

ANNUAL REPORT

beginning of financial year: 10.12.2019

end of the financial year: 31.12.2019

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Management report

Bancera OÜ (the Company) was founded in December 2019 in Estonia. Launching as an online peer-to-peer lending platform is scheduled for March 2020.

In 2019 Company submitted an application to Estonian Financial Intelligence Unit and in early 2020 obtained full authorization for peer-to-peer lending activity.

Company has signed a partnership agreement with Placet Group OÜ, who is one of the leading consumer loan provider in Estonia. Another loan originator Nordecum UAB (a subsidiary of Placet Group OÜ) is joining the Company in the Spring 2020.

The results of the Company for the accounting year shows revenue of EUR 37 thousand, generated mostly from service fees to loan originators.

The main objective for the upcoming year is to develop more favorable conditions for the investors. Our goal is to offer attractive investment opportunities and make them available, easy and transparent for everyone. The Company is planning to make sizeable investments in the platform development as well as expanding the team.

The annual accounts

Statement of financial position

(In Euros)

| | 31.12.2019 | 10.12.2019 | Note |
|-------------------------------------|---------------|--------------|------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 40 413 | 5 000 | |
| Receivables and prepayments | 1 242 | 0 | 2 |
| Total current assets | 41 655 | 5 000 | |
| Total assets | 41 655 | 5 000 | |
| Liabilities and equity | | | |
| Equity | | | |
| Issued capital | 5 000 | 5 000 | |
| Annual period profit (loss) | 36 655 | 0 | |
| Total equity | 41 655 | 5 000 | |
| Total liabilities and equity | 41 655 | 5 000 | |

Income statement

(In Euros)

| | 10.12.2019 - 31.12.2019 | Note |
|------------------------------------|----------------------------|------|
| Revenue | 37 000 | 3 |
| Other operating expense | -345 | 4 |
| Operating profit (loss) | 36 655 | |
| Profit (loss) before tax | 36 655 | |
| Annual period profit (loss) | 36 655 | |

Notes

Note 1 Accounting policies

General information

The 2019 annual accounts of Bancera OÜ have been prepared in compliance with the accounting principle generally accepted in the Republic of Estonia. The basic requirements of the accounting principles generally accepted in Estonia have been established in the Accounting Act of the Republic of Estonia and accompanied by the guidelines issued by the Accounting Standards Board.

The preparation of the annual accounts has been based on the acquisition cost principle, except cases described in the accounting policies below.

The annual accounts have been compiled in euros.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances on current (settlement) bank accounts, deposit withdrawable on demand, and short-term revocable bank deposits with an original maturity of up to one year.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

Foreign currency transactions have been recorded using the official exchange rates of the European Central Bank on the day of transaction. Financial assets and liabilities and non-monetary financial assets and liabilities, which are recorded in a foreign currency using the fair value method, are re-valued on the date of the balance sheet in euros using the official exchange rates of the European Central Bank. Profits from foreign currency transactions are recorded on the income statement as revenue and expenses of the period.

Receivables and prepayments

The short-term receivables occurring in the course of regular business of the company are recorded as trade receivables, except for receivables against other group companies and affiliated undertakings. Trade receivables are recorded in the adjusted acquisition cost (i.e. nominal value minus discounts applied, if necessary).

The probability of recovery of claims is assessed separately for each purchaser, if possible. The accrual of the previously deducted doubtful debts is reflected as the reduction of the expenses of doubtful debts.

Revenue recognition

Revenue is recognised on an accrual basis and measured at the fair value of the consideration received or receivable for services provided less any trade discounts and volume rebates allowed. Revenue includes revenue from contracts with customers. Revenue is recognized when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

Taxation

Pursuant to the current legislation in Estonia, the profits of the companies are not subject to taxation, therefore also eliminating any deferred income tax claims and liabilities. Instead of profit, taxes are imposed on dividends paid from the retained profits at the rate of 20/80 on the sum paid as net dividends in Estonia.

Starting from 2019 a change of the corporate income taxation became effective. A reduced tax rate 14/86 can be used to the amounts distributed as net dividends and paid out regularly. Reduced rate can be used with the net dividends paid out on the fourth year.

The amount of the dividends must be smaller than or equal to the average distributed profit of the previous three calendar years (starting from the profit of 2018) on which a resident company has paid income tax. The part of the distributed dividends that exceeds the average distributed profit of last three years is taxed with the regular rate 20/80.

Note 2 Receivables and prepayments

(In Euros)

| | 31.12.2019 | Within 12 months |
|--|--------------|------------------|
| Prepayments | 1 242 | 1 242 |
| Other paid prepayments | 1 242 | 1 242 |
| Total receivables and prepayments | 1 242 | 1 242 |

Note 3 Net sales

(In Euros)

| | 10.12.2019 - 31.12.2019 | 10.12.2019 - 10.12.2019 |
|--|----------------------------|----------------------------|
| Net sales by geographical location | | |
| Net sales in European Union | | |
| Estonia | 37 000 | 0 |
| Total net sales in European Union | 37 000 | 0 |
| Total net sales | 37 000 | 0 |
| Net sales by operating activities | | |
| Activation fee | 37 000 | 0 |
| Total net sales | 37 000 | 0 |

Note 4 Miscellaneous operating expenses

(In Euros)

| | 10.12.2019 - 31.12.2019 | 10.12.2019 - 10.12.2019 |
|---|----------------------------|----------------------------|
| State and local taxes | -345 | 0 |
| Total miscellaneous operating expenses | -345 | 0 |

Note 5 Labor expense

(In Euros)

There no employees in reporting year.

Note 6 Related parties

(In Euros)

There no deals with related parties in reporting year