

ANNUAL REPORT

beginning of financial year: 01.01.2019

end of the financial year: 31.12.2019

business name: Baltic Finance Service Group OÜ

register code: 14425223

street, building, apartment, farm: Pärnu mnt 27-7

city: Tallinn

county: Harju maakond

postal code: 10141

telephone: +372 56123486

e-mail address: info@bfsgroup.ee

web address: www.bfsgroup.ee

Table of contents

Management report	3
The annual accounts	5
Statement of financial position	5
Income statement	6
Notes	7
Note 1 Labor expense	7
Note 2 Related parties	7
Signatures	8

Management Board Report

General information

Baltic Finance Service Group OÜ (hereinafter – BFSG) is an Estonian company created in early 2018 by a group of skilled banking and fintech professionals to deliver the best tailored services of financial planning, advising, project management and product development on the growing market.

In Y 2019 the company showed a significant growth in sales revenue and profitability, while operating and administrative expenses remained moderate due to a high added value and efficient work of team and collaboration with partners. The supplier costs were low as no capacity increase took place.

Business activity review

The activity of BFSG is focused on the following main areas:

Financial advisory service

Positioned as a financial advisory company, our delivery is backed by profound research and analysis of the situation in focus and surrounding factors. Our team explores the best alternatives, seeks for investment opportunities, uncovers risks, and provides efficient and constructive recommendations. The recommendations are followed by a step-by-step guidance throughout the implementation phase of the solutions provided.

We perform:

- Development of financial models
- Corporate financial advisory
- Deal structuring
- Market research
- Business plans
- Risk analysis and assessment
- Risk management and mitigation tools

Core value for our customers is an outmost practice and knowledge of BFSG Team.

The share of this activity type in the total company sales volume estimates over 10%

Project management

BFSG Team is specializing in planning, coordinating and executing of projects according to specific requirements and constraints of the customer.

Activity scope:

- We perform some or all of the activities related to project work, from conceptualization to completion
- Emphasis is placed on creating and maintaining project milestones and the project schedule
- Our mission is to achieve project goals and objectives within scope, time, and budgetary constraints
- We help to optimize the allocation of resources and integrate the inputs that will drive the completion of the project's objectives
- The project plan identifies tasks, describes how goals will be achieved, and quantifies the resources that are needed
- BFSG Team help to define the overall project budget and specific timelines for task completion.

The share of this activity type in the total company sales volume estimates over 45%

Customer acquisition and lead generation

Due to an impeccable and trusted reputation BFSG is a reliable partner for licensed payment service providers (PSP) and a Point of sale for their ultimate consumers.

The ultimate consumers are:

- Private individuals (EU residents)
- Legal entities (EU and non-EU residents)

Thus acting as a B2B service provider, BFSG is acquiring clients to E-money institutions (EMI) and authorized payment institutions (API), carrying out the following functions:

- Identification
- Verification
- Due diligence
- Risk assessment
- Safeguarding and preservation of data

The share of this activity type in the total company sales volume estimates over 40%

Main operational goals and improvements

During Y 2019 the following important steps were made and tasks performed:

- Company Brand book and identity developed
- Company domain, trademark registered
- Internal rules and procedures generated and improved
- Authorization license [FIU000345](#) on “Trust management and corporate service” granted
- VAT status assigned
- Basic contracts with customers and consumers concluded and performed

Key financial data for Y 2019

Sales revenue 80 905 EUR.

Net profit 49 140 EUR.

Net assets 56 688 EUR.

2 workers at the end of Y 2019

The annual accounts

Statement of financial position

(In Euros)

	31.12.2019	31.12.2018
Assets		
Current assets		
Cash and cash equivalents	41 696	2 548
Receivables and prepayments	4 234	5 000
Total current assets	45 930	7 548
Non-current assets		
Receivables and prepayments	10 758	0
Total non-current assets	10 758	0
Total assets	56 688	7 548
Liabilities and equity		
Equity		
Issued capital	2 500	2 500
Retained earnings (loss)	5 048	0
Annual period profit (loss)	49 140	5 048
Total equity	56 688	7 548
Total liabilities and equity	56 688	7 548

Income statement

(In Euros)

	2019	08.02.2018 - 31.12.2018
Revenue	80 905	5 100
Gross profit (loss)	80 905	5 100
Administrative expense	-31 797	-52
Operating profit (loss)	49 108	5 048
Interest income	67	0
Interest expenses	-35	0
Profit (loss) before tax	49 140	5 048
Annual period profit (loss)	49 140	5 048

Notes

Note 1 Labor expense

(In Euros)

	2019	08.02.2018 - 31.12.2018
Wage and salary expense	9 195	0
Social security taxes	3 107	0
Total labor expense	12 302	0
Average number of employees in full time equivalent units	1	0

Note 2 Related parties

(In Euros)

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2019	08.02.2018 - 31.12.2018
Remuneration	2 582	0