Joint Stock Company “Mintos Marketplace”

Unified registration number 40103903643

Report for the year 2018
(4th financial year)

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Riga, Latvia
2019

Table of Contents

General information

Name of the company	Mintos Marketplace
Legal status of the company	Joint stock company
Unified registration number, place and date of registration	40103903643 Riga, 1 June 2015
Registered office	Skanstes street 50 Riga, Latvia, LV-1013
Major shareholder	AS Mintos Holdings
Board Members	Martins Sulte - Chairman of the Board (from 1 June 2015) Martins Valters – Member of the Board (from 1 June 2015)
Council Members	Ramona Miglane – Chairperson of the Council (from 1 June 2015) Janis Abasins (from 9 June 2016) Martins Krutainis (from 9 June 2016)
Financial period	1 January – 31 December 2018
Auditors	Diana Krisjane Latvian Certified Auditor Certificate No 124 SIA Ernst & Young Baltic Muitas iela 1A, Riga Latvia, LV – 1010 Licence No 17

Management report

12 April 2019

Operations during 2018

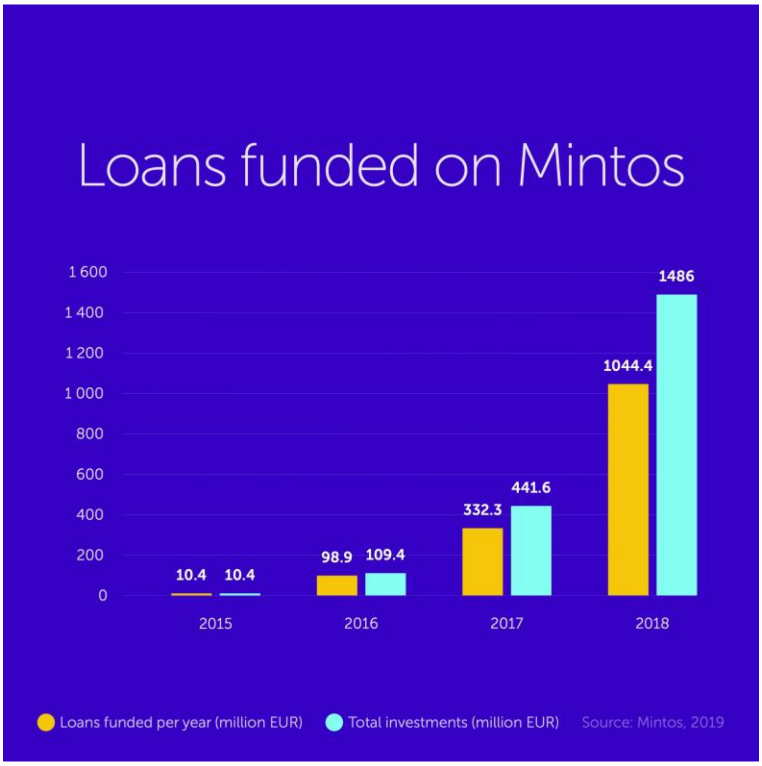
Our mission

At AS Mintos Marketplace (the Company, Mintos), we operate a global online marketplace for investments in loans, where innovative financial technology connects investors from all over the world with loans originated by a variety of international lending companies. Our mission is to offer attractive investment opportunities that are accessible, easy and transparent for everyone.

By the numbers

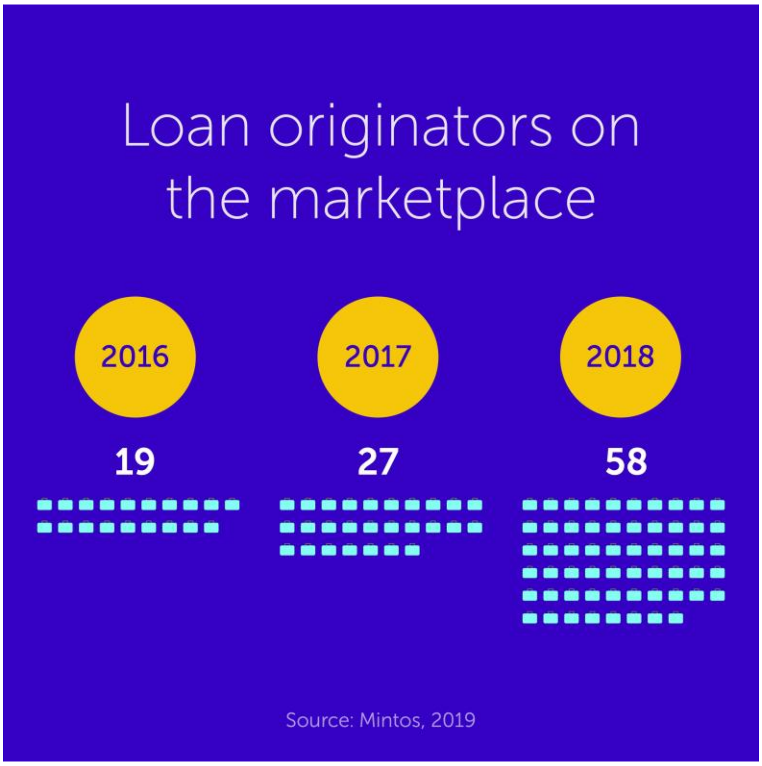
2018 has been an amazing year for us, and we continued to strongly grow our business and community. As reported by independent fintech website p2p-banking.com, we became the leader in the European market of investments in loans: over the second half of 2018, Mintos had the largest volume of new investments among similar companies.

Investor base more than doubled in 2018. We started the year with 43,457 investors, and at the end of December wished a happy new year to almost 100,000 investors.



2018 saw investments in the marketplace more than triple, from EUR 332 million invested in 1.6 million new loans in 2017 to EUR 1.044 billion invested in 4.8 million new loans in 2018. We reached a milestone of EUR 1 billion invested in loans through the marketplace in August 2018 and closed the year with a grand total of EUR 1.5 billion invested in 6.9 million loans since the inception of the company.

Our focus continues to be creating a great and transparent investor experience. To keep pace with the growing marketplace and maintain our high quality of service, we're investing in the team and facilities. We've hired 23 new employees in 2018, effectively doubling the headcount, and decided to invest in a new office to accommodate the growing team.



31 new lending companies joined the Mintos marketplace in 2018, adding 13 originating countries to the map: Armenia, Colombia, Kazakhstan, Kenya, Kosovo, Mexico, Moldova, North Macedonia, Philippines, South Africa, Ukraine, United Kingdom, Zambia. Investors can now diversify their portfolios across loans originated in 28 countries across the globe.

As a result of the significant growth of the marketplace, our revenue more than doubled from EUR 2.137 million in 2017 to EUR 4.647 million in 2018. We continued to invest into further expansion and future development. Even with all these investments, we remained profitable, with a net profit of EUR 13 thousand at the end of 2018.

The profit for the year includes charges of EUR 51 thousand (EUR 45 thousand in 2017) relating to the fair value of share-based payment benefits which are being recognised over the vesting period. By their nature, these payments are not reflective of ongoing trading performance and they are not considered part of the underlying results. Excluding these charges, the result is a profit of EUR 65 thousand in 2018 and EUR 241 thousand in 2017.

We introduced many new features in 2018 that have improved the user experience. Mintos Ratings gauge the financial and operational stability of loan originators and further increase transparency for investors when making an investment decision. Auto Invest now also covers the Secondary Market and comes with three innovative Investment Strategies that help investors save time and effort. We worked hard on perfecting safety and convenience for investors, and added features like direct bank transfer and two-factor authentication to the marketplace.

We take compliance very seriously at Mintos. We've invested in privacy protection to meet GDPR requirements, which became effective on May 25, 2018 in the EU. And even though Mintos is not regulated in terms of Anti-Money Laundering (AML) at the moment, we have expanded our AML team and procedures. Last but not least, we introduced a new online identity verification process and screening of all users registered on the marketplace.

Our efforts have been awarded with many recognitions from international media and experts. The positive feedback from our investors culminated in the AltFi's "People's Choice Award" 2018, the third time in a row we received this reward after 2016 and 2017.

Risks and uncertainties

Like all companies, we face a few risks and uncertainties related to the nature of our business. Among these are managing growth, third-party partner activity (for example, if one of our partners experiences a loss in service), regulation, system interruptions (such as an interruption to a payment system) and weakening economy. We have taken steps to protect our business against such uncertainties. For additional details about risk management please see Note 27.

We are committed to good governance and control in order to run our business effectively and manage risk appropriately. We aim to run a business that is innovative and successful without exposing it and our customers to unacceptable risk. We believe we are well positioned to continue to provide great value and service to our customers.

2019 outlook

In 2019, we will continue growing both our investor demand and the loan supply, with a focus on diversification across geographies, currencies and the safety of the Mintos marketplace.

Mintos Group plans to launch a Mintos banking account and debit card, which will further increase the value added to Mintos customers. The European e-money licence application has been submitted and the license is expected to be obtained by the end of Q3 2019. To support further development, Mintos Group raised EUR 5 million in Series A funding in November 2018.

Martins Sulte	Martins Valters
Chairman of the Board	Member of the Board

The annual report was approved by the general shareholders' meeting on April 12, 2019.

Financial Statements

Statement of comprehensive income

	Notes	2018	2017
		EUR	**EUR**
Commission and fee income	4	4 646 885	2 137 533
Commission and fee expenses	5	(111 779)	(18 267)
Employee benefit expenses	6	(1 534 525)	(757 881)
Depreciation and amortization	12	(199 729)	(109 072)
Administrative and other general expenses	7	(2 841 242)	(1 037 455)
Other income	8	43 339	18 486
Other expenses	9	(3 986)	(44 345)
Interest and similar income	10	14 533	14 168
Profit/ (loss) before tax		**13 496**	**203 167**
Corporate income tax	11	-	(7 418)
Profit/ (loss) for the year		**13 496**	**195 749**
Other comprehensive income		-	-
Total comprehensive income		**13 496**	**195 749**

The accompanying notes form an integral part of these financial statements.

Martins Sulte
Chairman of the Board

Martins Valters
Member of the Board

12 April 2019

Statement of financial position

ASSETS	Notes	31/12/2018	31/12/2017
		EUR	EUR
Non-current assets			
Intangible assets	12	449 930	290 019
Fixed assets	12	86 821	34 899
Deferred acquisition costs	13	34 319	258 607
Total non-current assets		**571 070**	**583 525**
Current assets			
Trade receivables		38 308	15 326
Accrued income	14	438 583	311 824
Other debtors	15	243 668	29 415
Deferred acquisition costs	13	34 247	135 150
Loans to related parties	22	134 124	286 642
Cash	16	90 330	69 601
Total current assets		**979 260**	**847 958**
TOTAL ASSETS		**1 550 330**	**1 431 483**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	750 000	750 000
Other capital reserves	17, 24	154 213	102 804
Retained losses		(123 340)	(136 836)
Total Equity		**780 873**	**715 968**
Non-current liabilities			
Advances received	19	108 785	214 140
Total Non-current liabilities		**108 785**	**214 140**
Current liabilities			
Trade and other payables	18	273 771	123 898
Advances received	19	105 355	101 653
Accrued liabilities	21	281 546	275 824
Total Current liabilities		**660 672**	**501 375**
TOTAL EQUITY AND LIABILITIES		**1 550 330**	**1 431 483**

The accompanying notes form an integral part of these financial statements.

Martins Sulte
Chairman of the Board

Martins Valters
Member of the Board

12 April 2019

Statement of cash flows

	Notes	2018	2017
Cash flows to/ from operating activities		**EUR**	**EUR**
Profit/(loss) before tax		13 496	203 167
Adjustments for:			
Amortisation and depreciation		197 859	109 072
Unrealised loss from fluctuations of currency exchange rates		(1 328)	35
Interest (income)		(14 533)	-
Operating profit or loss before working capital changes		***195 494***	***312 274***
(Increase) in receivables and other assets		(2 216)	(606 305)
Increase in payables		54 055	651 340
Cash generated from operations		***247 333***	***357 309***
Net cash flows to/ from operating activities		***247 333***	**357 309**
Cash flows to/ from investing activities			
Purchase of equipment	12	(73 485)	(28 957)
Purchase of intangible assets	12	(336 135)	(236 347)
Issued loans		-	(321 553)
Received repayment of issued loans		180 274	87 429
Interest received		1 414	-
Net cash flows to/ from investing activities		**(227 932)**	**(499 428)**
Change in cash		19 401	(142 119)
Net foreign exchange difference		1 328	(35)
Cash at the beginning of the year		69 601	211 755
Cash at the end of the year		**90 330**	**69 601**

The accompanying notes form an integral part of these financial statements.

Martins Sulte
Chairman of the Board

Martins Valters
Member of the Board

12 April 2019

Statement of changes in equity

	Note	Share capital	Other capital reserves	Retained earnings / (loss)	**Total**
Balance as at 31 December 2017		**750 000**	**57 967**	**(332 585)**	**475 382**
Profit for the reporting year		-	-	195 749	195 749
Total comprehensive income for 2017		-	-	195 749	195 749
Share based payments	24	-	44 837	-	44 837
Balance as at 31 December 2017		**750 000**	**102 804**	**(136 836)**	**715 968**
Profit for the reporting year		-	-	13 496	13 496
Total comprehensive income for 2018		-	-	13 496	13 496
Share based payments	24	-	51 409	-	51 409
Balance as at 31 December 2018		**750 000**	**154 213**	**(123 340)**	**780 873**

The accompanying notes form an integral part of these financial statements.

Martins Sulte
Chairman of the Board

Martins Valters
Member of the Board

12 April 2019

Notes to the financial statements

1. Corporate information

AS Mintos Marketplace (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 1 June 2015. The registered office of the Company is at Skanstes street 50, Riga.

The core business activity of the Company during the reporting year was to operate a global online marketplace for loans providing investors with an easy and transparent way to invest in loans originated by a variety of alternative lending companies around the world.

The parent company of the Company is AS Mintos Holdings (Latvia).

The financial statements of the Company for the period from 1 January 2018 through 31 December 2018 were approved by a resolution of the Company's Board on 12 April 2019. In accordance with the Commercial Law of the Republic of Latvia, the shareholders' meeting has the right to make the decision on the approval of the financial statements.

2. Summary of significant accounting policies

a. Basis of preparation

These individual financial statements of the Company are based on the accounting records made pursuant to the legislative requirements and prepared in conformity with International Financial Reporting Standards as adopted by the European Union (IFRS), on a going concern basis. These financial statements are prepared on a historical cost basis.

The monetary unit used in the financial statements is euro (EUR), the monetary unit of the Republic of Latvia. The financial statements cover the period 1 January 2018 through 31 December 2018. Comparative period is from 1 January 2017 through 31 December 2017.

b. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2018:

IFRS 9 Financial Instruments

The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The introduction of IFRS 9 did not have any material impact on the operations of the Company or its financial statements, except for additional disclosures due to change in the accounting policy. Up to 31 December 2017 and after this date the Company had limited exposure to financial assets and liabilities, as well as did not have any hedge accounting. Below is the summary of the key changes.

Classification and measurement

The sole financial assets that company had according to IAS 39 clasificaiton where Loans and receivables consisting of trade receivables and loans to parent and other group companies. All of these financial assets under IFRS 9 are now classified as Financial assets at amortised cost because based on business model test it was determined that these will be collected solely through repayment of principal and interest. Given that the Loans and receivable category used to be accounted also at amortised cost, no change occurred.

Similarly, to financial assets, the measurement method for financial liabilities, which for the Company are payables, did not change and are continued to be recognised at amortised cost.

As the result of change in classification of the Company's trade receivables that are classified separately as Trade receivables, accrued income, other debtors. There are no reclassification for the financial liabilities as at 1 January 2018.

Upon the adoption of IFRS 9, the Company had the following reclassification as at 1 January 2018:

		IFRS 9 measurement category		
		Fair value through profit or loss	Amortised cost	Fail value through OCI
IAS 39 measurement category				
Assets				
Trade receivables	356 565	-	15 326	-
Accrued income	-	-	311 824	-
Other debtors	-	-	29 415	-
Loans to related parties	286 642	-	286 642	-

Impairment

Even though there have been substantial changed in how the impairment expenses shall be calculated on financial assets in comparison to IAS 39 requirements, given the Company's limited and simple financial asset structure, as well as the business specifics of the Company where these assets have a very high turnover and are paid subsequently to the year end, the application of IFRS 9 did not have material impact on the finanacial results. For more details please see Note 27 section Credit risk.

Hedge accounting

The Company does not have effect of the hedge accounting as there are no hedging relationships in its cash flow.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model that applies to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements also applies to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures are required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. Based on assessment of the management application of IFRS 15 is not changing the method how revenue is recognized, though there are additional disclosures. The adoption of IFRS 15 did not have a material impact on OCI or the Company's operating, investing and financing cash flow.

The company adopted IFRS 15 using the modified retrospective method of adoption.
The Company has made disclosure on revenue operations – Service fee income, connection fee income, foreign currency exchange commissions. There are not significant effect on revenue form Contracts with Customers.

Set out below, are the amounts by witch each financial statement line item is affected as at and for the year ended 31 December 2018 as a result of the adoption of IFRS 15.

Finansial statement of profit ar loss for the period ended 31 December 2018

	Amounts prepared under		
	IFRS 15	**Previous IFRS**	**Increase/ (decrease)**
Commission and fee income	4 646 885	4 646 885	-
Commission and fee expenses	(111 779)	(111 779)	-
Employee benefit expenses	(1 534 525)	(1 534 525)	-
Depreciation and amortization	(199 729)	(199 729)	-
Administrative and other general expenses	(2 841 242)	(2 825 751)	(15 491)
Other income	43 339	43 339	-
Other expense	(3 986)	(3 986)	-
Interest and similar income	14 533	14 533	-
Profit/ (loss) before tax	**13 496**	**28 987**	(15 491)
Corporate income tax	-	(15 491)	15 491
Profit/ (loss) for the year	**13 496**	**13 496**	-
Other comprehensive income	-	-	-
Total comprehensive income	**13 496**	**13 496**	-

Statement of financial position as at 31 December 2018

	Amounts prepared under		
	IFRS 15	**Previous IFRS**	**Increase/ (decrease)**
Non-current assets			
Intangible assets	449 930	449 930	-
Fixed assets	86 821	86 821	-
Deferred acquisition costs	34 319	34 319	-
Total non-current assets	**571 201**	**571 201**	-
Current assets			
Trade receivables	38 308	720 559	(682 251)
Accrued income	438 583	-	438 583
Other debtors	243 668	-	243 668
Deferred acquisition costs	34 247	34 247	-
Loans to related parties	134 124	134 124	-
Cash	90 330	90 330	-
Total current assets	**979 260**		
TOTAL ASSETS	**1 550 330**	**1 550 330**	-
EQUITY AND LIABILITIES			
Equity	750 000	750 000	-
Share capital	154 213	154 213	-
Other capital reserves	(123 340)	(123 340)	-
Retained losses	**780 873**	**780 873**	-
Total Equity			
Non-current liabilities			
Advances received	108 785	214 140	
Current liabilities	**108 785**	**214 140**	
Trade and other payables	273 771	123 898	-
Advances received	105 355	101 653	-
Accrued liabilities	281 546	275 824	-
Total Current liabilities	**660 672**	**501 375**	-
TOTAL EQUITY AND LIABILITIES	**1 550 330**	**1 550 330**	-

IFRS 15: Revenue from Contracts with Customers (Clarifications)

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The company adopted IFRS 15 using the modified retrospective method of adoption.

IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)

The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled". This amendments has not have any impact, as all Company share based payment schemes are share settled.

IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Management has made an assessment of the effect of the standard and considers that there is no material effect recognised.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. Management has assessed the effect of the amendments on its financial statement.

- ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
- ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

c. Standards issued but not yet effective and not early adopted

IFRS 16: Leases

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions.

Lessees will be required to remeasure the lease liability upon the occurrence certain events. The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right of use asset, and recognition will be applicable when lessee contract period starts. Management has assessed that leases will be recognised on the Companys financial statements when lessee contract period starts.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company is assessing the potential effect of the amendments on its financial statements.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. Given that the Company currently uses only a very limited number of financial instruments, as can be seen from notes 2d and other notes in these financial statements, based on impact assessment of IFRS 9 done by the management of the Company, there is no material effect expected when applying IFRS 9. This might change should the Company use more financial instruments in the future.

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Company is assessing the potential effect of the amendments on its financial statements.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 12 April 2019. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
IAS 23 Borrowing Costs: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

d. Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspecs of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

Policy till 31 December 2017 according to IAS39

(i) Classification

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. Currently the Company's financial assets are classified as loans and receivables.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

(ii) Date of recognition

All financial assets, except loans and receivables, and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(iii) Initial and subsequent measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Loans and receivables

Amounts due from banks and Loans and advances to customers include non–derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Company intends to sell immediately or in the near term and those that the Company, upon initial recognition, designates as at fair value through profit or loss
- Those that the Company, upon initial recognition, designates as available-for-sale
- Those for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration

After initial measurement, amounts due from banks and Loans and advances to customers are measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in Interest and similar income in the income statement. The losses arising from impairment are recognised in the income statement in Credit loss expense.

(iv) Derecognition

A financial asset is derecognised only when the contractual rights to receive cash flows from the asset have expired, or the Company has transferred the financial asset and substantially all the risks and rewards of the asset to the counterparty. A financial liability is derecognised only when the obligation under the liability is discharged according to the contract or cancelled or expires.

All purchases and sales of financial assets, except for loans issued to non-bank customers, are recognised and derecognised on the settlement date. Loans to non-bank customers are recognised in the statement of financial position when cash is transferred to the customer's current account.

(v) Impairment of financial assets

The Company assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a Company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated.

Policy starting from 1 January 2018 according to IFRS 9

(i) Classification

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified as either financial assets subsequently measured at amortised cost, at fair value through profit or loss or at fair value through other comprehensive income (OCI). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Company determines the classification of its financial assets after initial recognition and, where allowed or prompted and appropriate, re-evaluates this designation at each financial year-end. Currently the Company's all financial assets are classified and measured at amortised cost.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Currently the Company's all financial liabilities are classified as amortised costs.

(ii) Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(iii) Initial and subsequent measurement of financial instruments

All financial instruments are measured initially at their fair value and in case of financial assets not at fair value though profit or loss and loans and borrowings, and payables net of directly attributable transaction costs.

<u>Financial assets at amortised cost</u>

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, financial assets measured at amortised cost are measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by considering any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in Interest and similar income in the income statement. The losses arising from impairment are recognised in the income statement in Credit loss expense. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, accrued income and loan to parent and other related companies.

(iv) Derecognition

A financial asset is derecognised only when the contractual rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. A financial liability is derecognised only when the obligation under the liability is discharged according to the contract or cancelled or expires.

All purchases and sales of financial assets are recognised and derecognised on the settlement date.

(v) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, if relevant.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company has a policy to apply general approach for the Loans to Related.

For trade receivables, accrue income and loans to related parties the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company is taking into consideration its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, as well as the specifics of the Company's operations with limited number of counterparties and very short payment cycle for trade receivables. As a result great majority of the trade receivables are paid subsequently to the year end.

e. Intangible assets

Intangible assets comprise purchased licences, internally developed software and purchased internet domain names. Intangible non-current assets are stated at cost and amortised over their estimated useful lives on a straight-line basis over 3 year period, except purchased internet domain name which is not amortised but tested for impairment annually. After the test impairment indications were not identified. Internally developed software development costs includes the costs related to development of software, mainly consisting of internally capitalised salary expenses. The Company has made estimation of the responibilities for every development team member duty, based on that salary expenses are capialised.

f. Equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value, if any. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Equipment	- over 3 to 5 years

Depreciation is calculated when asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Or it is engaged in commercial activity.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

g. Client acquisition costs

The Company incurred various expenditure that is related to client (investor) acquisition. Once the expenditure is incurred, the Company assesses if it can reliably measure expected future economic benefit related to the investment made. Future economic benefit arises from commission income that is earned as a direct result from incurred expenditure. If reliable measure is possible, the smaller of the two - incurred expenditure or future economic benefit - is recognised as deferred client acquisition costs in the statement of financial position. In subsequent periods the deferred client acquisition costs are recognised as expenses based on estimated realisation of the related economic benefit. If estimates in economic benefits related to previously recognised client acquisition costs change and as a result of these changes the expected economic benefits are lower than previously assessed, write-down is made. In cases when a reliable measure cannot be made the icurred expenditure is expensed directly to profit and loss.

h. Impairment of non-financial assets

The Company assesses at each reporting date or more frequently if events or changes in circumstances indicate that there is an indication that a non-financial asset may be impaired. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase amount constitutes reversal of impairment losses.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

Policy till 31 December 2017 according to IAS18

j. Income and expense recognition

All major income and expense items are recognised on an accrual basis. Commission income is recognised when the service has been rendered. Interest income/ expense is recognised in the statement of comprehensive income for financial assets/ liabilities measured at amortised cost using the effective interest method. The main source of income is service fee income from loan originators, which includes the service fee calculated from the outstanding loans. Secondary Market fee is calculated from investors concluded transactions (sale of loan portfolio) in secondary market.

Policy starting from 1 Januaruy 2018 according to IFRS 15

j. Income and expense recognition

The Company applied IFRS15 to all revenue arising from contracts with customers. The Company establishes a five-step model to account for the revenue arising from contracts with its customers and requires that revenue be recognised at an amount that reflects the consideration to witch an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with the customers and the accounting is specified for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The main source of income is service fee income from loan originators, which includes the service fee calculated from the outstanding loans. Revenue from Service fee – loan originators are recognised as the over time income. Revenue are recognised at the point in time for connection fees and foreign currency exchange commissions.

IFRS 15 does not explicitly require an entity to use the term "revenue from contracts with customers" Therefore, the Company uses a different terminology in their financial statement – "Commission and fee income- to describe revenue arising from transactions that are within the scope of IFRS 15.

k. Share based payments

All employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. All Company's share based payments are equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a Black-Scholes valuation model, further details of which are given in Note 24. That cost is recognised in employee benefits expense (Note 6), together with corresponding increase in equity (other equity reserves), over the period in which the service is provided. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

l. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

m. Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

n. Servicing assets and liabilities

Servicing assets consists of those loans that have been placed by the loan originators on the Mintos marketplace and where investors have made investments, while servicing liabilities consists of investment amounts due to investors. Given that the Company does not bear the credit risks and other finance risks related to these assets or liabilities but only earns commission for servicing them, these items are disclosed in these financial statements (Note 25).

o. Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, by a respective charge to current and non-current liabilities. Lease payments are apportioned between the finance charges and reduction of the principal lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The commitments undertaken by the Company with respect to operating lease contracts are recorded as off-balance sheet liabilities.

p. Income taxes

Income taxes include current and deferred taxes. Until 31 December 2017, current corporate income tax had been applied at the statutory rate of 15%.

Legal entities will not be required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax will be paid on distributed profits and deemed profit distributions. Consequently, current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. Starting from 1 January 2018, both distributed profits and deemed profit distributions will be subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.

q. Subsequent events

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements.

3. Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. Such estimates and assumptions are based on most reliable information available to the management in respect to specific events and actions. The effect of any changes in estimates will be recorded in the financial statements when determinable.

The significant areas of estimation and assumptions in preparation of these financial statements relates to following areas (the same significant estimates and assumptions as in last year):

- Share based payments. See Note 24 for more details
- Client acquisition cost. See Note 13 for more details
- Useful life of intangible assets. See Note 2e for more details
- Impairment of financial assets. See Note 2d (v) for more details

4. Commission and fee income

		2018	2017
Service fee - loan originators		4 301 655	2 025 977
Connection fee income		181 358	71 309
Foreign currency exchange commissions		163 872	7 729
Secondary market fee*		-	32 518
	TOTAL:	**4 646 885**	**2 137 533**

* The Company discontinued to charge secondary market fee to its investors in October 2017.

5. Commission and fee expenses

Commission expenses consist of commissions charged to execute foreign currency conversions.

6. Employee benefit expenses

		2018	2017
Salaries		1 530 895	810 705
Social security contributions		287 384	136 901
Share based payment expenses (see Note 24)		51 409	44 837
Risk duty		219	141
		1 869 907	**992 584**
Less: Capitalised development costs		(335 382)	(234 703)
	TOTAL:	**1 534 525**	**757 881**

Part of salaries and related taxes have been capitalised to IT development costs (see Note 12). The Company employed 59 employees at the end of year 2018 (average 48 during the year) and 36 employees at end of year 2017 (average 31 during the year).

Key management personnel cosists of management board and heads of functions that have significant impact on operations of the company. During 2018 there were 8 employees as key management personnel (2017 – 6 employees). Compensation of key management personnel of the Company in total EUR 318 thousand of the year 2018 and EUR 210 thousand of the year 2017.

7. Administrative and other general expenses

		2018	2017
Direct client acquisition costs*		1 322 609	424 505
Non-deductible VAT		231 625	23 694
IT and communication expenses		221 128	88 457
Business development expenses in other countries		212 729	86 342
Legal expenses		138 202	81 162
Office expenses		106 149	27 589
Office rent and related expenses		92 906	57 588
Indirect client acquisition expenses		86 441	60 104
Business trips		69 599	84 235
Personnel related expenses		129 411	64 845
Audit and consultation expenses**		20 001	21 441
Other expenses		210 442	17 493
	TOTAL:	**2 841 242**	**1 037 455**

* Direct client acquisition costs consist of expenses related to affiliate programm, refer a friend and cash-back campaigns. These expenses consists of costs that are expensed when incurred in case of affiliate programm and refair a friend campaign, for both campaigns the expenses are recognised for Year 2018 and Year 2017, as well as costs related to cash-back campaings that are written off gradually, see note 13 for more details.
** 9 300 EUR fee for audit services in 2018.

8. Other income

		2018	2017
Penalty income		24 304	9 748
Other income		19 035	8 738
	TOTAL:	**43 339**	**18 486**

9. Other expenses

		2018	2017
Currency exchange losses		3 822	44 330
Penalty expenses		164	15
	TOTAL:	**3 986**	**44 345**

10. Interest and similar income

		2018	2017
Interest income from issued loans (Note 22)		14 533	14 168
	TOTAL:	**14 533**	**14 168**

11. Corporate income tax, deferred corporate income tax

Corporate income tax disclosure:

	2018	**2017**
Loss/gain before corporate income tax	**13 496**	**203 167**
Theoretical corporate income tax 0 % (2018)	-	(30 475)
Share based option adjustment	-	(6 726)
Non-deducible expense	(15 491)	7 138
Change in unrecognised tax loss*	-	22 645
Total corporate income tax	**(15 491)**	**(7 418)**

	31/12/2017
Deferred tax liabilities:	
Temporary difference in depreciations	(14 574)
TOTAL:	**(14 574)**
Deferred tax assets:	
Previous year accumulated tax losses	28 786
Allowance for unrecognised tax loss*	(14 212)
TOTAL:	**14 574**
Net deferred corporate income tax:	**-**

*In 2017, allowance for unrecognized tax losses includes effect pursuant to amendments made to the tax legislation of the Republic of Latvia, which entered into force on 1 January 2018. Legal entities will not be required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia. Corporate income tax will be paid on distributed profits and deemed profit distributions. In accordance with the mentioned amendments, a taxable person which has reported a loss as at 31 December 2017 in their corporate income tax return may decrease corporate income tax charged for dividends in the reporting year by the amount equal to 15 per cent of the total uncovered loss. If this amount is not used or is used only partially in the reporting year, the balance (tax on uncovered loss) may be attributed to corporate income tax which will be charged on dividends in the subsequent four reporting years by decreasing the balance (tax on uncovered loss) to the extent of the discount used each year accordingly. The accumulated tax loss for the Company at end of the year was 191 906 EUR.

12. Intangible and fixed assets

	Trademarks, domains, licences	Internal software	**TOTAL INTANGIBLE ASSETS**	Other fixed assets and inventory
Year ended 31 December 2017				
Carrying amount as at 1 January	10 938	138 278	149 216	19 468
Additions	1 644	234 703	236 347	28 957
Amortisation charge	(1 076)	(94 468)	(95 544)	(13 527)
Carrying amount as at 31 December	**11 506**	**278 513**	**290 019**	**34 899**
As at 31 December 2017				
Cost	13 338	415 975	429 313	59 434
Accumulated amortisation and impairment	(1 832)	(137 462)	(139 294)	(24 535)
Carrying amount as at 31 December	**11 506**	**278 513**	**290 019**	**34 899**
Year ended 31 December 2018				
Carrying amount as at 1 January	11 506	278 513	290 019	34 899
Additions	-	336 135	336 135	78 447
Disposals	-	-	-	(4 713)
Amortisation charge	(1 600)	(174 624)	(176 224)	(23 505)
Depreciation of disposals	-	-	-	1 693
Carrying amount as at 31 December	**9 906**	**440 024**	**449 930**	**86 821**
As at 31 December 2018				
Cost	13 338	752 110	765 448	133 168
Accumulated amortisation and impairment	(3 432)	(312 086)	(315 518)	(46 347)
Carrying amount as at 31 December	**9 906**	**440 024**	**449 930**	**86 821**

Internal software costs included capitalised salary and related taxes in amount of 335 382 EUR during 2018 (234 703 EUR during 2017), see Note 6. The costs incurred are recognised as an intangible asset. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment. Estimated useful live of an intangible assets is 3 year period. Internal software is the core technical asset for operating of the Mintos marketplace.

13. Deferred acquisition costs

During the year 2017 the Company made investments in direct client acquisition campaign, which according to the Company's policy qualifies for deferred client acquisition cost recognition. The campaign named "Cash back bonus" gave extra reward to Company's clients, who invested in loans offered on Mintos marketplace that met certain threshold in terms of their duration. In total the Company incurred 510 thousand EUR expenditure on this campaign during 2017. Out of the total amount, 350 thousand EUR were expensed in 2018 (116 thousand EUR in 2017).

During the year 2018 the Company made investments in client acquisition campaign named "Diversification", which also according to the Company's policy qualifies for deferred client acquisition cost recognition. This campaign gave extra reward to Company's clients, who invested in loans offered on Mintos marketplace that was done through new product offered. In total the Company incurred 119 thousand EUR expenditure, out of which 96 thousand EUR were expenses in 2018.

For both campaigns the expenses to be recognised were based on the estimate what amount of the expenditure incurred will bring future economic benefit for the company in subsequent years. The estimate was made based on the amount of service fees that will be generated by taking into account the expected duration of the underlying investments made by Company's clients. The estimate is highly sensitive to the expected service fee amount, as well as actual duration of the underlying investments. All deferred client acquisition costs are reviewed at least annually at balance sheet date to assess if any part of these costs should be recognised in expenses. Split between long-term and short term has been made based on calculations of expected benefit during the next reporting year and the subsequent reporting years.

		31/12/2018	31/12/2017
Short term		34 247	135 150
Long term		34 319	258 607
	TOTAL:	**68 566**	**393 757**

14. Accrued income

Accrued income consists of service fee for loan originators that has not been billed yet as at the balance sheet date

15. Other debtors

	31/12/2018	31/12/2017
Advance payments*	140 080	1 135
Prepaid expenses	40 325	13 118
Other debtors	63 263	15 162
TOTAL:	**243 668**	**29 415**

* Advance payments are related to the new office building lease and related leashold improvements, which needs to be done.

16. Cash

	31/12/2018	31/12/2017
Commercial banks in the Republic of Latvia	46 536	67 767
Commercial banks in the Czech Republic	43 106	-
Commercial banks in the Republic of Poland	688	1 834
TOTAL:	**90 330**	**69 601**

17. Share capital and other equity reserves

Share capital

The share capital of the Company is EUR 750 000 and consists of 750 000 shares. The par value of each share is EUR 1. All share capital is paid in.

Other capital reserves

For equity-settled share-based payment transactions, IFRS 2 requires entities to recognise an increase in equity when goods or services are received. However, IFRS 2 Share-based Payment does not specify where in equity this should be recognised. The Company has chosen to recognise the credit in other equity reserves. See Note 2b and Note 24 for more information.

18. Trade and other payables

	31/12/2018	31/12/2017
Taxes and state mandatory social insurance payments	109 813	56 881
Salary payables	91 031	47 183
Trade payables	72 135	13 560
Advance payments to suppliers	792	6 010
Other payables	-	264
TOTAL:	**273 771**	**123 898**

19. Advances received

	Balances as at: 01/12/2017	Transactions during 2017	Balances as at: 01/12/2018	Transactions during 2018	Balances as at: 31/12/2018
*Cash flow of advances in relation to Cashback campaign**	-	315 793	315 793	(101 653)	214 140
Short term 12m			101 653		105 355
Long term > 12 m			214 140		108 785
Total:	-	**315 793**	**315 793**	**(101 653)**	**214 140**

* Advances received consists of pre-payments from some of the Company's clients for the service fee. Such pre-payments were agreed given that Company made investment on its behalf in campaigns described in Note 13. It is Company's discretion whether to make repayment of the pre-payment received or to net it against the issued service fee invoices. In case the Company decides to net these against future service fee invoices, out of total amount at 31 December 2018 – 105 355 EUR could be netted against invoices issued after 12 month (31 December 2017: 101 653 EUR).

20. Taxes and State mandatory social insurance payments

	31/12/2018	31/12/2017
Value added tax	27 684	6 483
Corporate income tax	8 410	7 418
Personal income tax	22 041	20 119
Statutory social insurance contributions	51 656	22 848
Business risk fee	22	13
TOTAL:	**109 813**	**56 881**
TOTAL DEBTORS (included in position “Trade and other receivables”):	**-**	**-**
TOTAL LIABILITIES (Included in “Trade and other payables”):	**109 813**	**56 881**

21. Accrued liabilities

	31/12/2018	31/12/2017
Accrued expense of unused vacation	96 227	48 984
Accrued expense of received services	185 319	226 840
TOTAL:	**281 546**	**275 824**

22. Related party disclosures

Related parties are defined as shareholders that have the ability to control the Company or exercise significant influence over the Company in making financial and operating decisions, members of the key management personnel of the Company or its parent company, and close members of the families of any individual referred to previously, and entities over which these persons exercise significant influence or control.

The Company is ultimately controlled by AS Grumpy Investments (incorporated in Latvia). During the year the Company has done transactions with entities within Mintos Group (i.e. with parent company of Mintos – AS Mintos Holdings and other entities owned by AS Mintos Holdings) as well as other related companies as disclosed below.

	Transactions during:		Balances as at:	
	2018	2017	31/12/2018	31/12/2017
Mintos Group companies				
Income/Assets				
Parent company*	27 755	13 347	134 124	286 642
Other companies within the group	1 629 957	821	27 583	-
Expenses/Liabilities				
Parent company	-	-	-	-
Other companies within the group	192 253	-	182 589	-
Other related companies outside Mintos Group				
Income/Assets				
Other companies**	159 100	-	-	-
Expenses/Liabilities				
Other companies	-	-	-	-
TOTAL INCOME/ASSETS:	**1 816 812**	**14 168**	**161 707**	**286 642**
TOTAL EXPENSES/LIABILITIES:	**182 589**	**-**	**182 589**	**-**

*The receivable from parent company arises from the overdraft agreement signed for cash flow management purposes within the Mintos Group. The total overdraft limit is 330 000 EUR and due date is 31 December 2019 with 4,5 % fixed interest rate.

** Some of the Company’s clients – loan originators, to whom the Company provides services have been related parties for whole or part of the reporting period. This income in included under Commission and fee income.

23. Commitments and contingencies

Commitments under operating leases

The Company as a lessee has entered into property lease agreements. The total amount of lease expenses recognised in the reporting period was 69 880 EUR (2017: 48 607 EUR). As at 31 December 2018, the Company had one short-term lease agreement for existing premises, as well as had signed one long-term lease agreement for the new premises, where the Company plans to move in during middle of 2019. Future aggregate minimum lease payments at end of year 2018 under non-cancellable operating leases were as follows:

Within 1 year	134 922 EUR (at end of 2017: 48 564 EUR)
Within 1-5 years	799 920 EUR (at end of 2017: 64 752 EUR)
Over 5 years	199 980 EUR (at end of 2017: 0 EUR)

24. Share-based payments

Share option plan

According to Company's share option plan, share options of the parent are granted to all employees of the Company. Uptill end of 2017 the exercise price of the share options is equal to the best guess fair value estimate of the underlying shares on the date of grant. Since begging of 2018 the expercise price of the share options are given with a discount in relation to the best guess fair value estimate. Vesting of the options is dependent on the employee remaining in service for the company. The standard vesting period is for 4 years with 1 year cliff and the options can be exercised within 10 year period from the grant date. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The Company recognised expenses in amount of 51 409 EUR during the reporting year (44 837 EUR in 2017) in relation to respective share option plan.

Movement during the year in number and weighted average exercise price (WAEP) of options:

	2018		2017	
	Number	WAEP	Number	WAEP
Outstanding at 1 January	1 753 495	0,14	1 682 814	0,12
Granted	97 682	0,79	70 681	0,79
Exercised	-	-	-	-
Outstanding at 31 December	1 851 177	0,18	1 753 495	0,14
Exercisable as at 31 December	1 243 404	0,13	793 985	0,12

The range of expercise price is from 0,10 EUR to 1,40 EUR. Below is summary of The range of exercise prices for options outstanding at the end of the year was

Range of exercise price	Number	Contractual maturity
0,10 EUR to 0,16 EUR	1 570 938	7.01
0,32 EUR to 0,64 EUR	134 419	7.82
0,80 EUR to 1,40 EUR	145 820	9.17

The weighted average remaining contractual life for the share options outstanding was 7.24 years (9.1 years as at 31 December 2017).

Fair value calculations

The fair value of share options is estimated at the grant date by using Black-Scholes option pricing model. We take into account the terms and conditions on which the share options were granted, as well as making estimates on some of the assumptions to adjust for Black-Scholes model's drawbacks when valuing American type of options. The inputs used in the model are market observable whenever possible but given the start-up nature of Company's operations the management of the Company needs to make certain assumptions. The weighted average fair value of options granted at measurement date was 0,41 EUR (0,41 EUR in 2017).

The following table lists the key inputs used during 2018 and 2017:

	2018	2017
Weighted average fair value of share price	2,06	0,79
Weighted average exercise price	0,79	0,79
Expected life of share options (years)	7,01	8,5
Expected volatility (%)	50%	50%
Dividend yield (%)	0%	0%
Risk-free interest rate (%)	3%	3%

The two most significant inputs with highest sensitivity to the calculations of share option value are fair value of share price and expected life of share options. Since 2018 the Company's policy is to provide the strike price that is set at a discount from the best guess fair value, which is estimated by applying several valuation techniques. Before that the strike price was equal to the share price at each grant date. The expected life of share options is assumed to be the end date when options can be exercised for the first agreements granted given the current environment how long it takes other companies in fin-tech space to go public or being sold. Expected volatility is estimated by observing other companies that have become listed in recent periods operating in similar industries, while risk-free interest rate is calculated by looking at various markets across the globe where the Company plans to operate. Dividends are expected to yield 0% at parent level during the calculation period, as all profit is planned to be reinvested to further grow the value of Mintos Group.

25. Servicing assets and liabilities

The Company's core activity is to operate a global online marketplace for loans providing investors with an easy and transparent way to invest in loans originated by a variety of alternative lending companies around the world.

Investors had the following outstanding investments in loans:

By loan type	31/12/2018	31/12/2017
Personal Loans	115 654 771	35 925 417
Short Term Loan	68 561 009	13 473 917
Car Loans	49 081 299	53 327 235
Invoice Financing	10 681 376	1 307 257
Business Loans	8 704 675	4 600 916
Mortgage Loans	3 264 798	4 027 097
Pawn broking Loans	1 207 933	861 677
Agricultural Loans	-	38 006
TOTAL:	**257 155 861**	**113 561 522**

By Region	31/12/2018	31/12/2017
Europe	213 048 097	112 062 642
Asia	22 060 652	468 994
Africa	21 601 034	1 029 886
Latin America	446 078	-
TOTAL:	**257 155 861**	**113 561 522**

As at 31 December 2018 and 31 December 2017 investors held cash position in a separate account with Mintos that investors can use only for one purpose – making investments in loans offered on the Mintos marketplace. The outstanding amount of cash in local currency equivalent that can be used by investors as at 31 December 2018 and 31 December 2017 were:

Currency	in local currency	31/12/2018, EUR	in local currency	31/12/2017, EUR
EUR	5 120 294	5 120 294	3 884 674	3 884 674
GBP	216 430	250 958	-	-
PLN	680 732	158 365	517 763	123 999
DKK	1 105 138	148 501	292 400	39 272
CZK	2 865 991	111 896	2 702 723	105 706
KZT	35 335 368	79 974	-	-
USD	83 709	72 908	-	-
GEL	157 742	51 264	431	138
SEK	483 745	46 398	147 275	14 937
RUB	2 198 108	29 977	73 909	1 074
RON	2567	5406	13 657	2 933
MXN	15 817	736	-	

26. Fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assets and liabilities for which fair value is disclosed as at 31 December 2018:

	Carrying value	Fair value	Level 1	Level 2	Level 3
Assets					
Trade receivables	38 308	38 308	-	-	38 308
Accrued income	438 583	438 583	-	-	438 583
Other debtors	243 668	243 668	-	-	243 668
Intercompany loans	134 124	134 124	-	-	134 124
Cash	90 330	90 330	90 330	-	-
TOTAL	**945 013**	**945 013**	**90 330**	**-**	**854 683**
Liabilities					
Trade and other payables	273 771	273 771	-	-	273 771
Advances received	214 140	214 140			214 140
Accrued liabilities	281 546	281 546	-	-	281 546
TOTAL	**769 457**	**769 457**	**-**	**-**	**769 457**

Assets and liabilities for which fair value is disclosed as at 31 December 2017:

	Carrying value	Fair value	Level 1	Level 2	Level 3
Assets					
Trade receivables	15 326	15 326	-	-	15 326
Accrued income	311 824	311 824	-	-	311 824
Other debtors	29 415	29 415	-	-	29 415
Intercompany loans	286 642	286 642	-	-	286 642
Cash	69 601	69 601	69 601	**-**	**-**
TOTAL	**712 808**	**712 808**	**69 601**	**-**	**643 207**
Liabilities					
Trade and other payables	123 898	123 898	-	-	123 898
Advances received	315 793	315 793	-	-	315 793
Accrued liabilities	275 824	275 824	-	-	275 824
TOTAL	**715 515**	**715 515**	**-**	**-**	**715 515**

Valuation methods and assumptions

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The management assessed that cash, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Changes in liabilities arising from financing activities

The below table discloses changes in liabilities arising from financing activities as at 31 December 2018:

	01.01.2018	Cash Flows	New leases	31.12.2018
Current interest-bearing loans	286 642	(226 957)	74 439	134 124
Total liabilities form financing activities	**286 642**	**(226 957)**	**74 439**	**134 124**

Changes in liabilities arising from financing activities as at 31 December 2017 discloses in the table bellow:

	01.01.2017	Cash Flows	New leases	31.12.2017
Current interest-bearing loans	52 520	(87 431)	321 553	286 642
Total liabilities form financing activities	**52 520**	**(87 431)**	**321 553**	**286 642**

27. Risk management

a. Financial risks management

The Company has assessed that its material financial risks arises from liquidity risk. The Company also has limited exposure to credit risk through the money held in bank accounts as well as other receivables. Interest rate and foreign exchange risk in year 2018 and 2017 has been negligible as the Company's exposure to foreign currency changes for all other currencies is not material.

Liquidity risk

The Company is exposed to the liquidity risk in case it would not be able to meet its financial liabilities. The Company manages its liquidity risk mostly by maintaining an adequate level of cash as well as through intercompany borrowings.

The below table discloses undiscounted financial liabilities as at 31 December 2018:

Liabilities	Up to 1 month
Trade and other payables	273 771
Advances received	105 355
Accrued liabilities	281 546
TOTAL:	**660 672**

The below table discloses undiscounted financial liabilities as at 31 December 2017:

Liabilities	Up to 1 month
Trade and other payables	123 898
Accrued liabilities	275 824
TOTAL:	**399 722**

The below table discloses asset and liability break-down by contractual maturity as at 31.12.2018:

	Within 12 month	After 12 month	TOTAL
Assets			
Intangible assets	-	449 930	449 930
Fixed assets	-	86 821	86 821
Deferred client acquisition costs	34 247	34 319	68 566
Trade receivables	38 308	-	38 308
Accrued income	438 583	-	438 583
Other debtors	243 668	-	243 668
Loans to related	134 124	-	134 124
Cash	90 330	-	90 330
TOTAL	**979 260**	**571 070**	**1 550 330**
Liabilities			
Trade and other payables	273 771	-	273 771
Advances received	108 785	105 355	214 140
Accrued liabilities	281 546	-	281 546
TOTAL	**664 102**	**105 355**	**769 457**
NET POSITION	**315 158**	**465 715**	**780 873**

The below table discloses asset and liability break-down by contractual maturity as at 31.12.2017:

	Within 12 month	After 12 month	TOTAL
ssets			
Intangible assets	-	290 019	290 019
Fixed assets	-	34 899	34 899
Deferred client acquisition costs	135 150	258 607	393 757
Trade receivables	15 326	-	15 326
Accrued income	311 824	-	311 824
Other debtors	29 415	-	29 414
Loans	286 642*	-	286 642
Cash	69 601	-	69 601
TOTAL	**847 958**	**583 525**	**1 431 482**
Liabilities			
Trade and other payables	123 898	-	123 898
Advances received	315 793	-	315 793
Accrued liabilities	275 824	-	275 824
TOTAL	**715 515**	**-**	715 515
NET POSITION	**132 443**	**583 525**	**715 968**

* The contractual repayment term of credit line issued to the parent Company AS Mintos Holdings was in year 2017. There was uncertainty if the credit line would be repaid during the year or prolonged. Nevertheless, the Company was generating sufficient cash flows to support its operations and therefore this uncertainty would not impact operations of the Company.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities, including balances with the banks, trade receivables, accrued income for which the invoices have not been issued at end of the year, as well as intercompany borrowings.

Balances with banks

The Company holds the cash balances (see Note 16) with commercial banks in Czech Republic, Latvia, and Poland. Balances with the banks are held with three banks, whose parent ratings are in range of A to AA (subsidiary banks in Latvia are not separately rated). Apart from that, the money held in the bank in amount of up to 100,000 EUR are guaranteed by the local state deposit insurance schemes. As a result, the Company believes that there is very minimal credit risk associated with these balances.

Loans to related entities

The Company has loan issued to its parent company at end of the year in amount of 106 thousand EUR (31 December 2017: 287 thousand EUR). This facility is part of intercompany cash management and can fluctuate during the year. Subsequent to the year-end large part of the facility has been repaid and given Company's expansion it is expected that it will be fully repaid till mid 2019.

Accrued income and trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and accrued income are regulary monitored. Accrdued income for which the bills are not yet issued by end of the period (see Note 14) are usually withheld directly from the settlements with Company's clients, thus limiting credit risk exposure.

The Company's trade receivables from the customers as at 31 December 2018 was 38 308 EUR out of which only 9 623 eur were late payments (31 December 2017: 15 326 EUR out of which 4 324 eur were late payments. Based on the assessment made the Company will recover full amount of the receivables, therefore no impairment allowance is made.

b. Capital management

The Company considers its capital to comprise of its equity share capital, equity reserves related to share based options plus its accumulated retained results. The Company is part of Mintos group, which aim to provide new and innovative financial solutions for its clients. Therefore, the Company's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern in providing its services. The Company is not subject to any external capital adequacy requirements currently. The management of the Company believes that current level of capital is sufficient for further operations. There have been no changes in how the Company manages its capital during the reporting year.

28. Events after balance sheet date

There have been no other significant events after the balance sheet date except as disclosed in these financial statements.

EY
Building a better working world

SIA "Ernst & Young Baltic"
Muitas iela 1A
Rīga, LV-1010
Latvija
Tālr.: +371 6704 3801
Fakss: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reģ. Nr. 40003593454
PVN maksātāja Nr. LV40003593454

SIA Ernst & Young Baltic
Muitas iela 1A
Riga, LV-1010
Latvia
Tel.: +371 6704 3801
Fax: +371 6704 3802
riga@lv.ey.com
www.ey.com/lv

Reg. No: 40003593454
VAT payer code: LV40003593454

Translation from Latvian

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Mintos Marketplace AS

Opinion

We have audited the accompanying financial statements of Mintos Marketplace AS (the Company) set out on pages 8 to 32 of the accompanying annual report, which comprise the balance sheet as at 31 December 2018, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position Mintos Marketplace AS as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information

The other information comprises the Management Report as set out on pages 4 to 7 of the accompanying annual report, but does not include the financial statements and our auditors report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Building a better
working world

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 management.
- Conclude on the appropriateness of management's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. 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 financial statements, including the disclosures, and whether the financial statements 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.

ERNST & YOUNG BALTIC SIA
Licence No. 17

Diāna Krišjāne
Chairperson of the Board
Latvian Certified Auditor
Certificate No. 124

Riga, 12 April 2019