



Argentum Capital Sp. z o.o.

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



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REPORT

REPORT OF THE INDEPENDENT AUDITOR FROM THE REVIEW
OF THE FINANCIAL STATEMENTS OF

Argentum Capital Sp. z o. o.

for the financial year
from 1st January 2022 to 31st December 2022

REPORT OF THE INDEPENDENT AUDITOR FROM THE REVIEW OF THE FINANCIAL STATEMENTS OF

Argentum Capital Sp. z o.o.

for the year from 1st January 2022 to 31st December 2022

Introduction

We have reviewed the attached financial statements of Argentum Capital Sp. z o. o. registered in Warsaw, ul. Konstruktorska 11, 02-673 Warszawa, which consist of: balance sheet prepared as at 31st December 2022, profit and loss account, statement of changes in equity, cash flow statement for the period from 1st January 2022, to 31th December 2022 and additional information containing an introduction to the financial statements and additional information and explanations (“financial statements”).

Responsibility of the entity's manager for the financial statements

The manager of the entity is responsible for preparing the financial statements and for their fair presentation in accordance with the Accounting Act of September 29, 1994 (Journal of Laws of 2023, item 120), hereinafter referred to as the "Accounting Act", issued on its regulations and other applicable laws, 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.

Auditor's responsibility

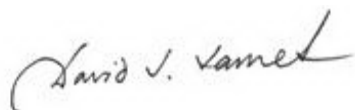
We are responsible for expressing a conclusion on the accompanying financial statements. We have conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Review of Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention, that causes us to believe that the financial statements as a whole are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements. A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and, as appropriate,

others within the entity and applying analytical procedures, and evaluates obtained evidence. The number of procedures performed during a review is significantly less than when conducting an audit in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that would cause us to believe that the attached financial statements do not provide a true and fair view of the entity's property and financial position as at 31st December 2022 and its financial result for the period from 1st January 2022 until 31th December 2022 in accordance with the Accounting Act, executive regulations issued on its basis and the adopted accounting principles (policy).

The key statutory auditor responsible for the review resulting in this report is David J. James, acting on behalf of Strategia Audit Sp. z o. o. Sp.k. with its registered office in Warsaw, ul. Wiejska 12a, entered into the list of audit firms under number 4036, on behalf of which the key statutory auditor reviewed the financial statements.



.....

David J. James

Key Certified Auditor, License No. 90024

Warsaw, 19th July 2023

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2. Annual report

2.1 CEO's foreword

Dear investors,

I am pleased to present the 2022 annual financial management report of Ekspres Pożyczka, operating under the legal name Argentum Capital Sp. z o.o. As the CEO and Chairman of the Board, I am privileged to share the achievements of our company over the first year of operations.

Ekspres Pożyczka has successfully combined the expertise of finance and technology professionals to create a mobile-friendly consumer micro-lending organisation. Our focus on leveraging new technologies has enabled us to effectively manage operations and ensure accurate risk management.

We bought a company that no longer had business prospects, rebuilt it and hired a professional team of 10 employees from well-known finance companies.

Also set up a new credit vetting system with a fully automated AI-based, multisource Big Data scorecard decision engine. 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.

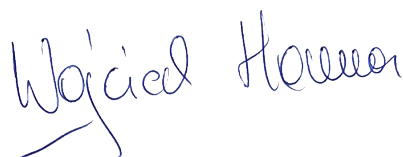
In our first year of operations, we achieved a first milestone of 8,4 M PLN loans granted, efficiently processed 43 917 applications, and approved 4869 loans.

Looking ahead to the next year, I am filled with excitement and anticipation as we embrace new challenges and opportunities. Our unwavering commitment remains steadfast in providing cutting-edge solutions, upholding ethical practices, and delivering exceptional customer experiences.

I extend my gratitude to our dedicated team, loyal customers, investors and stakeholders for their continuous support.



**Wojciech Homan,
CEO, Argentum Capital**

A handwritten signature in blue ink that reads 'Wojciech Homan'.

2.2 Outstanding Portfolio

43 917

Number of applications processed

4 324

Number of customers

4 869

Loans granted

8,4 M

Volume of loans granted, PLN

0,6 M

Income, PLN

5,2%

Default rate

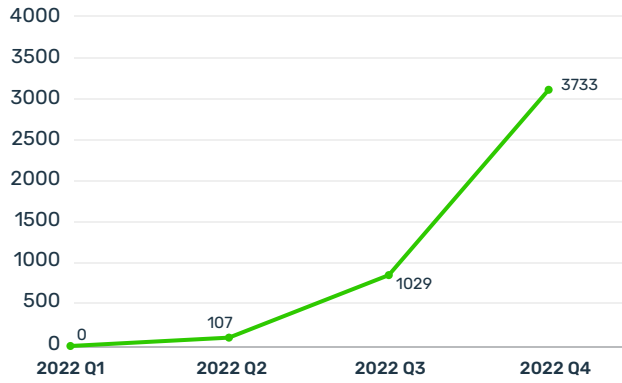
17*

Number of employees

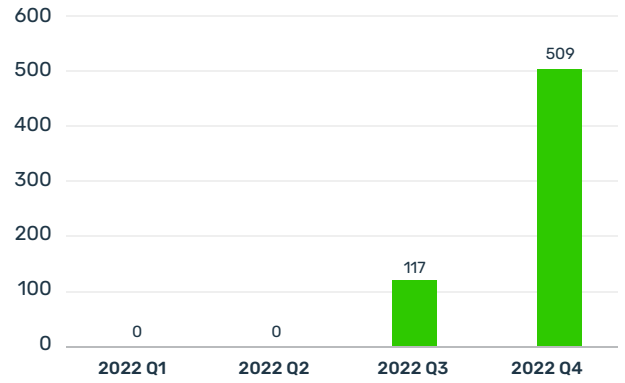
*The company has 17 employees, including those with Employment contracts, Civil and B2B contracts.

2.3 Operations

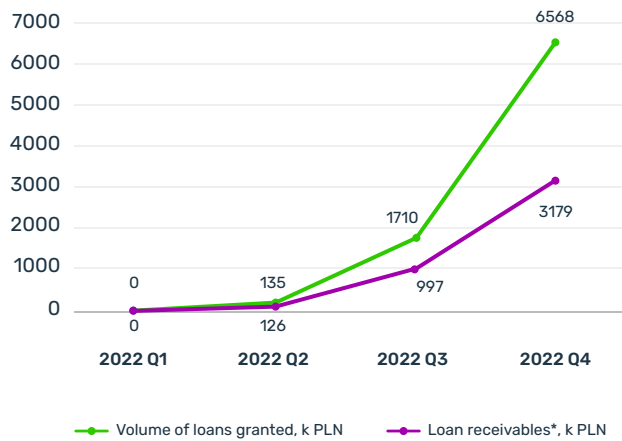
Number of loans issued



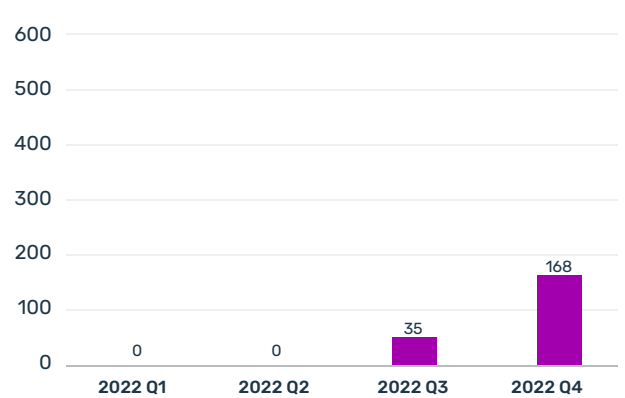
Income, k PLN



Loan portfolio

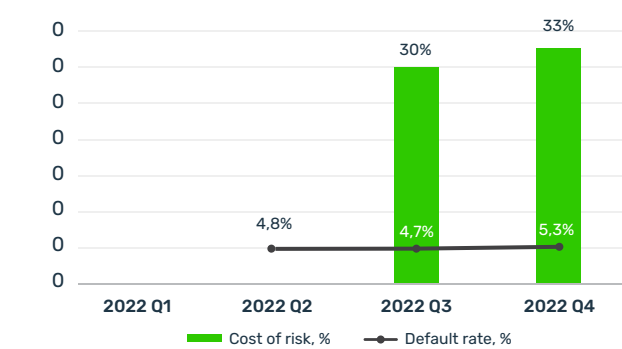


Net impairment*, k PLN

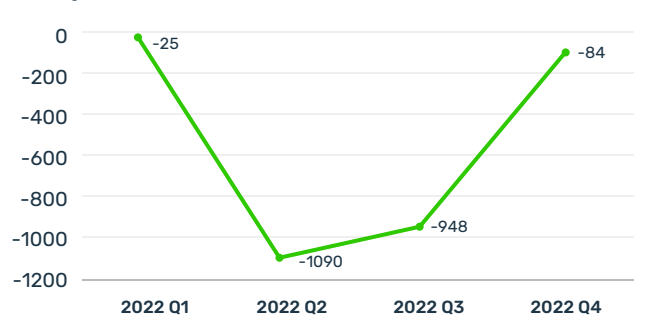


* Refers just to the new portfolio of loans granted from 2022.

Risk metrics



Net profit (loss), k PLN



2.4 Business Model

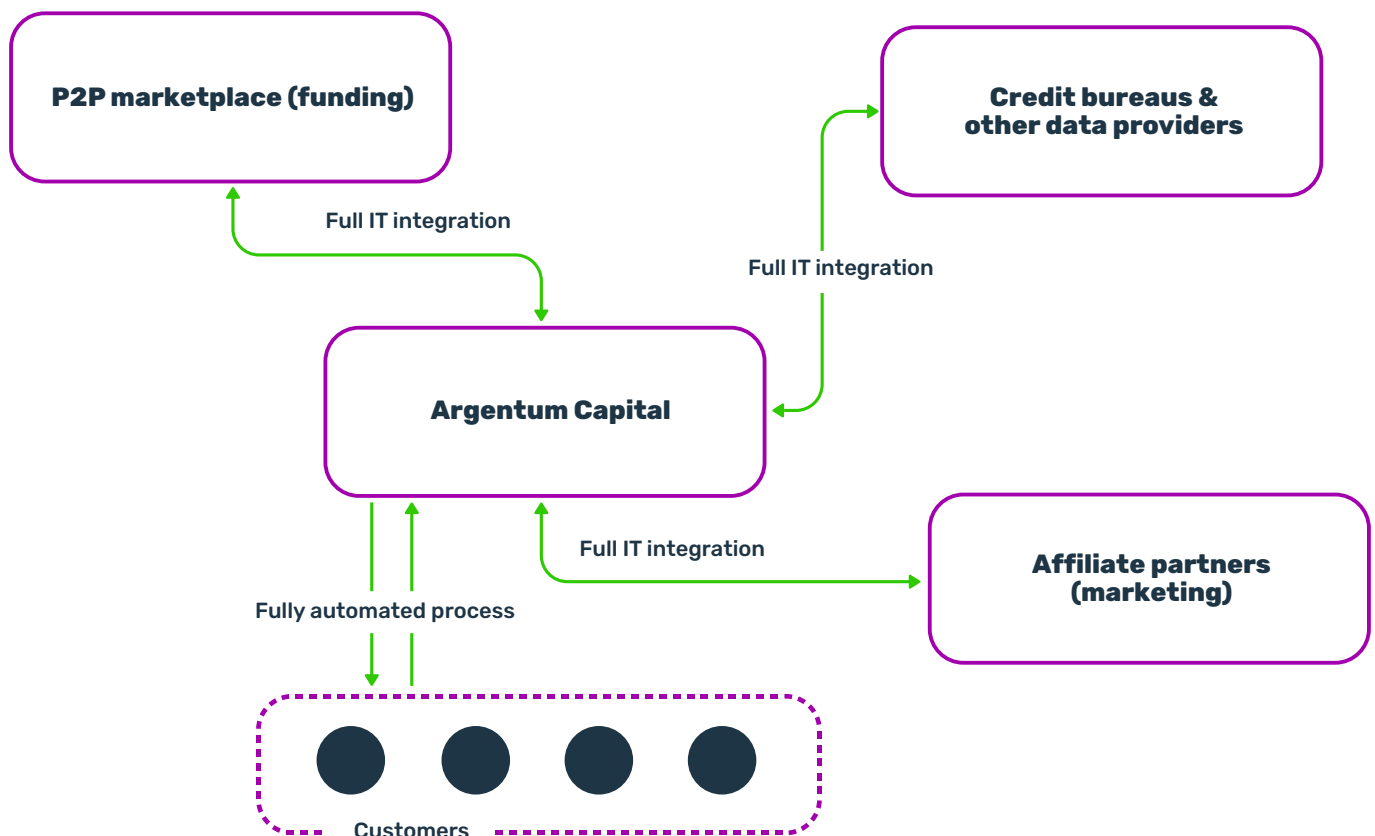
The business model of Argentum Capital Sp. z o.o. relies on the automation of all business processes.

The customer journey begins on an affiliate partner's website, where they are asked to fill out a short application form.

Decision on the application is made automatically using data processing and AI technologies. It may take a minute from the moment of application till the money is transferred to the customer's bank account.

After approval, the loan is listed on the hive5 marketplace for potential investors.

Argentum Capital Sp. z o.o. integrates with 3rd party service providers through an API interface, ensuring data protection.



2.5 Technologies

Ekspres Pożyczka combines advanced technology with a customer-centric approach to empower individuals with convenient and accessible financial solutions.

Here are some key features and technologies that set Ekspres Pożyczka apart:

- **Artificial Intelligence (AI) and Machine Learning**

AI and machine learning algorithms are employed to swiftly and accurately analyze large volumes of data. This enables the company to efficiently evaluate loan applications, assess creditworthiness, and make lending decisions promptly.

- **Online Application Process**

Ekspres Pożyczka simplifies the loan application process through its user-friendly online platform. Customers can effortlessly complete application forms and instantly receive feedback on their eligibility.

- **Robust Risk Assessment**

Ekspres Pożyczka utilizes advanced risk assessment models that take into account various factors beyond traditional credit scores. By analyzing alternative data sources, the company enhances the accuracy of evaluating the creditworthiness of individuals and small businesses.

- **Data Security and Privacy**

The company employs industry-standard encryption protocols, secure servers, and robust firewalls to protect sensitive data from unauthorised access. Compliance with relevant data protection regulations ensures that customer information is handled with the utmost care and confidentiality.

2.6 Risk management

Debt recovery processes

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

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. 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's 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

2.7 Ethics

Compliance with Regulations

Ekspres Pożyczka maintains strict compliance with all applicable laws and regulations. The company takes a proactive approach to staying informed about evolving legal requirements and industry guidelines, ensuring that the practices consistently align with ethical standards.

Clear Communication

Ekspres Pożyczka fosters open and transparent communication with its customers. The company ensures that borrowers receive clear and comprehensive information regarding loan terms, repayment schedules, as well as any changes or updates.

Privacy and Confidentiality

The company upholds a strong commitment to customer privacy and confidentiality. Robust data protection measures are meticulously implemented, with strict adherence to privacy regulations. All customer personal and financial information is treated with the utmost confidentiality, and access to sensitive data is restricted solely to authorised personnel.



3. Financial Statements

Argentum Capital Sp. z o. o.

Balance Sheet

(all figures are presented in PLN)

Data transformed

ASSETS	Note	2022-12-31	2021-12-31
Non-current assets		105 406,01	-
Intangible and legal assets	2	-	-
Costs of completed development works		-	-
Company value		-	-
Other intangible and legal assets		-	-
Advances of intangible and legal assets		-	-
Tangible fixed assets	1	-	-
Fixed assets		-	-
land (including the right of perpetual usufruct of land)	3	-	-
buildings, premises, rights to premises and civil and water engineering facilities		-	-
technical devices and machines		-	-
means of transport		-	-
other fixed assets		-	-
Fixed assets under construction		-	-
Advances for fixed assets under construction		-	-
Long-term receivables		-	-
From related parties		-	-
From other entities in which the entity has equity involvement		-	-
From other units		-	-
Long term investments		-	-
Real estate		-	-
Intangible and legal assets		-	-
Longterm financial assets		-	-
in related parties		-	-
shares or shares	4	-	-
other securities		-	-
granted loans		-	-
other long-term financial assets		-	-
in other entities in which the entity has equity involvement		-	-
shares or shares		-	-
other securities		-	-
granted loans		-	-
other long-term financial assets		-	-
in other units		-	-
shares or shares		-	-
other securities		-	-
granted loans		-	-
other long-term financial assets		-	-
Other long-term investments		-	-
Long-term prepayments and accruals		105 406,01	-
Deferred tax assets	20, 21	105 406,01	-
Other prepayments and accruals	8	-	-

Argentum Capital Sp. z o. o.

Balance Sheet

(all figures are presented in PLN)

Data transformed

ASSETS	Note	2022-12-31	2021-12-31
Current assets		4 344 700,64	15 782,10
Wrestling		-	-
Materials		-	-
Intermediates and work in progress		-	-
Finished products		-	-
Goods		-	-
Advances for supplies and services		-	-
Short-term receivables		3 561 993,69	3 527,70
Receivables from related parties		-	-
for deliveries and services, with a repayment period		-	-
up to 12 months		-	-
over 12 months		-	-
other		-	-
Receivables from other entities in which the entity has equity involvement		-	-
for deliveries and services, with a repayment period		-	-
up to 12 months		-	-
over 12 months		-	-
other		-	-
Receivables from other entities	7	3 561 993,69	3 527,70
for deliveries and services, with a repayment period		3 179 133,89	-
up to 12 months		3 179 133,89	-
over 12 months		-	-
due to taxes, subsidies, customs duties, social and health insurance and other public law titles	22	365 792,30	3 527,70
other		17 067,50	-
pursued through the courts		-	-
Short-term investments		761 817,54	12 254,40
Short-term financial assets		761 817,54	12 254,40
in related parties	4	-	-
shares or shares		-	-
other securities		-	-
granted loans		-	-
other short-term financial assets		-	-
in other units		-	-
shares or shares		-	-
other securities		-	-
granted loans		-	-
other short-term financial assets		-	-
cash and other cash assets	6, 39	761 817,54	12 254,40
cash in hand and on accounts		452 723,87	12 254,40
other cash		309 093,67	-
other monetary assets		-	-
Other short-term investments		-	-
Short-term prepayments and accruals	8	20 889,41	-
Due contributions to the share capital (fund).		-	-
Own shares (shares).		-	-
TOTAL ASSETS		4 450 106,65	15 782,10

Argentum Capital Sp. z o. o.

Balance Sheet

(all figures are presented in PLN)

Data transformed

LIABILITIES	Note	2022-12-31	2021-12-31
Own capital		(2 788 385,01)	(641 130,56)
Share capital	9	200 000,00	200 000,00
Reserve capital		-	-
<i>surplus of the sale value (issue value) over the nominal value of shares (shares)</i>		-	-
Capital from revaluation		-	-
<i>due to fair value revaluation</i>		-	-
Other reserve capitals		-	-
<i>association/statutes of the company for own shares (shares).</i>		-	-
Profit (loss) from previous years		(841 130,56)	(162 023,84)
Net profit (loss).	10	(2 147 254,45)	(679 106,72)
Net profit write-offs during the financial year (negative value)		-	-
Liabilities and provisions for liabilities		7 238 491,66	656 912,66
Provisions for liabilities		14 242,13	-
Provision for deferred income tax	20, 21	14 242,13	-
Provision for retirement and similar benefits		-	-
long-term	11	-	-
short-term	11	-	-
Other reserves		-	-
long-term	11	-	-
short-term	11	-	-
Long-term liabilities	5	4 841 513,37	655 279,12
To related parties		-	-
credits and loans	33	-	-
To other entities in which the entity has equity involvement		-	-
Regarding other units		4 841 513,37	655 279,12
credits and loans		4 841 513,37	655 279,12
due to the issue of debt securities		-	-
other financial liabilities		-	-
promissory note obligations		-	-
other		-	-

Argentum Capital Sp. z o. o.

Balance Sheet

(all figures are presented in PLN)

Data transformed

LIABILITIES	Note	2022-12-31	2021-12-31
Short-term liabilities		2 340 251,58	1 633,54
Liabilities to related parties	16	1 621 247,80	-
credits and loans		1 621 247,80	-
for deliveries and services, with a maturity period		-	-
up to 12 months		-	-
over 12 months		-	-
other		-	-
Liabilities to other entities in which the entity has equity involvement		-	-
for deliveries and services, with a maturity period		-	-
up to 12 months		-	-
over 12 months		-	-
other		-	-
Liabilities to other entities	16	719 003,78	1 633,54
credits and loans		-	-
due to the issue of debt securities		-	-
other financial liabilities		-	-
for deliveries and services, with a maturity period		495 934,68	1 373,54
up to 12 months		495 934,68	1 373,54
over 12 months		-	-
advances received for deliveries and services		-	-
promissory note obligations		-	-
due to taxes, customs duties, social and health insurance and other public and legal titles		125 959,06	260,00
for salaries		95 853,62	-
other		1 256,42	-
Special funds		-	-
Accruals		42 484,58	-
Negative value of the company		-	-
Other prepayments and accruals		42 484,58	-
long-term		-	-
short-term	11	42 484,58	-
TOTAL LIABILITIES		4 450 106,65	15 782,10

Argentum Capital Sp. z o. o.

Profit and loss account - comparative

(all figures are presented in PLN)

	Note	2022-01-01 2022-12-31	Data transformed 2021-01-01 2021-12-31
Net revenues from sales and equated to them, in	13	626 472,39	-
<i>- from related parties</i>		-	
Net revenue from product sales		626 472,39	
Change of product state		-	
The cost of producing products for the entity's own needs		-	
Net revenues from the sale of goods and materials		-	
Operating expenses		(2 878 604,01)	(35 315,88)
Depreciation		-	
Usage of materials and energy		(24 084,54)	(2 716,49)
External Services		(1 263 215,48)	(19 117,34)
Taxes and fees, including:		(10 206,47)	(2 211,00)
<i>- excise tax</i>		-	
Salaries		(1 445 314,63)	(9 557,41)
Social security and other benefits, including:		(122 199,04)	(1 713,64)
<i>- retirement</i>		(45 850,08)	
Other costs		(13 583,85)	
The value of sold goods and materials		-	
Profit (loss) on sales		(2 252 131,62)	(35 315,88)
Other operating income		70 326,62	4 771,81
Profit on disposal of non-financial fixed assets		-	
Subsidies		-	
Revaluation of non-financial assets		-	
Other operating income		70 326,62	4 771,81
Other operating cost		(236 246,29)	(605 292,27)
Loss on disposal of non-financial non-current assets		-	
Revaluation of non-financial assets		-	
Other operational costs		(236 246,29)	(605 292,27)
Profit (loss) from operations		2 418 051,29	(635 836,34)

Argentum Capital Sp. z o. o.

Profit and loss account - comparative

(all figures are presented in PLN)

	Note	Data transformed	
		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Financial income		9 719,56	5 211,45
Dividends and profit sharing, including:		-	-
from related entities, including:		-	-
- <i>in which the entity has involvement in the capital</i>		-	-
from other entities, including:		-	-
- <i>in which the entity has equity involvement</i>		-	-
Interest, including:	14	9 719,56	5 211,40
- <i>from related parties</i>		-	-
Gain on disposal of financial assets, including:		-	-
- <i>from related parties</i>		-	-
Revaluation of financial assets		-	-
Other		-	0,05
Financial costs		(192 351,20)	(48 481,83)
Interest, including:	15	(188 409,59)	(3 464,92)
- <i>from related parties</i>		-	-
Loss on disposal of financial assets, including:		-	-
- <i>from related parties</i>		-	-
Revaluation of financial assets		-	-
Other		(3 941,61)	(45 016,91)
Profit (loss) Gross		(2 600 682,93)	(679 106,72)
Income tax	20	(453 428,48)	-
Other mandatory profit reductions (loss increases)		-	-
Net profit/(loss).		(2 147 254,45)	(679 106,72)

Argentum Capital Sp. z o. o.

Statement of changes in equity

(all figures are presented in PLN)

Data transformed

	Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Equity at the beginning of the period		(641 130,56)	37 976,16
change of the adopted accounting principles (policy).	31	-	-
error corrections		-	-
Equity at the beginning of the period after adjustments		(641 130,56)	37 976,16
Share capital at the beginning of the period		200 000,00	200 000,00
Changes in share capital		-	-
increase due to		-	-
issuance of shares (issue of shares)		-	-
reduction due to		-	-
redemption of shares (shares)		-	-
Share capital at the end of the period	9	200 000,00	200 000,00
Reserve capital at the beginning of the period			
Changes in supplementary capital		-	-
increase due to		-	-
issue of shares (issue of shares) above the nominal value		-	-
profit distribution (statutory)		-	-
profit distribution (above the statutory minimum value)		-	-
reduction due to		-	-
loss coverage		-	-
Reserve capital at the end of the period		-	-
Capital (fund) from revaluation at the beginning of the period -		-	-
Changes in the revaluation capital		-	-
increase due to		-	-
reduction due to		-	-
disposal of fixed assets		-	-
Revaluation reserve at the end of the period		-	-
Other reserve capitals at the beginning of the period		-	-
Changes in other reserve capitals		-	-
increase due to		-	-
reduction due to		-	-
Other reserves at the end of the period		-	-

Argentum Capital Sp. z o. o.

Statement of changes in equity

(all figures are presented in PLN)

Data transformed

Note	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Profit/(Loss) from previous years at the beginning of the period	(162 023,84)	(73 521,00)
Profit from previous years at the beginning of the period		
change of the adopted accounting principles (policy).	-	-
error corrections	-	-
Profit from previous years at the beginning of the period after adjustment	-	-
increase due to	-	-
distribution of profit from previous years	-	-
reduction due to	-	-
Profit from previous years at the end of the period	-	-
Loss carried forward at the beginning of the period	(162 023,84)	(73 521,00)
change of the adopted accounting principles (policy).	-	-
error corrections	-	-
Loss carried forward at the beginning of the period after adjustment	(162 023,84)	(73 521,00)
increase due to	(679 106,72)	(88 502,84)
transfer of losses from previous years to be covered	(679 106,72)	(88 502,84)
reduction due to	-	-
Loss from previous years at the end of the period	(841 130,56)	(162 023,84)
Profit/(Loss) from previous years at the end of the period	(841 130,56)	(162 023,84)
Netto result	(2 147 254,45)	(679 106,72)
net profit	-	-
net loss	(2 147 254,45)	(679 106,72)
profit write-offs	-	-
Equity at the end of the period	(2 788 385,01)	(641 130,56)
Equity, including the proposed loss coverage	(2 788 385,01)	(641 130,56)

Argentum Capital Sp. z o. o.

Cash flow statement

(all figures are presented in PLN)

	Note	Data transformed	
		2022-01-01 2022-12-31	2021-01-01 2021-12-31
Cash flows from operating activities		(4 891 157,04)	7 688,27
Net profit/(loss)		(2 147 254,45)	(679 106,72)
Total adjustments			
Depreciation		-	
(Profit)/Loss due to exchange differences		3 859,89	
Interest and share in profits (dividends)		188 409,59	48 481,83
(Profit)/Loss from investing activities		-	
Change in reserves		14 242,13	
Stock change		-	
Change in receivables		(3 558 465,99)	644 853,02
Change in short-term liabilities, except for loans and credits	16	691 862,63	(6 539,86)
Change in accruals status		(83 810,84)	
Other adjustments		-	
		<u>(2 743 902,59)</u>	<u>686 794,99</u>
Net cash from operating activities		(4 891 157,04)	7 688,27
Cash flows from investing activities		-	-
Influences		-	-
Sale of intangible assets and property, plant and equipment		-	-
Sale of investments in real estate and intangible assets		-	-
From financial assets		-	-
<i>in related parties</i>		-	-
<i>in other parties</i>		-	-
disposal of financial assets		-	-
dividends and profit shares		-	-
repayment of granted long-term loans		-	-
interest		-	-
other inflows from financial assets		-	-
Other investment incomes		-	-
Outgoings		-	-
Acquisition of intangible assets and tangible fixed assets		-	-
Investments in real estate as well as intangible and legal assets		-	-
For financial assets		-	-
<i>in related parties</i>		-	-
<i>in other parties</i>		-	-
acquisition of financial assets		-	-
long-term loans granted		-	-
Other investment expenses		-	-
Net cash flow from investing activities		-	-

Argentum Capital Sp. z o. o.

Cash flow statement

(all figures are presented in PLN)

	Note	2022-01-01	Data transformed
		2022-12-31	2021-01-01 2021-12-31
Cash flows from financial activities		5 640 720,18	(5 065,39)
Influences		5 640 720,18	-
Net proceeds from the issue of shares/(issue of shares) and other equity instruments and capital contributions		-	-
Credits and loans		5 640 720,18	-
Issuance of debt securities		-	-
Other financial receipts		-	-
Outgoings		-	(5 065,39)
Acquisition of own shares (shares)		-	-
Dividends and other payments to owners		-	-
Other than payments to owners, profit distribution expenses		-	-
Repayment of credits and loans		-	-
Redemption of debt securities		-	-
Due to other financial liabilities		-	-
Payment of liabilities under finance lease agreements		-	-
Interest		-	(5 065,39)
Other financial expenses		-	-
Net cash flows from financing activities		5 640 720,18	(5 065,39)
Total net cash flows		749 563,14	2 622,88
Balance sheet change in cash		749 563,14	2 622,88
<i>change in cash due to exchange differences</i>		-	-
Cash at the beginning of the period	6	12 254,40	9 631,52
Cash at the end of the period	6	761 817,54	12 254,40
<i>with limited availability</i>		-	-

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 1 - Change in the initial value and depreciation of fixed assets

Itemization	Land and perpetual usufruct rights to land	Buildings and premises	Technical devices and machines	Means of transportation	Other fixed assets	Total
Gross value						
2022-01-01	-					
Increases due to the purchase						-
Reductions						-
Displacements						-
Revaluation write-off						-
2022-12-31		-	-	-	-	-
Write-off and revaluation						
2022-01-01						
Depreciation increases						-
Reductions						-
Displacements						-
Revaluation write-off						-
2022-12-31	-	-	-	-	-	-
The net value						
2022-01-01	-	-	-	-	-	-
Depreciation increases						-
Reductions						-
Displacements						-
Revaluation write-off						-
2022-12-31		-	-	-	-	-

Note No. 2 - Change in the initial value and redemption of intangible assets

Itemization	Research and development costs	Company value	Other intangible and legal assets	Advances for intangible assets	Total
Gross value					
2022-01-01					
Increases due to the purchase				-	-
Reductions				-	-
Displacements			-	-	-
Revaluation write-off				-	-
2022-12-31			-	-	-
Write-off and revaluation					
2022-01-01					
Increases due to the purchase				-	-
Reductions				-	-
Displacements			-	-	-
Revaluation write-off				-	-
2022-12-31			-	-	-
The net value					
2022-01-01				-	-
Increases due to the purchase				-	-
Reductions				-	-
Displacements			-	-	-
Revaluation write-off				-	-
2022-12-31			-	-	-

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 3 - The value and area of land in perpetual usufruct

As at the balance sheet date, the Company does not have perpetual usufruct land.

Note No. 4 - Short-term shares and stocks held by the Company

As at the balance sheet date, the Company does not hold any short-term shares and stocks.

Note No. 5 - Aging structure of long-term liabilities

Itemization	Due to				Total
	up to 1 year	over 1 year to 3 years	over 3 to 5 years	over 5 years	
Credits and loans		4 841 513,37			4 841 513,37
Due to the issue of debt securities	-	-	-	-	-
Other liabilities	-	-	-	-	-
Promissory note obligations		-	-	-	-
Total	-	4 841 513,37	-	-	4 841 513,37

Note No. 6 - Cash

Itemization	2022-12-31	2021-12-31
Cash in hand	-	81,72
Cash on accounts	452 723,87	12 172,68
Cash on an account belonging to PayPro	226 381,43	-
Cash on the way - Blue Media	82 712,24	-
	-	-
Total	761 817,54	12 254,40

Pursuant to the signed agreement with PayPro S.A., the company has funds on an account belonging to PayPro S.A.

As at the balance sheet date, the company registered in the operating system customer payments made via Blue Media, which were transferred to the company's bank account on January 2, 2023.

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 7 - Short-term receivables

Short-term receivables from deliveries and services to other entities

Itemization	2022-12-31	2021-12-31
Gross receivables balance	3 287 441,48	-
Receivables write-down	(108 307,59)	-
Net receivables balance	3 179 133,89	-

Short-term receivables consist of:

- receivables for deliveries and services in the amount of: 133,866.40
- receivables from loans granted in the amount of: 3,153,575.08

Write-downs on short-term receivables related only to loans granted.

Impairment losses on short-term receivables for deliveries and services

Itemization	Related entities	Other units, in which the entity has a commitment in the capital	Other entities
2022-01-01	-	-	-
Increase	-	-	(108 307,59)
Utilization	-	-	-
Denouement	-	-	-
2022-12-31	-	-	(108 307,59)

Note No. 8 - Long-term and short-term prepayments

Long-term prepayments and accruals	2022-12-31	2021-12-31
Total	-	-

Short-term prepaid expenses	2022-12-31	2021-12-31
ITBPS - Symfonia Finanse i Księgowość	926,0	
Brain Embassy - wynajem biura, parkingu i rowerowni 01.2023	16 573,5	
FOCUS - centrala telefoniczna 01.2023	3 389,9	
Total	20 889,41	-

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 9 - Data on the structure of share capital.

As at December 31, 2021, the share capital structure was as follows:

Shareholder	The number of shares	The nominal value of the shares	Participation %
UAB "HIVE FINANCE"	4 000	200 000,00	100,0%
Total	4 000	200 000,00	100,0%

On December 14, 2022 Resolution No. 3 of the Extraordinary Meeting of Shareholders of the Company was adopted, according to which the share capital of the Company will be increased to PLN 210,550.00 by creating 211 new shares with a nominal value of PLN 50. Pursuant to the share donation agreement concluded on December 15, 2022, the newly created shares will be transferred in the form of a donation deed to the President of the Management Board, Wojciech Homan.

Note No. 10 - Proposal for distribution of profit or coverage of loss for the financial year.

The Management Board of the Company proposes to cover the loss for the financial year 2022 with the profit from the following years.

Note No. 11 - Reserves

<i>Provisions for retirement and similar long-term benefits</i>					
Itemization	2022-01-01	Increase	Utilization	Denouement	2022-12-31
-	-	-	-	-	-
Total	-	-	-	-	-

<i>Provisions for retirement benefits and similar short-term benefits</i>					
Itemization	2022-01-01	Increase	Utilization	Denouement	2022-12-31
Reserve for a holiday	-	42 484,58	-	-	42 484,58
Total	-	42 484,58	-	-	42 484,58

<i>Other long-term reserves</i>						
Itemization	2022-01-01	Increase	Utilization	Denouement	Decrease	2022-12-31
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

<i>Other short-term reserves</i>						
Itemization	2022-01-01	Increase	Utilization	Denouement	Decrease	2022-12-31
-	-	-	-	-	-	-
Total	-	-	-	-	-	-

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 12 - Deferred income

Long-term deferred income settlements

Itemization	2022-12-31	2021-12-31
-	-	-
Total	-	-

Note No. 13 - Material and territorial structure of revenues from the sale of products, goods and materials

Material structure (by type of activity)		
Itemization	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Income from commission fee	365 336,19	-
Income from interest	24 975,65	-
Income from financial intermediation	193 128,55	-
Income from service fee	30 000,00	-
Income from the sale of medical packages	13 032,00	-
	-	-
Total	626 472,39	-

Territorial structure		
Itemization	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Income from the sale of financial products	390 311,84	-
Income from financial intermediation	193 128,55	-
Income from service fee	30 000,00	-
Income from the sale of medical packages	13 032,00	-
	-	-
Total	626 472,39	-

The sales shown in the table with the territorial structure are made on the territory of Poland.

Note No. 14 - Interest income

in the period from January 01, 2022. until December 31, 2022

Itemization	Interest realized	Unrealized interest, due			Total
		up to 3 months	from 3 to 12 months	over 12 months	
Debt financial instruments	-	-	-	-	-
Loans granted and own	2 295,86	7 423,70	-	-	9 719,56
Other assets	-	-	-	-	-
Total	2 295,86	7 423,70	-	-	9 719,56

in the period from January 01, 2021. until December 31, 2021

Itemization	Interest realized	Unrealized interest, due			Total
		up to 3 months	from 3 to 12 months	over 12 months	
Debt financial instruments	-	-	-	-	-
Loans granted and own	5 211,40	-	-	-	5 211,40
Other assets	-	-	-	-	-
Total	5 211,40	-	-	-	5 211,40

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 15 - Interest expenses

(including resulting from incurred financial liabilities)

in the period from January 01, 2022. until December 31, 2022

Itemization	Interest realized	Unrealized interest, due			Total
		up to 3 months	from 3 to 12 months	over 12 months	
Financial liabilities intended for	-	-	-	-	-
Other short-term financial	-	-	-	-	-
Long-term financial liabilities	-	-	-	188 409,59	188 409,59
Other liabilities	-	-	-	-	-
Total	-	-	-	188 409,59	188 409,59

in the period from January 01, 2021. until December 31, 2021

Itemization	Interest realized	Unrealized interest, due			Total
		up to 3 months	from 3 to 12 months	over 12 months	
Financial liabilities intended for	-	-	-	-	-
Other short-term financial	-	-	-	-	-
Long-term financial liabilities	-	-	-	3 464,92	3 464,92
Other liabilities	-	-	-	-	-
Total	-	-	-	3 464,92	3 464,92

Note No. 16 - Change in short-term liabilities (except for loans and borrowings)

Itemization	2022-01-01	2021-01-01
	2022-12-31	2021-12-31
Change in the balance of short-term liabilities	717 370,24	1 633,54
Change in the balance of loans and credits	1 621 247,80	-
Total	2 338 618,04	1 633,54

Note No. 17 - Employment

Average employment in the financial year	2022-12-31	2021-12-31
Employees	8,00	1,00
Total	8,00	1,00

Note No. 18 - Remuneration, advance payments, loans and benefits of a similar nature for members of the management, supervisory and administrative body

Remuneration, including remuneration from profit, paid or payable to persons who are members of the management, supervisory and administrative body:

Itemization	2022-12-31	2021-12-31
The governing body	363 727,67	9 557,41
Total	363 727,67	9 557,41

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 19 - Property collateral established by the Company

Itemization	2022-12-31	2021-12-31
Pledge - movable property of the company		
Pledge - monetary receivable		
Total	-	-

As at the balance sheet date, the Company does not have established property collateral

Note No. 20 - Income tax

Deferred income tax - negative temporary differences

Itemization	2022-12-31	2021-12-31
Unpaid salaries	(123 172,12)	
Reserve for a holiday	(42 484,58)	
ZUS unpaid	(31 267,23)	
Adjustment of incomes recognized upfront - Administrative fee	(124 138,72)	
Adjustment of incomes recognized upfront - Interest	(18 948,87)	
Adjustment of incomes recognized upfront - Refinance fee	(11 650,90)	
Valuation of loans received, liabilities	(14 696,48)	
Interest unpaid on loans received	(76 866,78)	
Interest unpaid on loans received	(111 542,81)	
Total	(554 768,49)	-

Gross value of deferred tax assets	(105 406,01)	-
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Deferred income tax - positive temporary differences

Itemization	2022-12-31	2021-12-31
Unpaid contractual interest	31 190,70	
Unpaid penalty interest	7 423,70	
Valuation of loans received, bank accounts	36 344,20	
Total	74 958,60	-

The value of the deferred tax liability	14 242,13	-
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Deferred tax assets shown in the balance sheet	(105 406,01)	-
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Provision for deferred income tax shown in the balance sheet	14 242,13	-
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Net balance sheet change in deferred tax assets/ liabilities	(91 163,88)	
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Note No. 21 - Structure of corporate income tax

	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Change in the status of deferred income tax	(91 163,88)	-
	(91 163,88)	-

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 22 - Income tax

The reconciliation of gross profit to the tax base is as follows:

Profit (loss) Gross:	-	2 600 682,93
Costs of the current year not recognized as tax deductible costs:	-	640 489,37
Representation costs	-	16 066,33
Private medical care LUXMED	-	10 201,00
Interest unpaid on loans received	-	188 409,59
Other costs	-	123 172,12
Reserve for a holiday	-	253,96
Write-off of the capital of the loans sold	-	42 484,58
Foreign exchange losses unrealized	-	213 938,08
ZUS unpaid	-	14 696,48
Unpaid salaries	-	31 267,23
Current year income not included in current year taxable income:	-	53 537,79
Foreign exchange gains unrealized		36 344,20
Adjustment of incomes recognized upfront	-	154 738,49
Unpaid penalty interest		7 423,70
Unpaid contractual interest		31 190,70
Sale of written-off loans capital part		26 241,69
Roundings		0,41
Other costs / previous years included in the tax deductible costs of the current year:		-
Revenues from previous years included in the taxable income of the current year:		-
Commission on the loan received		-
The taxable base for income tax:	-	1 906 655,77
Settlement of loss from previous years:		-
The taxable base for income tax:	-	1 906 655,77
Tax rate:		19%
Income tax:	-	362 264,60

The provisions on value added tax, corporate income tax, personal income tax and social security contributions are subject to frequent changes, as a result of which there is often no reference to established regulations or legal precedents. The applicable regulations also contain ambiguities that cause differences in opinions as to the legal interpretation of tax regulations both between state authorities and between state authorities and enterprises. Tax and other settlements (e.g. customs or foreign exchange) may be subject to inspection by authorities that are entitled to impose high penalties, and the additional amounts of liabilities determined as a result of the inspection must be paid together with high interest. These phenomena cause that the tax risk in Poland is higher than that usually existing in countries with a more developed tax system. Tax settlements can be audited for a period of five years. As a result, the amounts disclosed in the financial statements may change at a later date after their final determination by the tax authorities.

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 23 - List of contingent liabilities

As at the balance sheet date, the Company has no contingent liabilities.

Note No. 24 - Outlays on non-financial fixed assets, including outlays on environmental protection

As at the balance sheet date, the Company did not incur any expenditure on environmental protection.

Note No. 25 - Revenue, costs and result of operations discontinued in the financial year or planned to be discontinued in the next year

From June 1, 2022 the company has restarted the sale of financial products and does not plan to discontinue operations in the following year.

Note No. 26 - Nature and economic purpose of contracts concluded by the entity not included in the balance sheet

As at the balance sheet date, the Company included all concluded contracts in

Note No. 27 - Advances, credits, loans and other similar benefits granted to members of the entity's governing bodies

As at the balance sheet date, the Company did not grant any advances, credits, loans or other similar benefits to members of the entity's governing bodies

Note No. 28 - Information on significant events related to previous years included in the financial statements of the financial year

In 2022, the Company made an adjustment regarding the write-off of short-term receivables related to the year 2021. In 2021, the Company did not conduct an analysis of its short-term receivables arising from consumer loans. The portfolio of receivables held by the Company as of December 31, 2021, was deemed unrecoverable, given the lack of any collection tools. On June 30, 2022, the Company sold all receivables resulting from signed agreements with individual clients to M-Windykacja Spółka z ograniczoną odpowiedzialnością with its registered office in Suwałki, 16-400 Suwałki, ul. Innowacyjna 1. In the current fiscal year, no other corrections were made, apart from the one described above, which could have an impact on the comparability of financial data for the previous year with the financial statements for the current fiscal year. Detailed data and the amounts of the correction have been presented in Note 30.

Note No. 29 - Events that occurred after the balance sheet date

On March 20, 2023, the company signed a cooperation agreement for the sale of language courses. The cooperation is aimed at increasing the company's revenues.

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Additional information and explanations

(all figures are presented in PLN)

Note No. 30 - Numerical Data Ensuring Comparability of Data

The company has made a correction regarding the establishment of an updating provision for receivables. The impact of this correction on individual balance sheet and income statement items for the preceding fiscal year is presented below:

(in PLN)	Profit/Loss from Previous Years	Net Profit/Loss for the Year	Shareholder's Equity
The data resulting from the approved financial statements for the fiscal year ended on December 31, 2021.	(162 023,84)	(96 790,61)	(58 814,45)
Correction:			
Updating provision for receivables		(582 316,11)	(582 316,11)
The transformed data for the fiscal year ended on December 31, 2022.	(162 023,84)	(679 106,72)	(641 130,56)

Below is a comparison of the impact of the aforementioned corrections on the data from the approved financial statement in terms of the income statement, balance sheet, and statement of changes in equity as of December 31, 2021.

Assets

(in PLN)	Data from the approved financial statement as of December 31, 2021.	The transformed data as of December 31, 2021.	Change
Fixed assets	-	-	-
Intangible assets	-	-	-
Property, plant and equipment	-	-	-
Long-term receivables	-	-	-
Long-term investments	-	-	-
Long-term accruals	-	-	-
Current assets	598 098,21	15 782,10	(582 316,11)
Short-term receivables	585 843,81	3 527,70	(582 316,11)
Receivables from other entities	585 843,81	3 527,70	(582 316,11)
for supplies and services, with a repayment period to 12 months	582 316,11	-	(582 316,11)
in respect of taxes, subsidies, customs, social and health insurance and other public law titles	3 527,70	3 527,70	-
Short-term investments	12 254,40	12 254,40	-
Short-term financial assets	12 254,40	12 254,40	-
cash and other monetary assets	12 254,40	12 254,40	-
cash in hand and accounts	12 254,40	12 254,40	-
Short-term accruals	-	-	-
TOTAL ASSETS	598 098,21	15 782,10	(582 316,11)

Liabilities

(in PLN)	Data from the approved financial statement as of December 31, 2021.	The transformed data as of December 31, 2021.	Change
Equity	(58 814,45)	(641 130,56)	
Share capital	200 000,00	200 000,00	-
Profit/(Loss) from previous years	(162 023,84)	(162 023,84)	-
Net profit (loss)	(96 790,61)	(679 106,72)	(582 316,11)
Liabilities and provisions for liabilities	656 912,66	656 912,66	-
Provisions for liabilities	-	-	-
Long-term liabilities	655 279,12	655 279,12	-
With respect to other entities	655 279,12	655 279,12	-
Loans and advances	655 279,12	655 279,12	-
Current liabilities	1 633,54	1 633,54	-
Liabilities to other undertakings	1 633,54	1 633,54	-
in respect of supplies and services, with a maturity up to 12 months	1 373,54	1 373,54	-
in respect of taxes, customs, social and health insurance and other public-law titles	260,00	260,00	-
Suspense accruals	-	-	-
TOTAL LIABILITIES	598 098,21	15 782,10	(582 316,11)

Income Statement

(in PLN)	Data from the approved financial statement as of December 31, 2021.	The transformed data as of December 31, 2021.	Change
Net sales revenues and assimilated to them, including:	-	-	-
Operating expenses	(35 315,88)	(35 315,88)	-
Depreciation	-	-	-
Material and energy consumption	(2 716,49)	(2 716,49)	-
External services	(19 117,34)	(19 117,34)	-
Taxes and fees, including:	(2 211,00)	(2 211,00)	-
Salary	(9 557,41)	(9 557,41)	-
Social security and other benefits, including:	(1 713,64)	(1 713,64)	-
Profit/(Loss) on sales	(35 315,88)	(35 315,88)	-
Other operating income	4 771,81	4 771,81	-
Other operating income	4 771,81	4 771,81	-
Other operating expenses	(22 976,16)	(605 292,27)	(582 316,11)
Other operating expenses	(22 976,16)	(605 292,27)	(582 316,11)
Operating profit/(loss)	(53 520,23)	(635 836,34)	(582 316,11)
Financial income	5 211,45	5 211,45	-
Interest, including:	5 211,40	5 211,40	-
Other	0,05	0,05	-
Financial costs	(48 481,83)	(48 481,83)	-
Interest, including:	(3 464,92)	(3 464,92)	-
Other	(45 016,91)	(45 016,91)	-
Gross profit/(loss)	(96 790,61)	(679 106,72)	(582 316,11)
Income tax	-	-	-
Net profit/(loss)	(96 790,61)	(679 106,72)	(582 316,11)

Statement of changes in equity

(in PLN)	Data from the approved financial statement as of December 31, 2021.	The transformed data as of December 31, 2021.	Change
Equity at the beginning of the period	37 976,16	37 976,16	-
Equity at the beginning of the period after adjustments	37 976,16	37 976,16	-
Share capital at the beginning of the period	200 000,00	200 000,00	-
Share capital at the end of the period	200 000,00	200 000,00	-
Profit/(Loss) from previous years at the beginning of the period	(73 521,00)	(73 521,00)	-
Loss from previous years at the beginning of the period	(73 521,00)	(73 521,00)	-
Loss from previous years at the beginning of the period after adjustments	(73 521,00)	(73 521,00)	-
increases due to	(88 502,84)	(88 502,84)	-
carry-forward of losses from previous years to be	(88 502,84)	(88 502,84)	-
Loss from previous years at the end of the period	(162 023,84)	(162 023,84)	-
Profit/(Loss) from previous years at the end of the period	(162 023,84)	(162 023,84)	-
Net result	(96 790,61)	(679 106,72)	(582 316,11)
Net profit	-	-	-
Net loss	(96 790,61)	(679 106,72)	(582 316,11)
Equity at the end of the period	(58 814,45)	(641 130,56)	(582 316,11)
Equity, after taking into account the proposed loss coverage	(58 814,45)	(641 130,56)	(582 316,11)

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 30 - Figures ensuring data comparability

In the current year, the Company did not change the accounting principles or correct errors, therefore

Note No. 31 - Effects of changes in accounting principles (policy).

The financial statements for the current and previous financial year were prepared using identical

Note No. 32 - Amounts obtained by non-consolidated entities

There were no joint ventures in the Company that were not subject to consolidation.

Note No. 33 - Transactions with related entities

<i>UAB "HIVE FINANCE"</i> (in PLN)	Year ended 2022-12-31	Year ended 2021-12-31
Incomes		
Costs	0,00	
(in PLN)	2022-12-31	2021-12-31
Receivables for deliveries, works and services		
Liabilities for deliveries, works and services	94 337,34	
Liabilities due to loans	1 621 247,80	

Note No. 34 - Transactions concluded on non-market conditions

The terms of transactions concluded by the Company with related parties in the year ended 31 December 2022 did not differ from market terms.

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Additional information and explanations

(all figures are presented in PLN)

Note No. 35 - List of entities in which the Company holds at least 20% of shares in the capital or the total number of votes in the governing body of the entity

Company Name	Share in capital %	Share in votes %	Net profit/(loss) for the financial year	2022-12-31	2021-12-31
				Equity as at the balance sheet date	Equity as at the balance sheet date
-	0%	0%	0	-	-

Note No. 36 - Consolidated financial statement

The company does not prepare consolidated financial statements.

Note No. 37 - Continuation of operations

The company, after a period of stagnation caused by the COVID-19 pandemic, reactivated its lending activity and plans further development through expansion and, among others, introducing new products (credit card limit) and continuous improvement of the quality of the portfolio. development of credit risk assessment techniques Less competition on the market (subsequent amendments to the Consumer Credit Act, which entered into force on December 18, 2022) should create a competitive advantage and the possibility of reselling loans on a large scale, even using a credit card, constituting the Company's core business. Further business development will also result from work to improve brand awareness (PR and marketing activities), and in the long term also through expansion into foreign markets. In 2023, the Company focuses its efforts on achieving a break-even result net financial statement in each subsequent month of operation.

The company also anticipates an increase in operating efficiency by searching for more effective channels and methods of acquiring customers and developing sales, including, among others, continuation of cooperation with brokers, new affiliates and development in the area of sales via electronic channels (so-called 'digital').

Note No. 38 - Information about the remuneration of the statutory auditor or the authorized entity for the audit of the financial statements

The table below presents the gross remuneration of the entity authorized to audit financial statements paid or payable for the financial year ended December 31, 2022 and December 31, 2021, broken down by type of services:

The type of service	The financial year ended on December 31, 2022	The financial year ended on December 31, 2021
Statutory audit within the meaning of Art. 2 item 1 of the Act on Statutory Auditors	-	-
Other assurance services	-	-
Tax advisory services	-	-
Other services	-	-
Total, including:	-	-
- due as at the balance sheet	-	-
- paid as at the balance sheet	-	-

The company for the financial year 2022 was not subject to the obligation to audit the financial statements.

Argentum Capital Sp. z o. o.

Additional information and explanations

(all figures are presented in PLN)

Note No. 39 - Accumulated funds in the VAT account

Itemization	2022-12-31	2021-12-31
Cash accumulated on the VAT account	-	-
Total	-	-

Note No. 40 - Identification of individuals providing an electronic signature on the financial statement

Wojciech Homan
Weronika Wiewiórka

President of the Management Board
A person entrusted with keeping the books of accounts

