

CONFIDENTIAL AND PRIVILEGED

Zagreb, 24 January 2024  
Our ref. no: EMŠ/BŠ – 2468

**Hive5 marketplace d.o.o.**  
Ulica Račkoga 8  
10 000 Zagreb

**Subject: Legal analysis of licensing requirements applicable under Croatian law in relation to business activities of Hive5 marketplace d.o.o.**

## 1. INTRODUCTION

1.1. Divjak, Topić, Bahtijarević & Krka Law Firm (hereinafter referred to as: “DTB” or “we”) has been mandated by Hive Finance Group to provide a legal analysis of licensing requirements applicable under Croatian law in relation to the current business activities of Hive5 marketplace d.o.o., Zagreb, Ulica Račkoga 8, Croatian PIN: 76871072832 (hereinafter referred to as “Hive5” or “Client” or “Company”).

## 2. FACTUAL BACKGROUND

2.1. Based on the information provided by the Client, its business activities relevant for this legal analysis include listing of claims from loans provided by lenders to borrowers on the online business platform operating under the domain name [www.hive5.co](http://www.hive5.co) (hereinafter referred to as the “Platform”) enabling investors to purchase such claims on the Platform by entering into assignment agreements with lenders. Furthermore, the Company’s registered business activity with the Commercial Court Registry, relevant for this legal analysis, refers to the *financing of commercial operations, including export financing based on the purchase with a discount and without recourse of long-term non-due receivables secured by financial instruments (forfeiting)*.

2.2. It is our understanding that within the below-described business models, Hive5 administers and maintains the Platform, and in that way acts exclusively as an intermediary in the sale of claim rights between investors and loan originators/lenders (hereinafter referred to as the “**Business Activities**”). This legal analysis is furnished under the assumption that Hive5 does not perform any other activity except the Business Activities registered with the Commercial Court Registry.

## 3. LEGAL FRAMEWORK

This matter has been assessed primarily by considering provisions of applicable Croatian laws regulating financial markets, investment services, and subsequently, those regulating credit institutions. These are the Croatian Capital Markets Act (Official Gazette 65/2018, 17/2020, 83/2021, 151/2022), the Croatian

Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022), Croatian National Bank Act (Official Gazette 75/2008, 54/2013, 47/2020), the Croatian Financial Services Supervisory Agency Act (Official Gazette 140/2005, 154/2011, 12/2012; hereinafter referred to as the “**CFSA Act**”), the Croatian Consumer Credit Act (Official Gazette 75/2009, 112/2012, 143/2013, 147/2013, 9/2015, 78/2015, 102/2015, 52/2016, 128/2022, 156/2023) and the Croatian Factoring Act (Official Gazette 94/2014, 85/2015, 41/2016) (altogether hereinafter referred to as the “**Legal Framework**”).

## 4. LEGAL ANALYSIS

- 4.1. This document deals with the question of whether the existing Hive5’s business model and Business Activities, i.e., acting as an intermediary in the sale and purchase of claims represent a regulated activity in the Republic of Croatia for which Hive5 requires a license issued by the competent Croatian authorities.
- 4.2. For the purposes of this legal analysis, a “regulated activity” is used in a narrow sense, and it refers to the legal obligation to obtain a specific license for the provision of certain services in the Republic of Croatia. Examples of regulated activities in that sense are, among others, payment services, electronic money services, credit services, consumer credit services, investment services, and crowdfunding services. Under Croatian law, legal entities must obtain the license before such activities are registered as their business activities in the relevant court registry, i.e., before they start performing regulated activities in the Republic of Croatia.
- 4.3. In our view, by performing Business Activities, Hive5 currently does not perform regulated activities that would require a specific license issued by the competent Croatian authorities (such as the Croatian National Bank and the CFSA). Therefore, in our view, at the time of the issuance of this legal analysis, the Client is not obligated to have a license, or supervisory approval by the Croatian competent bodies for the performance of Business Activities in the Republic of Croatia.
- 4.4. However, the fact that certain business activity is not a regulated activity within the meaning described above, does not mean that the competent supervisory bodies cannot perform supervision over the entities performing such business activity. Pursuant to the powers granted to the Croatian Financial Services Supervisory Agency (hereinafter referred to as the “**CFSA**”) under the CFSA Act, it has the power to issue public warnings to investors regarding risky business activities and investment instruments, as well as regarding the unregulated business activities.

So far, we are not aware of CFSA publishing a warning in relation to other entities performing activities like Business Activities in the Republic of Croatia. However, in accordance with its previous practice in relation to unregulated activities, we cannot exclude the possibility that the CFSA could publish a warning in relation to Business Activities. Namely, to the best of our knowledge, the CFSA has been monitoring the Croatian market and conducting both direct and indirect supervision over entities providing services similar to Business Activities (reviewing transaction documentation, terms of business, and assessing compliance with applicable Croatian investor protection legislation, respectively).

4.5. In relation to this, but also from a more general compliance perspective, despite the Business Activities currently not being considered a regulated activity under the Legal Framework, both local and EU developments in investor protection would render it highly advisable that Hive5 ensure full compliance of its Business Activities with other relevant aspects of the Legal Framework (among others, consumer protection legislation, advertising legislation, electronic commerce legislation, and AML legislation).

\* \* \*

This legal analysis is furnished to you solely for the benefit of Hive5, and is not to be used, circulated, quoted, summarised, relied upon, or referred to by any person without our prior written approval. The content hereof (or its parts) may not be circulated or otherwise made available to third parties without our prior written consent – which consent is not needed where the content is made available directly by Hive5 to its business partners (always on a non-reliance basis).

In connection with rendering this analysis, please be informed that we are a Croatian law firm whose members are admitted to practice law in the Republic of Croatia, and we express no opinion as to the laws of any jurisdiction other than the laws of the Republic of Croatia.

This legal analysis is based on legal regulations applicable on the date set out at the top of the first page hereof and we assume no obligation to supplement and/or amend this analysis if any applicable laws change after the date hereof or in case of the occurrence of other circumstances that might explicitly or implicitly impact this legal analysis.

Our analysis is based solely on the information and documents received, as well as on the facts provided to us by Hive Finance Group, and we have not reviewed any additional agreements or documents for the purpose of this analysis, nor have we conducted any independent research of any facts that may affect the views expressed herein.

Our legal analysis set out herein is based on our understanding of the admissibility of the Business Activities under Croatian law, or to be more precise, under the laws specified under point 3 of this document, our experience, and the relevant legal sources, to the extent of their availability. Furthermore, in this legal analysis, Business Activities have not been analysed from a tax perspective, and we did not consider any potential tax consequences of the Business Activities concerned.

We hope that you will find this document sufficient for rendering decisions on further actions to be taken regarding the matter at hand. However, should you need any additional clarifications or any further information, please do not hesitate to contact us.

Kind regards,

  
Barbara Šimić, Attorney