

# ANNUAL REPORT

**beginning of financial year:** 22.07.2020

**end of the financial year:** 31.12.2021

**business name:** Income Company OÜ

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## Management report

Income is an investment platform which is fuelling financial inclusion and wealth creation globally. Investors on the platform can invest in secured loans originated by Income's fintech partners. Through Income, both the retail and the institutional investors can access a new asset class which provides inflation protection and enables wealth creation. At the same time the fintech partners we co-operate with gain access to more flexible funding. The investors, fintechs and Income work together towards bridging credit gaps where they exist and accelerate financial inclusion globally. Income's mission and value proposition to secured investments in the form of loans is unique in the market. Income is the first platform in Europe to offer this level of security in investments to loans originated globally.

### Operations in 2020 and 2021

Income Company OÜ (the company) was established in 20.07.2020 and the company raised €1 million in pre-seed funding from founders and angel investors to build the product and the team. The development of the platform started right after the raise and the fully operational platform was launched to retail investors only eight months later. At launch, the company introduced loans for investment from three different fintech lenders. During 2021 the number of fintech lenders on the platform grew to four. Significant resources were put in building a pipeline for future onboardings as well as improving the product itself. Android & iOS mobile app were launched in September 2021 to allow even easier access to investments through a simpler UI.

During the first year of active operations (2021) the company achieved relatively strong growth considering the competitiveness of the market, the changed investing environment and the diminished growth plans of fintechs during the pandemic. The company also experienced a shortage of investable loans several times during the year, each time slowing down the further growth. Despite the market conditions, during 2021 the company still managed to reach 558 active investors totaling 1.2M in active investments.

### The financial results

Revenue for the first year hit 86k from service fees paid by the onboarded fintechs on the platform. The platform itself is free for investors. The building of a platform and the team to enable the business model of secured investments globally is costly as was expected and the company generated a loss of ~1.18M which was covered from the raised funding. The company expects to raise additional

funding during 2022 to extend its runway and to develop the business further until revenues grow high enough to cover the costs. As of 30.04.2022 Income has MRR of approximately 20k€, active investors in total of 1230, active investments of 2.9M and they're all forecasted to grow rapidly.

### Future developments & post balance sheet events

For the upcoming 2022 the company seeks to increase the business volumes by onboarding new partners and seeks to ensure a steady supply of investable loans from existing fintech partners. The main driver for the company's revenue is the loans invested, which the company seeks to grow as a priority.

Equity position at the end of the year was negative due to delayed funding round which was planned to close during 2021. The round, which was led by Tolaram Fintech, was closed post balance sheet date in April 2022 raising the equity to a total of 499 826€. New and existing investors, including the leading equity crowdfunding platforms Seedrs and Seedblink, participated in the round and the company is looking to start another fundraiser still in 2022 to accelerate its growth.

## The annual accounts

### Statement of financial position

(In Euros)

|   | 31.12.2021     | 22.07.2020   | Note |
|---|----------------|--------------|------|
| Assets  |                |              |      |
| Current assets                                    |                |              |      |
| Cash and cash equivalents                         | 24 591         | 2 500        | 2    |
| <b>Receivables and prepayments</b>                | <b>79 529</b>  | <b>0</b>     |      |
| Accounts receivable                               | 14 496         | 0            |      |
| Receivables from related parties                  | 804            | 0            | 16   |
| Tax prepayments and receivables                   | 34 796         | 0            | 3    |
| Loan receivables                                  | 8 837          | 0            |      |
| Prepayments                                       | 20 596         | 0            |      |
| <b>Total current assets</b>                       | <b>104 120</b> | <b>2 500</b> |      |
| Non-current assets                                |                |              |      |
| <b>Investments in subsidiaries and associates</b> | <b>2 501</b>   | <b>0</b>     |      |
| Shares of subsidiaries                            | 2 501          | 0            | 4    |
| Property, plant and equipment                     | 5 088          | 0            | 5    |
| Intangible assets                                 | 623 369        | 0            | 6    |
| <b>Total non-current assets</b>                   | <b>630 958</b> | <b>0</b>     |      |
| <b>Total assets</b>                               | <b>735 078</b> | <b>2 500</b> |      |
| Liabilities and equity                            |                |              |      |
| Liabilities                                       |                |              |      |
| Current liabilities                               |                |              |      |
| Loan liabilities                                  | 33 000         | 0            | 7,16 |
| <b>Payables and prepayments</b>                   | <b>749 714</b> | <b>0</b>     |      |
| Trade payables                                    | 367 075        | 0            |      |
| Employee payables                                 | 53 171         | 0            | 17   |
| Tax payables                                      | 27 844         | 0            | 3    |
| Other payables                                    | 1 624          | 0            |      |
| Other received prepayments                        | 300 000        | 0            | 17   |
| <b>Provisions</b>                                 | <b>17 000</b>  | <b>0</b>     |      |
| Other provisions                                  | 17 000         | 0            |      |
| <b>Total current liabilities</b>                  | <b>799 714</b> | <b>0</b>     |      |
| Non-current liabilities                           |                |              |      |
| Loan liabilities                                  | 95 400         | 0            | 7,16 |
| <b>Payables and prepayments</b>                   | <b>550</b>     | <b>0</b>     |      |
| Other payables                                    | 550            | 0            |      |
| <b>Provisions</b>                                 | <b>2 665</b>   | <b>0</b>     |      |
| Tax provision                                     | 2 665          | 0            |      |
| <b>Total non-current liabilities</b>              | <b>98 615</b>  | <b>0</b>     |      |
| <b>Total liabilities</b>                          | <b>898 329</b> | <b>0</b>     |      |
| Equity  |                |              |      |

|                                     |                 |              |   |
|-------------------------------------|-----------------|--------------|---|
| Issued capital                      | 10 000          | 2 500        | 8 |
| Other reserves                      | 1 006 303       | 0            |   |
| Annual period profit (loss)         | -1 179 554      | 0            |   |
| <b>Total equity</b>                 | <b>-163 251</b> | <b>2 500</b> |   |
| <b>Total liabilities and equity</b> | <b>735 078</b>  | <b>2 500</b> |   |

## Income statement

(In Euros)

|   | <b>22.07.2020 -<br/>31.12.2021</b> | <b>Note</b> |
|---|------------------------------------|-------------|
| Revenue                                     | 86 720                             | 9           |
| Raw materials and consumables used          | -415 187                           | 10          |
| Other operating expense                     | -245 823                           | 11          |
| Employee expense                            | -518 191                           | 12          |
| Depreciation and impairment loss (reversal) | -59 897                            | 5,6         |
| Other expense                               | -12 888                            | 13          |
| <b>Operating profit (loss)</b>              | <b>-1 165 266</b>                  |             |
| Interest income                             | 414                                | 14          |
| Interest expenses                           | -14 702                            | 15          |
| <b>Profit (loss) before tax</b>             | <b>-1 179 554</b>                  |             |
| <b>Annual period profit (loss)</b>          | <b>-1 179 554</b>                  |             |

## Notes

### Note 1 Accounting policies

#### General information

The financial statements of Income Company OÜ for 2021 have been prepared in accordance with the Estonian Financial Reporting Standard.

The basic requirements of the financial reporting standard are established in the Accounting Act of the Republic of Estonia, which is supplemented by guidelines issued by the Accounting Standards Board. The financial statements have been prepared on the basis of the following basic principles of accounting and reporting principles:

entity, continuity, comprehensibility, materiality, consistency and comparability, objectivity, income and expense adequacy, conservatism, disclosure and substance supremacy.

The functional and presentation currency of Income Company OÜ is the Euro.

### Note 2 Cash and cash equivalents

(In Euros)

|  | 31.12.2021    | 22.07.2020   |
|--|---------------|--------------|
| Bank account                           | 24 170        | 2 500        |
| Income marketplace account             | 421           | 0            |
| <b>Total cash and cash equivalents</b> | <b>24 591</b> | <b>2 500</b> |

### Note 3 Tax prepayments and liabilities

(In Euros)

|  | 31.12.2021      |                 |
|--|-----------------|-----------------|
|  | Tax prepayments | Tax liabilities |
| Value added tax                              | 32 927          | 0               |
| Personal income tax                          | 0               | 4 763           |
| Social tax                                   | 0               | 8 324           |
| Contributions to mandatory funded pension    | 0               | 333             |
| Unemployment insurance tax                   | 0               | 591             |
| Other tax prepayments and liabilities        | 0               | 13 833          |
| Prepayment account balance                   | 1 869           |                 |
| <b>Total tax prepayments and liabilities</b> | <b>34 796</b>   | <b>27 844</b>   |

The line "Other prepayments of taxes and tax liabilities" is recorded as of 31.12.2021:

- tax debt on salaries calculated but not paid in December 2021, EUR 9,468
- a tax debt of EUR 4 365 on wages paid in Austria

## Note 4 Shares of subsidiaries

(In Euros)

| Shares of subsidiaries, general information |                        |                          |                      |                        |            |
|---|------------------------|--------------------------|----------------------|------------------------|------------|
| Subsidiary's registry code                  | Name of subsidiary     | Country of incorporation | Principal activity   | Ownership interest (%) |            |
|   |                        |                          |                      | 22.07.2020             | 31.12.2021 |
| 202033230Z                                  | Income Id Spv Pte. Ltd | Singapore                | Financial activities | 0                      | 100        |
| 16117827                                    | Income EST SPV OÜ      | Estonia                  | Financial activities | 0                      | 100        |

| Shares of subsidiaries, detailed information:                  |              |              |
|--|--------------|--------------|
| Name of subsidiary   | Acquisition  | 31.12.2021   |
| Income Id Spv Pte. Ltd   | 1            | 1            |
| Income EST SPV OÜ  | 2 500        | 2 500        |
| <b>Total shares of subsidiaries, at end of previous period</b> | <b>2 501</b> | <b>2 501</b> |

| Acquired ownership interests: |                               |                  |                                     |
|-------------------------------|-------------------------------|------------------|-------------------------------------|
| Name of subsidiary            | Acquired ownership interest % | Acquisition date | Cost of acquired ownership interest |
| Income Id Spv Pte. Ltd        | 100                           | 20.10.2020       | 1                                   |
| Income EST SPV OÜ             | 100                           | 09.12.2020       | 2 500                               |

## Note 5 Property, plant and equipment

(In Euros)

|                            |                                | Total        |
|----------------------------|--------------------------------|--------------|
|                            | Computers and computer systems |              |
| Acquisitions and additions | 8 162                          | 8 162        |
| Depreciation               | -3 074                         | -3 074       |
| <b>31.12.2021</b>          |                                |              |
| Carried at cost            | 8 162                          | 8 162        |
| Accumulated depreciation   | -3 074                         | -3 074       |
| <b>Residual cost</b>       | <b>5 088</b>                   | <b>5 088</b> |



## Note 6 Intangible assets

(In Euros)

|                            | Development expenditures |                   | Total   |
|----------------------------|--------------------------|-------------------|---------|
|                            | Development expenditures | Computer software |         |
| <b>22.07.2020</b>          |                          |                   |         |
| Carried at cost            | 0                        | 0                 | 0       |
| Accumulated depreciation   | 0                        | 0                 | 0       |
| <b>Residual cost</b>       | 0                        | 0                 | 0       |
|                            |                          |                   |         |
| Acquisitions and additions | 123 727                  | 556 465           | 680 192 |
| Depreciation               | -18 427                  | -38 396           | -56 823 |
|                            |                          |                   |         |
| <b>31.12.2021</b>          |                          |                   |         |
| Carried at cost            | 123 727                  | 556 465           | 680 192 |
| Accumulated depreciation   | -18 427                  | -38 396           | -56 823 |
| <b>Residual cost</b>       | 105 300                  | 518 069           | 623 369 |

## Note 7 Loan commitments

(In Euros)

|                                | 31.12.2021 | Allocation by remaining maturity |             |              | Interest rate | Base currencies | Due date | Note |
|--------------------------------|------------|----------------------------------|-------------|--------------|---------------|-----------------|----------|------|
|                                |            | Within 12 months                 | 1 - 5 years | Over 5 years |               |                 |          |      |
| Current loans                  |            |                                  |             |              |               |                 |          |      |
| <b>Current loans total</b>     | 33 000     | 33 000                           |             |              |               |                 |          |      |
| Non-current loans              |            |                                  |             |              |               |                 |          |      |
| <b>Non-current loans total</b> | 95 400     | 0                                | 95 400      | 0            |               |                 |          |      |
| <b>Loan commitments total</b>  | 128 400    | 33 000                           | 95 400      | 0            |               |                 |          |      |

## Note 8 Share capital

(In Euros)

|               | 31.12.2021 | 22.07.2020 |
|---------------|------------|------------|
| Share capital | 10 000     | 2 500      |

## Note 9 Net sales

(In Euros)

|  | 22.07.2020 -<br>31.12.2021 |
|--|----------------------------|
| Net sales by geographical location               |                            |
| Net sales in European Union                      |                            |
| Finland  | 5 444                      |
| Latvia   | 937                        |
| <b>Total net sales in European Union</b>         | <b>6 381</b>               |
| Net sales outside of European Union              |                            |
| Singapore  | 50 873                     |
| Brazil   | 29 466                     |
| <b>Total net sales outside of European Union</b> | <b>80 339</b>              |
| <b>Total net sales</b>                           | <b>86 720</b>              |
| Net sales by operating activities                |                            |
| Financial services intermediation                | 86 720                     |
| <b>Total net sales</b>                           | <b>86 720</b>              |

## Note 10 Goods, raw materials and services

(In Euros)

|  | 22.07.2020 -<br>31.12.2021 |
|--|----------------------------|
| IT Support and maintenance                     | 66 809                     |
| LO and investor onboarding costs               | 219 353                    |
| Other services purchased                       | 123 487                    |
| Other  | 5 538                      |
| <b>Total goods, raw materials and services</b> | <b>415 187</b>             |

## Note 11 Miscellaneous operating expenses

(In Euros)

|   | <b>22.07.2020 -<br/>31.12.2021</b> |
|---|------------------------------------|
| Leases  | 34 950                             |
| Miscellaneous office expenses                 | 5 818                              |
| Travel expense                                | 2 609                              |
| Provisions related expense                    | 7 428                              |
| Accounting services                           | 16 981                             |
| Legal services                                | 57 979                             |
| Bank services                                 | 35 078                             |
| Advertising                                   | 59 740                             |
| Other   | 25 240                             |
| <b>Total miscellaneous operating expenses</b> | <b>245 823</b>                     |

## Note 12 Labor expense

(In Euros)

|   | <b>22.07.2020 -<br/>31.12.2021</b> |
|---|------------------------------------|
| Wage and salary expense                                   | 386 505                            |
| Social security taxes                                     | 129 094                            |
| Other   | 2 592                              |
| <b>Total labor expense</b>                                | <b>518 191</b>                     |
| Average number of employees in full time equivalent units | 11                                 |
| Average number of employees by types of employment:       |                                    |
| Person employed under employment contract                 | 10                                 |
| Member of management or controlling body of legal person  | 1                                  |

## Note 13 Other operating expenses

(In Euros)

|                                       | <b>22.07.2020 -<br/>31.12.2021</b> |
|---------------------------------------|------------------------------------|
| Loss from exchange rate differences   | 226                                |
| Fines, penalties and compensations    | 12 662                             |
| <b>Total other operating expenses</b> | <b>12 888</b>                      |

## Note 14 Interest income

(In Euros)

|                              | 22.07.2020 -<br>31.12.2021 | 22.07.2020 -<br>22.07.2020 |
|------------------------------|----------------------------|----------------------------|
| Interest income from loans   | 414                        | 0                          |
| <b>Total Interest income</b> | <b>414</b>                 | <b>0</b>                   |

## Note 15 Interest expenses

(In Euros)

|                               | 22.07.2020 -<br>31.12.2021 | Note |
|-------------------------------|----------------------------|------|
| Interest expense from loans   | 14 702                     | 16   |
| <b>Total interest expense</b> | <b>14 702</b>              |      |

## Note 16 Related parties

(In Euros)

### Related party balances according to groups

| SHORT TERM  | 31.12.2021     |
|---|----------------|
| <b>Receivables and prepayments</b>  |                |
| Subsidiaries  | 3 883          |
| <b>Total receivables and prepayments</b>  | <b>3 883</b>   |
| <b>Loan commitments</b>   |                |
| Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher | 33 000         |
| <b>Total loan commitments</b>   | <b>33 000</b>  |
| <b>Payables and prepayments</b>   |                |
| Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher | 255 443        |
| <b>Total payables and prepayments</b>   | <b>255 443</b> |

| LONG TERM   | 31.12.2021    |
|---|---------------|
| Loan commitments  |               |
| Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher | 95 400        |
|   | <b>95 400</b> |
| Payables and prepayments  |               |
| Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher | 550           |
| <b>Total payables and prepayments</b>   | <b>550</b>    |

| BOUGHT  | 22.07.2020 - 31.12.2021 |                    |
|---|-------------------------|--------------------|
|   | Services                | Non-current assets |
| Subsidiaries  | 2 876                   | 0                  |
| Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher | 95 621                  | 452 660            |
| <b>Total bought</b>   | <b>98 497</b>           | <b>452 660</b>     |

|   |                                |
|---|--------------------------------|
| Remuneration and other significant benefits calculated for members of management and highest supervisory body |                                |
|   | <b>22.07.2020 - 31.12.2021</b> |
| Remuneration  | 19 125                         |

The accounting entity has not considered significant benefits to executive and senior management.

In 2021, interest expense on related party loans amounted to 14,702 euros.

As of 31.12.2021, the interest liability on loans from related parties was 567 euros.