,088	-24,735
Non-deductible items	920	14,155
Non-taxable items	-4,361	-
Change in untaxed reserves	4,975	17,034
Deficit utilized	-19,987	-17,188
Depreciation surplus value	13,224	13,369
Taxed income	32,859	2,635
Income tax calculated according to Swedish tax rate	-7,229	-580
Acquired tax expense		
Difference in tax rates in foreign subsidiaries	-1,191	-122
Current tax	-8,420	-702

	2015	2014
Deferred tax		
Deficit	-2,448	-3,861
Surplus value	3,218	3,042
Change in untaxed reserves	1,095	3,747
in foreign subsidiaries	-	233
Deferred tax	1,865	3,160

NOTE 11 STAFF AND BOARD OF DIRECTORS

The parent company has no employees

AVERAGE NUMBER OF EMPLOYEES

Average number of employees	Group			
	2015 Employees	Of which men	2014 Employees	Of which men
Sweden	183	83	139	64
Norway	-	-	10	3
Finland	25	12	17	8
Germany	1	1	-	-
The group in total	209	96	166	75

REMUNERATION TO EMPLOYEES

	Group	
	2015	2014
Salaries and remuneration	71,221	62,349
Social insurance contributions	17,774	13,772
Pension costs	6,367	6,277
Total	95,362	82,398

SALARIES, REMUNERATION AND SOCIAL SECURITY EXPENSES

	2015	2015	2015	2014	2014	2014
	Salaries and other remuneration	Social expenses	of which pensions expenses	Salaries and other remuneration	Social expenses	of which pensions expenses
Board members and chief executive officers	4,026	1,363	640	4,490	2,179	768
Senior management	3,240	1,628	714	2,044	926	284
Other employees	63,955	21,150	5,013	55,815	16,944	5,225
The group in total	71,221	24,141	6,367	62,349	20,049	6,277

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The number of board members in the parent company during the year amounted to 5, none of which were women.

The number of board members in all the group's companies during the year amounted to 6, none of which were women.

The CEO has an employment contract which gives him severance pay of 12 months' salary.

NOTE 12 INTANGIBLE ASSETS

	Goodwill	Customer relationships	Brands	Other	Total
Financial year 2014					
Opening reported value	379,220	107,424	8,313	75	495,031
Acquisition of subsidiaries	94	925	-	-	1,019
Exchange rate differences	-331	97	54	2	-178
Depreciation	-	-11,660	-1,631	-30	-13,321
Closing reported value	378,983	96,786	6,736	47	482,552
As at 31 December 2014					
Acquisition value	384,539	117,214	9,448	109	511,310
Accumulated depreciation/rate effect	-5,557	-20,428	-2,711	-62	-28,758
Reported value	378,983	96,786	6,736	47	482,552
Financial year 2015					
Opening reported value	378,983	96,786	6,736	47	482,552
Purchases	-	-	-	640	640
Exchange rate differences	-8,319	-1,588	-94	-1	-10,002
Depreciation	-	-11,597	-1,627	-24	-13,248
Closing reported value	370,664	83,601	5,015	662	459,942
As at 31 December 2015					
Acquisition value	384,539	117,214	9,448	749	511,950
Accumulated depreciation/rate effects	-13,876	-33,613	-4,432	-87	-52,008
Reported value	370,664	83,601	5,015	662	459,942

The income statement includes depreciation of SEK 13.3 million (SEK 13.3 million). The group was formed in 2013 through the parent company acquiring the subsidiaries Ceratiidae II AB and Ceratiidae Norway A/S which in turn acquired 100 % of Freedom Finance Holding, Freedom Rahoitus Holding OY and ABC Finans Gruppen AS. The acquisition calculations were updated in connection with the Group moving to IFRS previous year so that they are prepared in accordance with IFRS 3, which produced a surplus value, besides goodwill, in the form of brands and customers (database with brokering assignment prospects). The brand is deemed to have a life of 5.8 years, and the customers are deemed to have a life of 10 years. The assets are written off over the assessed lifetime.

TEST OF IMPAIRMENT FOR GOODWILL

The Group's goodwill item is evaluated annually in accordance with IAS 36 to see whether there is a requirement for impairment. The recoverable amount for the cash generating units has been based on their value in use. In respect of this, assumptions have been made regarding growth, profit margin, capital tie-up, investment requirements and risk premium.

Financial projections based on the Group's budget for the next year and the Group's financial plan for the various cash generating units over the next four years. The basis for these projections is the Group's market appraisal for the respective period. Future cash flows have been estimated on the basis of the asset's existing structure and does not include acquisitions.

The Group's assumptions regarding future growth are based on previous experience, external sources of information and the Group's long-term business plan. This assumption has also taken into account expected market growth and the expected price trend.

The assumptions regarding future margins follow the Group's financial plan and its historical performance.

Investments during the projected period are based on the intra-group investment plan and are deemed to be equivalent to the replacement requirement.

These estimates constitute the basis for the calculation of the value in use and the cash flow projection implemented for a period comprising the budget set and the group's financial plan. The cash flow after that has been assumed to have an annual growth of 2%, which is lower than the actual annual growth rate.

The working capital requirement (excluding cash and cash equivalents) is assumed to amount to 5% (5%) of the Group's net sales in long-term. The cost of capital (WACC before tax) has been defined as 15% (15%).

The estimated fair market value exceeds the reported value by a substantial margin. Management does not foresee that any realistic changes in the important assumptions would entail fair market value to fall below the reported value.

Goodwill has been allocated to the different cash generating units as follows:

	2015	2014
Sweden	278,279	278,279
Norway	83,044	91,053
Finland	9,341	9,651
Total	370,664	378,983

SENSITIVITY ANALYSIS

The sensitivity analysis shows that an increased pre-tax cost of capital of 40% (i.e. a post-tax cost of capital of 35%) does not entail an impairment.

NOTE 13 EQUIPMENT

	Equipment	Total
Financial year 2014		
Opening reported value	2,503	2,503
Acquisition of subsidiaries	691	691
Purchases	1,172	1,172
Sales/Disposals	-113	-113
Exchange rate differences	13	13
Depreciation	-1,120	-1,120
Closing reported value	3,146	3,146
As at 31 December 2014		
Acquisition value	8,745	8,745
Accumulated depreciation/rate effect	-5,599	-5,599
Reported value	3,146	3,146
Financial year 2015		
Opening reported value	3,146	3,146
Purchases	818	818
Exchange rate differences	-14	-14
Depreciation	-1,428	-1,428
Closing reported value	2,522	2,522
As at 31 December 2015		
Acquisition value	8,422	8,422
Accumulated depreciation/rate effect	-5,900	-5,900
Reported value	2,522	2,522

OPERATIONAL LEASING

The group has no significant leasing contracts apart from rental contracts for premises. During 2015 the group has paid SEK 4.4 million (3.5) in rent.

NOTE 14 SHARES IN SUBSIDIARIES

	Parent company	
	2015	2014
Opening acquisition value	217,500	217,500
Purchases and new issues in subsidiaries	-	-
Closing book value	217,500	217,500

Shares owned by the parent company	Corp. ID no.	Registered office	Share	Number of shares	Book value 2015	Book value 2014
Ceratiidae III AB	556925-9509	Ängelholm	100%	108,093,196	153,765,196	153,765,196
Ceratiidae Norway A/S	911,670,186	Oslo, Norway	100%	56,830,414	63,734,804	63,734,804
					217,500,000	217,500,000

Shares owned by subsidiaries	Corp. ID no.	Registered office	Share	Equity	Profit/loss
<i>Ceratiidae III AB</i>	556925-9509	Ängelholm	100%	151,209	15,268
- Freedom Finance Holding AB	556736-5332	Ängelholm	100%	136,931	22
- Freedom Finance Kreditservice AB	556647-0737	Ängelholm	100%	108,861	-591
- Finansa AS	985245843	Oslo, Norway	100%	730	-904
- B Ankio AB	556904-9181	Ängelholm	100%	50	0
- Lån för Alla Sverige AB	556904-9199	Ängelholm	100%	50	0
- Zmarta Development AB	556986-6469	Ängelholm	100%	50	0
- Zmarta Försäkring AB	556947-8786	Ängelholm	100%	50	0
- Freedom Finance GMBH	HRB 101 855	München, Germany	100%	-3 647	-3 950
<i>Ceratiidae Norway AS</i>	911670186	Oslo, Norway	100%	70,133	-10,774
- Freedom Rahoitus Holding OY	2207697-0	Esbo, Finland	100%	22	-1
- Freedom Rahoitus OY	2207313-9	Esbo, Finland	100%	3,171	-1,195
- NewCent Finans AS	990,790,701	Oslo, Norway	100%	14,755	-21
- ABC FinansGruppen AS	981,525,515	Oslo, Norway	100%	105	-13
- Centum Finans AS	985,220,239	Oslo, Norway	100%	97	35,570

NOTE 15 ACCOUNTS RECEIVABLE

	Group	
	2015	2014
Accounts receivable	37,866	27,987
Provision for doubtful debts	-	-
Accounts receivable - net	37,866	27,987

The fair value of accounts receivable and other receivables is as follows:

	2015	2014
Accounts receivable	37,866	27,987
Income taxes recoverable	-	5,186
Other receivables	210	652
Prepaid expenses and accrued income	3,538	1,698
Total	41,614	35,523

As at 31 December 2014, the group has no recognised losses on accounts receivable. The group has no provision for doubtful debts. Historically, the group has had very low credit losses, which is largely due to the group's business model.

Age analysis of accounts receivable due as per 31 December 2014 and 2015 is shown below:

	2015	2014
1-15 days	6,363	5,083
15 days to 3 months	1,138	384
3 months or more	163	2
Total	7,664	5,469

Reported amount, by currency, for the group's accounts receivable is as follows:

TSEK	2015	2014
SEK	22,606	19,164
EURO	2,939	2,669
NOK	12,321	6,154
Total	37,866	27,987

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent company	
	2015	2014	2015	2014
Accrued interest income	40	18	40	18
Rent for premises	1,253	574	-	-
Other items	2,245	1,106	37	-
Total	3,538	1,698	77	18

NOTE 17 EQUITY

According to the Swedish Companies Act, equity comprises restricted (non-distributable) and non-restricted (distributable) equity. The dividend for shareholders must be no more than is required for full coverage of restricted equity in the parent company after distribution. In addition, profits may only be distributed if it is justifiable with respect to the requirements that the business activity's nature, scope and risks place on the size of the equity and the company's and the group's consolidation requirements, liquidity and general position. Dividends are proposed by the Board of Directors in accordance with the provisions in the Companies Act and are adopted by the annual general meeting. No dividend is proposed for the 2015 financial year. Development of the share capital in the parent company during 2014 and 2015 is to be found in the table below:

	Number of shares (thousands)	Share capital
As at 1 January 2014	157,100	157
New issue	342,900	343
As at 31 December 2014	500,000	500
As at 1 January 2015	500,000	500
As at 31 December 2015	500,000	500

NOTE 18 DEFERRED TAX

Deferred taxes recoverable	2015	2014
Opening balance	6,947	10,657
New subsidiaries acquired	0	0
Exchange rate differences	-98	151
Change in income statement	-2,448	-3,861
Total	4,401	6,947

Deferred taxes recoverable	Fiscal deficit	Total
As at 1 January 2014	10,657	10,657
Reported in the income statement	-3,861	-3,861
Reported in other comprehensive income		0
Consolidated value attributable to new subsidiaries acquired		0
Exchange rate differences	151	151
As at 31 December 2014	6,947	6,947
Reported in the income statement	-2,448	-2,448
Reported in other comprehensive income		0
Consolidated value attributable to new subsidiaries acquired		0
Exchange rate differences	-98	-98
As at 31 December 2015	4,401	4,401

Deferred tax liabilities	Untaxed reserves	Intangible assets	Total
As at 1 January 2014	12,410	26,688	39,098
Reported in the income statement	-3,747	-3,279	-7,026
Reported in other comprehensive income			0
Consolidated value attributable to new subsidiaries acquired		243	243
Exchange rate differences		31	31
As at 31 December 2014	8,663	23,683	32,346
Reported in the income statement	-1,095	-3,052	-4,147
Reported in other comprehensive income			0
Consolidated value attributable to new subsidiaries acquired			
Exchange rate differences		-444	-444
As at 31 December 2015	7,568	20,187	27,755

NOTE 19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet and the cash flow statement include the following:

	Group	
	2015	2014
Cash and bank	96,417	63,676
Total	96,417	63,676

NOTE 20 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
	2015	2014	2015	2014
Accrued salaries	4,110	2,306	-	-
Holiday pay liability	8,441	7,616	-	-
Social insurance contributions	6,711	2,220	-	-
Accrued interest expenses	5,846	5,074	-	-
Other items	6,528	6,125	315	269
Total	31,636	23,341	315	269

NOTE 21 FINANCIAL RISKS AND RISK MANAGEMENT

The group's operations expose it to various financial risks, the most significant of which are liquidity risks, financing risks and interest rate risks. However, the group has a currency translation risk in respect of translation of foreign subsidiaries.

The group's financial risks are managed by the parent company.

LIQUIDITY RISK

A liquidity risk entails a situation where cash and cash equivalents for payment for undertakings cannot be guaranteed. As at 31 December 2015, liquid funds in the form of cash and bank balances available amounted to SEK 96.4 million (63.6), and bonds in own keeping of SEK 69.0 million (45.0).

FINANCING RISK

A financing risk entails difficulties in obtaining financing for the business at a given point in time. The group has ensured its financing through issuing a bond loan which runs over a

further 3.5 years. Below is a summary of the group's long-term interest-bearing liabilities.

	Group		Parent company	
	2015	2014	2015	2014
Long-term liabilities				
Bank loan	-	-	-	-
Shareholder's loan	57,738	50,115	-	-
Bond loan	275,929	297,919	275,929	297,919
	333,667	348,034	275,929	297,919

No liabilities are due after 5 years.

The group has a shareholder's loan that runs with no amortization and an interest rate of 15% which will be paid when the loan is repaid.

During the 2014 financial year the group refinanced through issuing a bond loan of SEK 350 million as at 2014-06-26, which enabled repayment of the liabilities to credit institutes.

The bond loan runs until 2019-06-26 with an interest rate of STIBOR 3M plus a margin of 7%.

As the company undertook its refinancing during 2014, costs for previous loans were charged to the income statement for 2014. Costs of 7.9 MSEK raised for issuing a bond loan in 2014 are amortized over the loan's term of 5 years. As at 31 December 2015, prepaid transaction costs for the bond loan amounted to SEK 5.1 million (7.1), which has reduced the debt. The group has bonds of SEK 69 million it has issued itself in its own keeping, these have reduced the bond loan.

INTEREST RATE RISK

Interest rate risk refers to how changes in the interest-rate level affect the group's net interest income/expense and the value of financial instruments in connection with changed market rates. The loan which runs with a variable interest rate exposes the group to fluctuations in STIBOR, which affects the group's interest expenses.

If STIBOR 3M had been 100 points higher during 2015 than was actually the case, the

group's interest expenses would have increased by about SEK 3 million.

CREDIT RISK

The group's credit risk primarily relates to accounts receivable. The credit risk is the risk of losses if the group's counterparties do not fulfil their contractual obligations and any securities do not cover the group's receivables. The group's maximum exposure to credit risk is deemed to be equivalent to the book value for all receivables.

The Group's customers are mainly credit institutes why the exposure of risk in relation to individual customers is appreciated as limited.

FINANCIAL INSTRUMENTS BY VALUATION CATEGORY

Group	Loans and receivables		Other financial liabilities	
	2015	2014	2015	2014
Accounts receivable	37,866	27,987	-	-
Current receivables	3,748	7,536	-	-
Cash and chas equivalents	96,417	63,676	-	-
Liabilities to group companies	-	-	-293	-185
Liabilities to shareholders	-	-	-57,738	-50,115
Accounts payable	-	-	-9,682	-9,599
Other short-term liabilities	-	-	-41,536	-26,578
Bond loan	-	-	-275,929	-297,919
	138,031	99,199	-385,178	-384,396

Parent company	Loans and receivables		Other financial liabilities	
	2015	2014	2015	2014
Current receivables	77	18	-	-
Receivables from group companies	274,106	285,290	-	-
Cash and chas equivalents	2,589	13,273	-	-
Liabilities to group companies	-	-	-185	-
Other short-term liabilities	-	-	-315	-319
Bond loan	-	-	-275,929	-297,919
	276,772	298,581	-276,429	-298,238

Fair value on the outstanding bond loan amounted to 1.01 of the nominal amount on the balance sheet date. The company has outstanding bonds of SEK 281.0 million and the market value amounts to SEK 282.4 million.

NOTE 22 PLEDGED ASSETS, CONTINGENT LIABILITIES

	Group		Parent company	
	2015	2014	2015	2014
Shares in subsidiaries	-	-	217,500	217,500
Total	0	0	217,500	0

NOTE 23 ASSOCIATED COMPANIES

As at 2015-12-31 the group has no loans to persons in senior positions.

The group has no intra-group interest income and or interest expenses.

Salaries to senior management are detailed in note 11.

NOTE 24 EVENTS AFTER THE BALANCE SHEET DATE

As per the 15th of March the Group has repurchased additional SEK 37 million of the bond.

NOTE 25 BUSINESS ACQUISITIONS

There have been no business acquisitions during 2015. On 1 March 2014 the Group acquired all 151 shares in Finansa AS for a cash price of NOK 1.5 million (SEK 1.6 million). According to the acquisition calculation (PPA) performed, the value of the assets and liabilities acquired was as follows:

	2014
	Finansa AS
Cash and cash equivalents	125
Deferred taxes recoverable	-
Other intangible fixed assets	-
Customer relationships	925
Brand	0
Deferred tax liabilities	-250
Tangible assets	691
Accounts receivable and other receivables	254
Accounts payable and other liabilities	-224
Borrowings	0
Fair value of net assets acquired	1,521
Goodwill	94
Purchase price	1,616
Minus:	
Issue in kind for the acquisition	-
Cash and cash equivalents acquired	-125
Cash flow effect	1,491

DEFINITIONS OF KEY RATIOS

- EBITDA marginal – EBITDA/Net turnover
- EBIT margin – EBIT/Net turnover
- Equity/assets ratio – Equity/Balance sheet total
- Debt/equity ratio – Interest-bearing liabilities minus liquid funds/equity
- Return on equity – Earnings for the year/equity

ANNUAL REPORT SIGNATORIES

Ängelholm, 14 April 2016

Ceratiidae II AB

Björn Lander
CEO

Per-Arne Blomquist
Chairman

Carl Haring
Director

Sven Øvrebø
Director

Neil McIlroy
Director

Our auditor's report was presented on 14 April 2016

KPMG AB

David Olow
Authorized public accountant

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF CERATIIDAE II AB

(PUBL) CORPORATE IDENTITY NUMBER 556925-9517

REPORT ON THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annual report and consolidated financial statements for Ceratiidae II AB (publ) for the financial year 2015-01-01 - 2015-12-31.

THE BOARD OF DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of the Board of Directors and the CEO to prepare an annual report that gives a true and fair view in accordance with the Annual Accounts Act and consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act and for the internal controls that the Board of Directors and the CEO deem to be necessary to prepare an annual report and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the annual accounts and the administration based on our audit. We have performed the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards demand that we comply with professional codes of conduct and that we plan and perform to obtain reasonable assurance that the annual report and consolidated financial statements are free from material misstatement.

An audit entails using a range of measures to obtain audit evidence with regard to amounts and other information in the annual report and the consolidated financial statements. The auditor selects which measures are to be performed, including through assessing the risks of material misstatement in the annual report and consolidated financial statements, whether due to fraud or error. In this risk assessment, the auditor considers those parts of the internal controls that are relevant for how the company prepares the annual report and consolidated financial statements in order to give a true and fair view with the aim of formulating auditing procedures that are appropriate with regard to the circumstances, but not with the aim of making a statement regarding the effectiveness of the company's internal controls. An audit also comprises an evaluation of the appropriateness of the accounting principles that have been used and of the reasonableness of the Board of Directors' and the CEO's estimates in the report, as well as an evaluation of the overall presentation in the annual report and the consolidated financial statements.

We consider that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

STATEMENTS

In our opinion, the annual report has been prepared in accordance with the Annual Accounts Act and gives a true and fair view in all essentials of the parent company's financial position as at 31 December 2015 and of its financial results and cash flow for the year according to the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and give a true and fair view in all essentials of the group's financial position as at 31 December 2015 and of its financial results and cash flow for the year according to International

Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The administration report is compatible with the other parts of the annual report and the consolidated financial statements.

We therefore recommend that the annual general meeting adopts the income statement and balance sheet for the parent company and the group.

STATEMENT REGARDING REGULATORY AND OTHER REQUIREMENTS

Besides our audit of the annual report and consolidated financial statements, we have also performed an audit of the proposed allocation of the company's profit or loss, as well as the Board of Directors' and Chief Executive Officer's administration for Ceratiidae II AB (publ) for the financial year 2015-01-01 - 2015-12-31.

THE BOARD OF DIRECTORS' AND THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY

The Board of Directors is responsible for the proposed allocation of the company's profit or loss, and it is the Board of Directors and Chief Executive Officer who are responsible for the administration according to the Companies' Act.

THE AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion with reasonable assurance regarding the proposed allocation of the company's profit or loss and about the administration based on our audit. We have performed the audit according to generally accepted auditing standards in Sweden.

As a basis for our opinion regarding the Board of Directors' proposed allocation of the company's profit or loss, we have examined whether the proposal is compatible with the Companies' Act.

As a basis for our statement regarding freedom from responsibility, in addition to our audit of the annual report and the consolidated financial statements, we have examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the Chief Executive Officer. We have also examined whether any board member or the Chief Executive Officer have in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We consider that the audit evidence we have obtained is sufficient and appropriate as a basis for our statements.

STATEMENTS

We recommend that the annual general meeting allocate the profit according to the proposal in the administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Malmö 14 April 2016

KPMG AB

David Olow

Authorized public accountant