



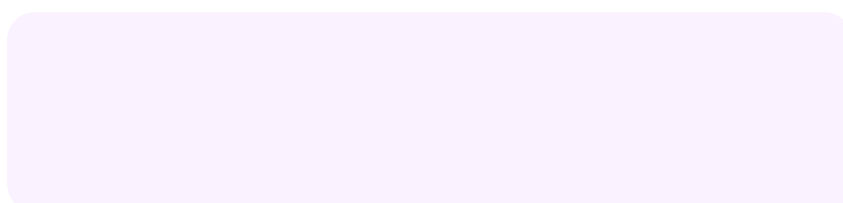
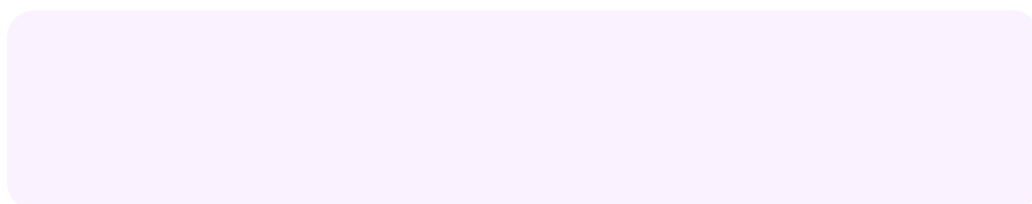
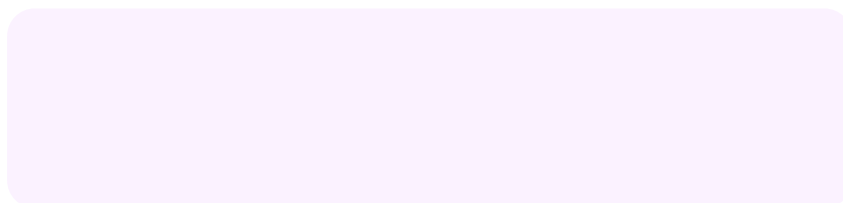
 **hive5**

**Hive5 marketplace d.o.o**

Annual Report,  
Financial Statements and Independent Auditor's  
Report for the Year ended 31 December 2022

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**HIVE5 MARKETPLACE d.o.o.**  
**10000 ZAGREB**  
**Ulica Račkoga 8**

**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT BOARD AND SHAREHOLDERS  
OF THE COMPANY**

**Report on the audit of the Financial statements for the year 2022**

*Opinion*

We have audited the financial statements for the year 2022 of **Hive5 Marketplace d.o.o., Zagreb, Ulica Račkoga 8** ("Company") which comprise the balance sheet as at 31 December 2022, the profit and loss account for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended, in accordance with the Croatian Financial Reporting Standards ("CFRS").

*Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing. 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), as well as in accordance with the ethical requirements that are relevant for our audit of financial statements in the Republic of Croatia and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

*Other matters*

Financial statements of the Company for the year 2022 were audited by the request of the Company founded on May 11<sup>th</sup> 2022.

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

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with CFRSs, and for such internal control as the Management Board 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, the Management Board 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 are as a whole free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 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 controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the obtained audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 are required to 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.

**FINUM REVIZIJA d.o.o.**  
**Zagreb, Banjavčičeva 11**

In Zagreb, May 22<sup>nd</sup>, 2023

**For the audit company:**

Director:

Josip Dabelić

**FINUM REVIZIJA d.o.o.**  
Banjavčičeva 11, Zagreb

**Certified auditor:**

Josip Dabelić

# 2. Annual Report

## 2.1 CEO's foreword

Dear hive5 community,

I am thrilled to present the 2022 annual financial management report of hive5, highlighting the significant progress made by hive5, its mother company, Hive finance group and our Loan Originator, Ekspres Pozyczka. Despite facing some challenges, we have achieved several noteworthy milestones that have set the stage for future growth and success.

In addition, I would like to extend my appreciation to my partner and co-founder of hive5, Andrius Rupšys, for his significant contributions to our achievements. His experience and expertise from his other business, Ruptela, founded in 2007, a global telematics company that specializes in crafting cutting-edge GPS tracking devices and serves SME clients in over 127 countries, have been invaluable to our growth.

Despite the challenges of the past year, including geopolitical conflicts, inflation, and rising interest rates, hive5 has remained steadfast in its commitment to providing liquidity and stability to the financial market. We are delighted to announce that since our launch in 2022, we have become the fastest-growing marketplace for investing in loans, attracting a diverse range of clients from the biggest European countries and reputable corporations. By the end of the year, our platform reached a cumulative portfolio of over 1,9 M Eur.

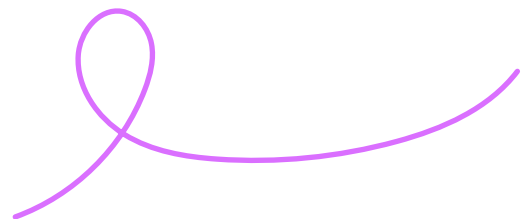
Moreover, our Loan Originator, Ekspres Pozyczka, places a strong emphasis on accurate risk management, utilizing cutting-edge technology. The company is among the few in the market that implemented a revolutionary AI-based decision-making engine. The unique scoring system for borrowers is constantly being improved. Hence, the company could manage a competitive default rate, which is 5,2% of the entire portfolio and is twice lower than the market average.

Looking ahead, our plan for hive5 includes adding various loan types and entering different markets. Our objective is to exceed a portfolio size of 30 M Eur by the end of 2023. Additionally, we will focus on enhancing our product by introducing new features and tools to improve investment management.

At hive5, our mission is to provide our clients with profitable investments, the highest level of service and the most innovative investment tools available. We remain committed to upholding our values of transparency, accessibility and convenience and look forward to continuing our growth in the years to come.



**Ričardas Vandzinskas,**  
CEO, hive5



## 2.2 Outstanding Portfolio

**1,9 M** EUR

Cumulative Portfolio

**1,2 M** EUR

Investment Portfolio Outstanding

**0,7 M** EUR

Cumulative Repaid Amount

**3,6 M** EUR

Listed Loans

**5297**

Number of Loans Listed

**431**

Number of Active Investors

**18**

Investors Markets

**5,2%**

Loan Portfolio Average Default Rate

**15,8%**

Average Annual Investment Return

## 2.3 Business model

Hive finance group is a global-scale-oriented ESG business of innovative digital loan providers established in 2021. Hive finance group operates in Lithuania (headquarters – Vilniaus g. 33-201, Vilnius), and its subsidiaries hive5 operate in Croatia (ul. Račkoga 8, Zagreb) and Ekspres Pożyczka in Poland (ul. Konstruktorska 11, 02-673 Warsaw).

### The Hive finance group operates in two main business segments:



a consumer microlending organization that operates under a classical license. It is a registered limited liability company and 100% owned subsidiary of Hive finance, UAB. Ekspres Pożyczka offers short-term investments in consumer loans through the hive5 investment marketplace. All loans are secured with a Buyback Obligation.



main business activity - online loan marketplace platform for lenders and borrowers. Registered limited liability company and 100%-owned subsidiary of Hive finance, UAB. Loans issued by Hive finance group Loan Originators are available for investors via fully digitalized and secure investment platform.

### Business model

1. Borrower Ekspres Pożyczka (Argentum Capital Sp. z o.o.) receives funding from investors by selling the rights of claim to their loan agreements for interest through hive5 marketplace;
2. Investors - private persons or companies buy rights of claim to loan agreements of Ekspres Pożyczka (Argentum Capital Sp. z o.o.) through hive5 marketplace and earn interest on the loan payments.
3. Hive5 marketplace - a matchmaking platform for borrowers and investors. Earns commission fee from borrowers for listing its rights of claim to their loans on a marketplace.

**Ruptela** Loan Originator, was introduced to the hive5 investors in 2023. This global telematics company specialises in developing GPS tracking devices and was founded in 2007 by Andrius Rupšys, who is also a co-founder of Hive finance group.





## 2.4 Hive5 competitive advantages

### Higher return on investment

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Our Loan Originator, Ekspres Pożyczka has a unique scoring system for borrowers. This has resulted in the company maintaining a default rate of approximately 5% for its entire portfolio, which is 6% lower than other loan originators in the market.

Secondly, we decided to reduce the marketing budget precisely because we want our primary marketing channel to be word of mouth, not paid Google ads. Besides that, Ekspres Pożyczka's marketing costs are lower in Poland because every month, we enjoy a steadily growing flow of recurring customers, which saves marketing and loan origination costs. Also, it leads to a steadily low default rate due to the same reason of quality internal customer databases.

Our distinct methodology sets us apart from competitors, enabling us to provide investors with higher returns.

### No Late Loans

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Hive5 takes pride in its impeccable loan performance. During 2022 not a single loan on the platform was overdue. If a loan is delayed by even one day, hive5 promptly returns all invested funds and earned interest to investors. After that, loan originators are responsible for debt collection.

By eliminating late loans and promptly addressing delays, we offer investors a level of predictability rarely found in the market. This predictability enables investors to plan their investments more effectively and make informed decisions about their financial strategies. Knowing that hive5 takes immediate action in case of loan delays gives investors a sense of security and stability.

### Transparent business actions

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Transparency is a core value at hive5. The platform maintains a transparent business structure. Due to open and regular communication with each customer and business partner, we encourage trust and transparency, promoting a positive investment environment.

As P2P lending continues to evolve, we stand at the forefront with our customer-centric approach and unwavering focus on investor satisfaction.

## 2.5 Vision, mission, values

The hive5 team consists of full-time investors, which is why we recognize the significance of business transparency when selecting an investment platform. Transparency is at the heart of our vision and mission.

### Vision

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To empower investors to achieve their financial goals by providing a trusted and transparent P2P investment platform.

### Mission

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To develop a **secure and transparent** platform that benefits both Loan Originators and Investors while promoting a more inclusive and equitable financial system.

We are committed to satisfying our client's needs by providing flexible, cutting-edge investment solutions.

We maintain a robust work culture by attracting and incentivizing top-tier staff to deliver high-quality services.

### Values

Hive5 is guided by the following values in its operations:

#### Transparency

Our commitment is to provide comprehensive and easily understandable information regarding all aspects of our company operations, with utmost transparency, empowering our valued investors to make informed and confident decisions.

#### Accessibility

Accessibility is a core value that ensures investment opportunities are not restricted by socio-economic status or level of expertise. This value is upheld through initiatives that promote equal access to financial education, resources, and opportunities for individuals of diverse backgrounds.

#### Convenience

At hive5, we understand the importance of convenience when it comes to investment management. That's why our services can be easily accessed and managed from anywhere, using a computer or mobile device. We are committed to developing innovative and convenient investment platform.

## 2.6 Risk management

### Debt recovery processes

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Ekspres Pożyczka starts the debt recovery process 10 days after the loan's due date. Firstly, the borrower is offered to refinance the current loan with a payment of interest and commissions that accrued over the period of use.

**The following stage** is the soft-collection phase, during which the company employs various communication channels to reach out to its clients. On the 60th day past due, the loan agreement is transferred to the professional debt recovery agencies.

**Then** the debts 90 days past due are sold and written off from the Ekspres Pożyczka balance.

**As a result**, the company collects 75% of the overdue amount 5-90 days past due.

### Risk mitigation and management

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Ekspres Pożyczka is among the few in the market that have implemented a revolutionary AI-based, multisource Big Data scorecard decision engine. To provide a proper risk evaluation the company uses a variety of data providers available on the Polish market. It allows not only to filter the fraud but also correctly manage and plan the default rate and ensure a fast-forward scale of the quality loan portfolio. Also, Ekspres Pożyczka has implemented a scoring model that includes many factors based on 3,4 M samples.

### Target 3-layer liquidity buffer 2023

#### 1 layer

##### Poland liquid cash reserve

- Purpose. Balance Poland consolidated production seasonality and p2p withdrawals servicing
- Target. 10% of monthly production volume (3 days production volume) consolidated (Poland+p2p) cash reserve

#### 2 layer

##### Skin in the game

Shareholders consistently allocate a minimum of 10% of their funds for investment through hive5.

#### 3 layer

##### Group Contingency reserve

- Purpose. Group contingency reserve for various liquidity distress event scenarios
- Target. 10% of quarterly profit allocation to non-distributable contingency reserve



≡ hive5

# 3. Financial Statements

## Balance sheet

	Notes	2022 EUR	2022 HRK
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>0</b>	<b>0</b>
<b>Current assets</b>			
Trade receivables between group companies	1	7.526	56.705
Claims from the state		181	1.365
Cash and cash equivalents	2	60.629	456.810
<b>Total current assets</b>		<b>68.336</b>	<b>514.880</b>
<b>TOTAL ASSETS</b>		<b>68.336</b>	<b>514.880</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>		2.654	20.000
<b>Profit / (loss) for the year</b>		(16.428)	(123.779)
<b>Total Equity</b>	3	<b>(13.774)</b>	<b>(103.779)</b>
<b>Non-current liabilities</b>		<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Payables to investors	4	20.756	156.386
Payables to loan originators	4	38.777	292.166
Payables for interests on loans		717	5.403
Loan obligations	5	20.792	156.657
Trade payables	6	1.068	8.047
<b>Total current liabilities</b>		<b>82.110</b>	<b>618.659</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68.336</b>	<b>514.880</b>

The accompanying notes on pages 4 to 5 form an integral part of these financial statements.

Conversion rate used 1 EUR = 7,5345 HRK.




\_\_\_\_\_  
Ričardas Vandziņskas,  
Board Member/Director

## Profit and loss account

	Notes	2022 EUR	2022 HRK
Revenue from sales within group companies	7	7.526	56.705
Financial revenue	7	16	118
<b>Total revenue</b>		<b>7.542</b>	<b>56.823</b>
Cost of services	8	22.680	170.886
Other expenses		530	3.991
Financial costs	9	760	5.725
<b>Total costs</b>		<b>23.970</b>	<b>180.602</b>
<b>Income / (loss) before tax</b>		<b>(16.428)</b>	<b>(123.779)</b>
Corporate income tax		0	0
<b>Income / (loss) for the year</b>	10	<b>(16.428)</b>	<b>(123.779)</b>

The accompanying notes on page 6 form an integral part of these financial statements.

Conversion rate used 1 EUR = 7,5345 HRK.



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Ričardas Vandžinskas,  
Board Member/Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022

### I. GENERAL INFORMATION

<b>Company name:</b>	<b>Hive5 Marketplace d.o.o.</b>
<b>Company address:</b>	<b>Ulica Račkoga 8, Zagreb</b>
<b>State and the date of establishment:</b>	<b>Croatia, 11.05.2022.</b>
<b>Tax administration number:</b>	<b>76871072832</b>
<b>Court register number:</b>	<b>081441259</b>
<b>Code and name of the business activity:</b>	<b>6499 – Other financial service activities, except for insurance and pension funds</b>
<b>Company size:</b>	<b>Micro entrepreneur</b>
<b>Members of the Management Board:</b>	<b>Ričardas Vandzinskas</b>

**Declaration of Conformity:** These financial statements of Hive5 Marketplace d.o.o. (hereinafter: The Company), were prepared in accordance with the Ordinance on the structure and content of annual financial statements (Official Gazette, No. 95/16), Croatian Financial Reporting Standards adopted by the Financial Reporting Standards Committee based on the provisions of the Accounting Act, and finally in accordance with Directive 2013/34 / EU.

The financial statements have been prepared without exception and with the explicit application of these Standards and realistically present the financial position and financial performance of the Company.

Financial statements for the year ended 31.12.2022. have been prepared in accordance with the historical cost convention, assuming going concern principle.

## II. SIGNIFICANT ACCOUNTING POLICIES - SUMMARY

The applied and adopted accounting policies are in accordance with the Croatian Financial Reporting Standards and the Croatian Accounting Act. The following are the basic determinants of the applied accounting policies.

The financial statements have been prepared under the historical cost convention and are presented in Croatian Kuna (HRK).

### **Revenue recognition policy**

Revenues are recognized as an increase of economic benefits during the accounting period in the form of an inflow or an increase of an asset or a decrease of liability, when those inflows result in an increase of equity, except of increases in equity that relate to contributions by equity participants. Revenue is recognized in accordance with the provisions of Croatian Financial Reporting Standard 15 - Revenues. Revenues are fully recognized on the day of delivery of goods and / or services, and by issuing invoices. Interest income is recognized in proportion to the time, the value of the principal and the agreed borrowing rate, which are in accordance with previously signed contracts.

### **Expenses recognition policy**

Expenses represents the decrease of economic benefits through the accounting period in the form of outflows or the creation of liabilities resulting in a reduction in equity, other than that relating to distribution to equity participants.

Expenses are recorded in accordance with the provisions of the Croatian Financial Reporting Standard 16 - Expenses.

Operating expenses include all expenses directly related to invoiced income, which are material costs (material costs, cost value of goods sold and external services), staff costs, depreciation, value adjustment of assets, other costs and other operating expenses. An expense is recognized in the accounting period in which it is incurred, and no future economic benefits are expected, and there are no conditions for its recognition as an asset in the balance sheet.

Financial expenses include interest accrued on liabilities from business relationships, calculated up to the balance sheet date and foreign exchange losses arising from the translation of all assets, receivables and liabilities denominated in foreign currencies into their HRK equivalent at the middle exchange rate of the Croatian National Bank, during the year and at the end of the business year.

### **Asset recognition policy**

#### **a) Intangible assets**

Intangible assets are recognized in accordance with the provisions of Croatian Accounting Standard 5 - Intangible assets and include non-monetary assets without physical characteristics that can be identified.

Investments in intangible assets refer to investments in 3<sup>rd</sup> party assets and computer programs that are stated in the amount of paid expenses. Intangible assets are amortized up to tax-deductible rates. Investments in third party assets are depreciated in accordance with the duration of the related lease agreements.

#### **b) Property, Plant and Equipment**

Property, plant and equipment are long-term assets and consist of real estate, plant and equipment in accordance with the provisions of Croatian Accounting Standard 6 - Tangible fixed assets, which:

- a) The Company owns and uses them in the delivery of goods and services, for rent to others and for administrative purposes,



- b) which is expected to be used for more than one period, and
- c) those assets that are intended for use on a continuous basis for the purpose of the Company's activities.

Property, plant and equipment are recognized as assets if the provisions of item 18 of Croatian Accounting Standard 6 are met, i.e.:

- a) it is probable that future economic benefits associated with the asset will flow to the Company,
- b) the cost of the asset can be measured reliably, and
- c) the individual value of the asset is higher than HRK 3,500

Long-term tangible assets worth less than HRK 3,500 are recorded as small inventory and are written off at once when the asset is put into use.

Long-term tangible assets are stated in the financial statements at acquisition cost. Tangible assets are depreciated up to tax-deductible rates.

#### **c) Inventory**

Inventories of production in progress, finished goods and merchandise are stated in the financial statements on the provisions of the Croatian Financial Reporting Standard 10 - Inventories, i.e., by:

- acquisition cost or
- at net realizable value, whichever is lower.

Inventory costs are calculated using the weighted average price method. The cost of inventory is recognized as an expense in the period in which the related revenue is recognized.

#### **d) Receivables disclosure policy**

Receivables from customers, the government, employees, companies and people are stated in the accounts based on a proper document on the occurrence of the business event and information on its fair value.

Receivables from foreign customers expressed in foreign currency are also stated in the Croatian currency translated at the middle exchange rate of the Croatian National Bank on the day of recording receivables in accordance with the provisions of Croatian Financial Reporting Standard 11 - Receivables.

When collecting receivables, the differences arising from exchange rate differences are recorded as income or expense of the Company.

Outstanding receivables from customers from abroad on the balance sheet date (31 December) are recalculated at the middle exchange rate of the Croatian National Bank to the book value in HRK, and the resulting differences are credited to income or charged as expense of the period.

The increase in interest receivables is based on the contract and calculation of default interest at the legal rate.

Value adjustment of receivables is performed based on the knowledge that the receivable has not been collected within the deadline, i.e., that it is uncollectible and that it has been sued. The decision on adjusting the value of receivables is made by the director of the Company. Receivables against which court proceedings have been initiated are fully written off against the expenses of the period.

### e) Cash at bank and cash in hand

Cash at bank and cash in hand are stated in nominal value expressed in Croatian currency unit (HRK). Foreign currency cash in banks are denominated in Croatian currency units (HRK) using the middle exchange rate of the Croatian National Bank on the balance sheet date.

Exchange differences arising from the adjustment of foreign currency assets to the middle exchange rate of the Croatian National Bank are recorded as income / expenses for the current period.

The official exchange rate of the HRK against the EUR as a significant currency was as follows:

Currency	31. December 2021.	31. December 2022.
1 EUR	7.5171	7.5345

### Equity recognition policy

Equity is an own source of financing assets and is calculated based on the provisions of the Croatian Financial Reporting Standard 12 - Equity as the remainder of assets after deducting all liabilities.

The subscribed share capital is expressed in HRK and written in the court register. The amount of subscribed but unpaid share capital is stated within assets, in accordance with the classification prescribed in the Ordinance on the structure and content of annual financial statements.

The reserve policy is realized depending on the foundations of their formation and the policy of the Company (legal, statutory, etc.).

### Liabilities recognition policy

Long-term liabilities are stated in the financial statements in the value of the resulting business changes proven by a proper document and a contract on the creation of liabilities.

Long-term liabilities are liabilities with a maturity of more than 12 months from the date of preparation of the financial statements. The classification of long-term and short-term liabilities is performed on each balance sheet date.

Short-term liabilities are stated in the financial statements in accordance with the provisions of the Croatian Financial Reporting Standard 13 - Liabilities in the value of business changes proven by a proper document and a contract on the creation of liabilities.

Short-term liabilities are liabilities with a maturity of less than 12 months.

Short-term liabilities denominated in foreign currency and in addition to the foreign currency payment clause are also denominated in the Croatian currency unit translated at the middle exchange rate of the Croatian National Bank on the day the liabilities are recorded.

When settling these liabilities, the differences arising from exchange rate differences are recorded in the income or at the expense of the Company.

### Deferred payment expenses policy and deferred income

Accruals and deferrals are recognized based on the provisions of the Croatian Financial Reporting Standard 14 - Accruals and deferrals.

Deferred payment of costs is recognized as a liability when it relates to costs incurred in the current period for which the conditions for recognition as a liability are not met (e.g., costs for which no invoice has been received by the end of the period).

Deferred income is recognized when the conditions for their recognition in the income statement of the current period are not met. The amount of these costs and revenues is determined by invoices and contracts drawn up on the principle of a proper accounting document.

### III. NOTES TO INDIVIDUAL BALANCE SHEET ITEMS

#### 1. NON-CURRENT ASSETS

Company doesn't own any non-current assets in 2022.

#### 2. CURRENT ASSETS

	<b>2022</b>	<b>2022</b>
	<b>EUR</b>	<b>HRK</b>
Trade receivables between group companies	7.526	56.705
Claims from the state	181	1.356
Cash and cash equivalents	60.629	456.810
<b>Total current assets:</b>	<b>68.336</b>	<b>514.880</b>

##### Note nr. 1 Trade receivables between group companies

Trade receivables between group companies refer to receivables for commission fee earned in 2022.

##### Note nr. 2 Cash and cash equivalents

	<b>2022</b>	<b>2022</b>
	<b>EUR</b>	<b>HRK</b>
Operational account - Lithuania	402	3.027
Operational account - Croatia	693	5.221
Collecting funds account	59.534	448.562
<b>Total cash and cash equivalents</b>	<b>60.629</b>	<b>456.810</b>

Collecting funds account consists of balance in the wallets on the marketplace that haven't been invested by December 31st 2022 and investments received at the end of the year 2022 that has to be transferred to loan originators. In order to secure the cash reserve for liquidity purposes amount calculated based on the investment maturity is always kept on the account. Transactions through collecting funds account are further explained in the Note nr. 4.

#### 3. EQUITY AND RESERVES

##### Note nr. 3 Equity and reserves

	<b>2022</b>	<b>2022</b>
	<b>EUR</b>	<b>HRK</b>
Issued share capital	2.654	20.000
Loss for the year	(16.428)	(123.779)
<b>Total equity and reserves</b>	<b>(13.774)</b>	<b>(103.779)</b>

#### 4. NON-CURRENT LIABILITIES

Company doesn't have any non-current liabilities in 2022.

## 5. CURRENT LIABILITIES

	2022 EUR	2022 HRK
Payables to investors	20.756	156.386
Payables to loan originator	38.777	292.166
Payables for interest on loans	717	5.403
Loan obligations between group companies	20.792	156.657
Trade payables	1.068	8.047
<b>Total current liabilities</b>	<b>82.110</b>	<b>618.659</b>

### Note nr. 4 Payables to investors and loan originators

	2022 EUR	2022 HRK
Payables to investors – related parties		
- Deposit	190.221	1.433.220
- Withdrawal	-76	-573
- Invested	-196.428	-1.479.987
- Interest received	6.290	47.392
<b>Balance of payables to investors – related parties</b>	<b>7</b>	<b>52</b>
Payables to investors – non-related		
- Deposit	1.237.219	9.321.827
- Withdrawal	-191.456	-1.442.525
- Invested	-1.037.186	-7.814.678
- Interest received	12.172	91.710
<b>Balance of payables to investors – non-related</b>	<b>20.749</b>	<b>156.334</b>
Payables to loan originators	57.239	431.268
Receivables from loan originators for interest	-18.462	-139.102
<b>Balance of payables to loan originators</b>	<b>38.777</b>	<b>292.166</b>
<b>Total payables to investors and loan originators</b>	<b>59.533</b>	<b>448.552</b>

Payables to investors refer to balance in the wallets on the marketplace that haven't been invested by December 31<sup>st</sup> 2022. Transactions through wallets consist of deposits that were either withdrawn or invested. Investors related parties are founders of the company.

Payables to loan originators refer to investments on the marketplace that haven't been transferred to loan originators by December 31<sup>st</sup> 2022.

### Note nr. 5 Loan obligations

Loan obligations relate to short-term loans received from the parent company and the founders of the company.

### Note nr. 6 Trade payables

Trade payables consist of liabilities due in 2023.

#### IV. NOTES TO INDIVIDUAL PROFIT AND LOSS STATEMENT ITEMS

##### 6. REVENUE

###### Note nr. 7 Total revenue

	2022 EUR	2022 HRK
Revenue from sales within group companies	7.526	56.705
Financial revenue	16	118
<b>Total revenue</b>	<b>7.542</b>	<b>56.823</b>

Revenue from sales within group companies refers to commission income earned in 2022.

Financial revenue refers to positive exchange rate differences.

##### 7. OPERATIVE EXPENSES

###### Note nr. 8 Cost of services

	2022 EUR	2022 HRK
Software maintenance costs	150	1.130
Advertising and marketing costs	18.219	137.268
Operating costs (bookkeeping, lawyers' fees, document translations, notary)	3.324	25.048
Other operative expenses	987	7.440
<b>Total</b>	<b>22.680</b>	<b>170.886</b>

##### 8. FINANCIAL COSTS

###### Note nr. 9 Financial costs

Financial costs in amount of EUR 760 consist of interest on a loan from the parent company and foreign exchange rate differences.

##### 9. LOSS FOR THE YEAR

###### Note nr. 10 Loss for the year

	2022 EUR	2022 HRK
Total revenue	7.542	56.823
Total costs	(23.970)	(180.602)
<b>Loss for the year</b>	<b>(16.428)</b>	<b>(123.779)</b>

The loss will be covered from internal sources of funds, unpaid profits, founder's loans and future years' profits.

## **10. EVENTS AFTER BALANCE SHEET DATE**

The Company's Management Board believes that there were no events after the balance sheet date that would require a correction of the financial statements or disclosure in the financial statements.

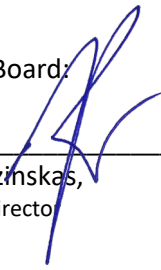
Hive 5 marketplace d.o.o. shall apply for Croatian financial services supervisory agency HANFA for a European Crowdfunding Service Providers (ECSP) license in June 2023. It will unlock our platform an EU passport based on a single set of rules, which will make us easier to offer projects and business financing crowdfunding services across the EU with a single authorization.

## **11. ACCEPTANCE AND PUBLICATION**

By its decision and certification of the financial statements, the Management Board of the Company accepted the financial statements for 2022 and approved their publication.

Zagreb, May 19<sup>th</sup>, 2023.

Management Board:

  
\_\_\_\_\_  
Ričardas Vandzinskas,  
Board Member/Director