

# ANNUAL REPORT

**beginning of financial year:** 01.01.2022

**end of the financial year:** 31.12.2022

**business name:** Income Company OÜ

**register code:** 16014116

**street, building, apartment, farm:** Tornimäe tn 3 // 5 // 7

**city:** Tallinn

**county:** Harju maakond

**postal code:** 10145

**e-mail address:** 16014116@eesti.ee

**web address:** <https://getincome.com/>

## Table of contents

<b>Management report</b>	<b>3</b>
<b>The annual accounts</b>	<b>4</b>
<b>Statement of financial position</b>	<b>4</b>
<b>Income statement</b>	<b>6</b>
<b>Notes</b>	<b>7</b>
<b>Note 1 Accounting policies</b>	<b>7</b>
<b>Note 2 Cash and cash equivalents</b>	<b>7</b>
<b>Note 3 Tax prepayments and liabilities</b>	<b>7</b>
<b>Note 4 Shares of subsidiaries</b>	<b>8</b>
<b>Note 5 Property, plant and equipment</b>	<b>9</b>
<b>Note 6 Intangible assets</b>	<b>10</b>
<b>Note 7 Loan commitments</b>	<b>11</b>
<b>Note 8 Share capital</b>	<b>11</b>
<b>Note 9 Net sales</b>	<b>12</b>
<b>Note 10 Goods, raw materials and services</b>	<b>12</b>
<b>Note 11 Miscellaneous operating expenses</b>	<b>13</b>
<b>Note 12 Labor expense</b>	<b>13</b>
<b>Note 13 Other operating expenses</b>	<b>13</b>
<b>Note 14 Interest income</b>	<b>13</b>
<b>Note 15 Interest expenses</b>	<b>14</b>
<b>Note 16 Related parties</b>	<b>14</b>
<b>Signatures</b>	<b>16</b>

## 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 on the market. Income is the first platform in Europe to offer this level of security in investments to loans originated globally.

### Operations in 2022

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. Another 1.4M was raised during the year after. At launch, the company introduced loans for investment from three different fintech lenders, which grew to four during 2021 and nine during 2022.

The company experienced a shortage of investable loans during 2022 as well and regardless of the focus on increasing loan supply, we still experienced a remarkably bigger demand for the loans that we were able to supply. If by the end of the first financial year the platform had 558 active investors and the total investments were in the sum of 1.2M then by the end of 2022 the numbers had grown to 3007 active investors and 7.0M in active investments.

### The financial results

Revenue from the service fees paid by the onboarded fintechs for the year 2022 was 222k (2021. 86k) euros. The platform itself is still free for the investors. Income Company is a startup and the financial results are also as expected at the scale-up phase. The loss for 2022 has decreased to 995k from the 1.2M in 2021. The company is planning to raise additional funding during 2023 to extend its runway and to develop the business further until revenues grow high enough to cover the costs. As of 31.07.2023 Income has MRR of approximately 40k€ (up by ~+105% when compared to 31.07.2022), active investors are in total of 4017, active investments are in sum of 12.2M and they're all forecasted to grow rapidly.

### Future developments & post balance sheet events

For the upcoming 2023 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 2022. The round was closed post balance sheet date in September 2023 raising the equity to a total of -68 822€. At the same date, there is still unconverted equity instruments in sum of 413 500€, which, if converted, would result the equity to be in sum of 344 678€. Mainly existing investors participated in the round and the company is looking to start another fundraiser still in 2023 to accelerate its growth.

### Other notes

The company has no separate principles, targets or activities in place to mitigate risks arising from financial instruments, since their effect on the company's own overall outcome is negligible. Risks related to currencies and their effect on the partners' loan portfolios' collateral are taken into account when calculating the offered refinancing rate.

Company's main business activity started after the beginning of Covid-19 pandemic, so it is difficult to evaluate the effect of it on the company.

Russia began a full military invasion against Ukraine's sovereignty on 24.02.2022. Income Company OÜ evaluates this as a non-corrective post-balance sheet event. As of 31.12.2022 it has not had a direct effect on Income Company OÜ's activities or Estonia as whole and it is also difficult to evaluate how it might in the future. As an indirect effect we can see investors investing more carefully in general, which result in slower growth rate for Income Company.

## The annual accounts

### Statement of financial position

(In Euros)

	31.12.2022	31.12.2021	Note
Assets			
Current assets			
Cash and cash equivalents	1 513	24 591	2
<b>Receivables and prepayments</b>	<b>75 170</b>	<b>79 529</b>	
Accounts receivable	65 129	14 496	
Receivables from related parties	0	804	16
Tax prepayments and receivables	0	34 796	3
Loan receivables	6 500	8 837	
Other receivables	12	0	
Prepayments	3 529	20 596	
<b>Total current assets</b>	<b>76 683</b>	<b>104 120</b>	
Non-current assets			
<b>Investments in subsidiaries and associates</b>	<b>2 501</b>	<b>2 501</b>	
Shares of subsidiaries	2 501	2 501	4
Property, plant and equipment	3 467	5 088	5
Intangible assets	590 827	623 369	6
<b>Total non-current assets</b>	<b>596 795</b>	<b>630 958</b>	
<b>Total assets</b>	<b>673 478</b>	<b>735 078</b>	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	24 052	33 000	7
<b>Payables and prepayments</b>	<b>665 417</b>	<b>749 714</b>	
Trade payables	228 826	367 075	
Employee payables	42 943	53 171	
Tax payables	46 472	27 844	3
Other payables	4 176	1 624	
Other received prepayments	343 000	300 000	8
<b>Provisions</b>	<b>15 467</b>	<b>17 000</b>	
Other provisions	15 467	17 000	
<b>Total current liabilities</b>	<b>704 936</b>	<b>799 714</b>	
Non-current liabilities			
Loan liabilities	0	95 400	7
<b>Payables and prepayments</b>	<b>0</b>	<b>550</b>	
Other payables	0	550	
<b>Provisions</b>	<b>13 492</b>	<b>2 665</b>	
Tax provision	13 492	2 665	
<b>Total non-current liabilities</b>	<b>13 492</b>	<b>98 615</b>	
<b>Total liabilities</b>	<b>718 428</b>	<b>898 329</b>	

Equity			
Issued capital	11 255	10 000	8
Other reserves	2 099 855	1 006 303	
Retained earnings (loss)	-1 200 554	0	
Annual period profit (loss)	-955 506	-1 179 554	
<b>Total equity</b>	<b>-44 950</b>	<b>-163 251</b>	
<b>Total liabilities and equity</b>	<b>673 478</b>	<b>735 078</b>	

## Income statement

(In Euros)

	2022	2021	Note
Revenue	222 400	86 720	9
Raw materials and consumables used	-411 866	-415 187	10
Other operating expense	-210 312	-245 823	11
Employee expense	-444 792	-518 191	12
Depreciation and impairment loss (reversal)	-110 258	-59 897	5,6
Other expense	-385	-12 888	13
<b>Operating profit (loss)</b>	<b>-955 213</b>	<b>-1 165 266</b>	
Interest income	545	414	14
Interest expenses	-838	-14 702	15
<b>Profit (loss) before tax</b>	<b>-955 506</b>	<b>-1 179 554</b>	
<b>Annual period profit (loss)</b>	<b>-955 506</b>	<b>-1 179 554</b>	

## Notes

### Note 1 Accounting policies

#### General information

The financial statements of Income Company OÜ for 2022 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)

	31.12.2022	31.12.2021
Bank account	979	24 170
Income marketplace account	534	421
<b>Total cash and cash equivalents</b>	<b>1 513</b>	<b>24 591</b>

### Note 3 Tax prepayments and liabilities

(In Euros)

	31.12.2022	31.12.2021	
	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	16 095	32 927	0
Personal income tax	3 254	0	4 763
Social tax	11 181	0	8 324
Contributions to mandatory funded pension	276	0	333
Unemployment insurance tax	404	0	591
Interest	24	0	0
Other tax prepayments and liabilities	15 237	0	13 833
Prepayment account balance		1 869	
<b>Total tax prepayments and liabilities</b>	<b>46 471</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 (%)	
				31.12.2021	31.12.2022
202033230Z	Income Id Spv Pte. Ltd	Singapore	Financial activities	100	100
16117827	Income EST SPV OÜ	Estonia	Financial activities	100	100

Shares of subsidiaries, detailed information:			
Name of subsidiary	31.12.2021	31.12.2022	
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	
<b>31.12.2020</b>		
Carried at cost	0	0
Accumulated depreciation	0	0
<b>Residual cost</b>	0	0
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>	5 088	5 088
Acquisitions and additions	1 477	1 477
Depreciation	-3 098	-3 098
<b>31.12.2022</b>		
Carried at cost	9 639	9 639
Accumulated depreciation	-6 172	-6 172
<b>Residual cost</b>	3 467	3 467

## Note 6 Intangible assets

(In Euros)

			Total
	Development expenditures	Computer software	
<b>31.12.2020</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
Acquisitions and additions	0	74 618	74 618
Depreciation	-18 560	-88 600	-107 160
<b>31.12.2022</b>			
Carried at cost	123 727	631 083	754 810
Accumulated depreciation	-36 987	-126 996	-163 983
<b>Residual cost</b>	86 740	504 087	590 827

## Note 7 Loan commitments

(In Euros)

	31.12.2022	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>	24 052	24 052						
<b>Loan commitments total</b>	24 052	24 052						
	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				16

## Note 8 Share capital

(In Euros)

	31.12.2022	31.12.2021
Share capital	11 255	10 000

## Note 9 Net sales

(In Euros)

	2022	2021
Net sales by geographical location		
Net sales in European Union		
Finland	12 000	5 444
Latvia	5 700	937
Bulgaria	18 556	0
Cyprus	20 140	0
Estonia	13 814	0
<b>Total net sales in European Union</b>	<b>70 210</b>	<b>6 381</b>
Net sales outside of European Union		
Singapore	107 833	50 873
Brazil	29 634	29 466
Colombia	9 973	0
Indonesia	4 750	0
<b>Total net sales outside of European Union</b>	<b>152 190</b>	<b>80 339</b>
<b>Total net sales</b>	<b>222 400</b>	<b>86 720</b>
Net sales by operating activities		
Financial services intermediation	208 150	86 720
Rental services	14 250	0
<b>Total net sales</b>	<b>222 400</b>	<b>86 720</b>

## Note 10 Goods, raw materials and services

(In Euros)

	2022	2021
IT Support and maintenance	118 542	66 809
LO and investor onboarding costs	197 078	219 353
Other services purchased	90 769	123 487
Other	5 477	5 538
<b>Total goods, raw materials and services</b>	<b>411 866</b>	<b>415 187</b>

## Note 11 Miscellaneous operating expenses

(In Euros)

	2022	2021
Leases	31 684	34 950
Miscellaneous office expenses	6 932	5 818
Travel expense	1 350	2 609
Provisions related expense	27 137	7 428
Accounting services	9 864	16 981
Legal services	17 962	57 979
Bank services	62 835	35 078
Advertising	32 419	59 740
Other	20 129	25 240
<b>Total miscellaneous operating expenses</b>	<b>210 312</b>	<b>245 823</b>

## Note 12 Labor expense

(In Euros)

	2022	2021
Wage and salary expense	329 288	386 505
Social security taxes	112 358	129 094
Other	3 146	2 592
<b>Total labor expense</b>	<b>444 792</b>	<b>518 191</b>
Average number of employees in full time equivalent units	8	11
Average number of employees by types of employment:		
Person employed under employment contract	8	10
Member of management or controlling body of legal person	0	1

## Note 13 Other operating expenses

(In Euros)

	2022	2021
Loss from exchange rate differences	385	226
Fines, penalties and compensations	0	12 662
<b>Total other operating expenses</b>	<b>385</b>	<b>12 888</b>

## Note 14 Interest income

(In Euros)

	2022	2021
Interest income from loans	545	414
<b>Total Interest income</b>	<b>545</b>	<b>414</b>

## Note 15 Interest expenses

(In Euros)

	2022	2021
Interest expense from loans	838	14 702
<b>Total interest expense</b>	<b>838</b>	<b>14 702</b>

## Note 16 Related parties

(In Euros)

### Related party balances according to groups

SHORT TERM	31.12.2022	31.12.2021
<b>Receivables and prepayments</b>		
Subsidiaries	3 512	3 883
<b>Total receivables and prepayments</b>	<b>3 512</b>	<b>3 883</b>
<b>Loan commitments</b>		
Subsidiaries	24 052	0
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	33 000
<b>Total loan commitments</b>	<b>24 052</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	155 711	255 443
<b>Total payables and prepayments</b>	<b>155 711</b>	<b>255 443</b>

LONG TERM	31.12.2022	31.12.2021
Loan commitments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	95 400
	<b>0</b>	<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	0	550
<b>Total payables and prepayments</b>	<b>0</b>	<b>550</b>

BOUGHT	2022		2021	
	Services	Non-current assets	Services	Non-current assets
Subsidiaries	3 025	0	2 876	0
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	87 087	48 639	95 621	452 660
<b>Total bought</b>	<b>90 112</b>	<b>48 639</b>	<b>98 497</b>	<b>452 660</b>

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2022	2021
Remuneration	0	19 125

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

In 2022, interest expense on related party loans amounted to 838 (14,702 in 2021) euros.

As of 31.12.2022, the interest liability on loans from related parties was 0 (as of 31.12.2021 567) euros.