

ANNUAL REPORT

beginning of financial year: 01.01.2022

end of the financial year: 31.12.2022

business name: Benedixus OÜ

register code: 14733195

street, building, apartment, farm: Peterburi tee 53

city: Tallinn

county: Harju maakond

postal code: 11415

telephone: +372 6028445

e-mail address: info@benedixus.com

web address: <https://benedixus.com/>

Table of contents

Management report	3
The annual accounts	4
Statement of financial position	4
Income statement	5
Notes	6
Note 1 Accounting policies	6
Note 2 Cash and cash equivalents	8
Note 3 Receivables and prepayments	9
Note 4 Loan receivables	10
Note 5 Investments in subsidiaries and associates	10
Note 6 Shares of subsidiaries	10
Note 7 Loan commitments	11
Note 8 Payables and prepayments	12
Note 9 Net sales	13
Note 10 Miscellaneous operating expenses	13
Note 11 Labor expense	14
Note 12 Income tax	14
Note 13 Related parties	14
Signatures	15

Management report

In 2022, the company increased the line of classical financial services, asset management and financial consulting. In particular :

- 1) Credit and work with investors from Estonia, other EU countries and Canada was intensified.
- 2) The activity in providing financial advisory services (AMK/CFT advisory, fraud prevention advisory, tax advisory, banking cooperation advisory etc.) was expanded.
- 3) BENEDIXUS PRIVATE I fund is founded for offering to the current investors (the preparatory works on launching the fund are in progress).
- 4) Subsidiaries were set up:

BENEDIXUS ADVISORS OU - which specializes in company registration services and other corporate services (license pending).

BENEDIXUS FINTECH OU - a special purpose holding company that specializes in acquiring stakes in EMI/PSP/MSB and other fintech companies.

In June 2022, the company voluntarily relinquished its license to provide virtual currency-related services. In October 2022, the company was registered as Small Alternative investment fund manager by EFSA. Based on this registration, the company has the right to manage the assets of funds with external investors, with restriction :

- 1) Asset volume of all funds under management - 100 Mio EUR
- 2) No public offer.

In connection with the beginning of war of the Russian Federation against Ukraine, the company has stopped crediting the Ukrainian companies and plans to reduce the portfolios of this jurisdiction. All borrowers are checked for links and risks related to Ukraine.

However, in 2022, due to the war between Russia and Ukraine, the Central Bank of Ukraine imposed a restriction on Ukrainian companies to repay foreign currency loans to non-residents. As a result, our Ukrainian borrowers will not be able to make loan repayments until the restrictions are lifted. Necessary agreements have been reached with investors to restructure the commitments to them. To date, the borrowers and their assets have been affected by the war to a non-critical extent and are effectively solvent. The financial performance of the financial services segment is positive.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2022	31.12.2021	Note
Assets			
Current assets			
Cash and cash equivalents	76 158	9 008	2
Receivables and prepayments	107 575	2 112 106	3
Inventories	1 688	9 680	
Total current assets	185 421	2 130 794	
Non-current assets			
Investments in subsidiaries and associates	5 000	0	5
Receivables and prepayments	2 044 401	0	3
Property, plant and equipment	156	530	
Total non-current assets	2 049 557	530	
Total assets	2 234 978	2 131 324	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	105 300	2 008 628	7
Payables and prepayments	76 402	98 639	8
Total current liabilities	181 702	2 107 267	
Non-current liabilities			
Loan liabilities	1 994 721	104 000	7
Payables and prepayments	151 587	0	8
Total non-current liabilities	2 146 308	104 000	
Total liabilities	2 328 010	2 211 267	
Equity			
Issued capital	75 000	65 000	
Unregistered equity	0	10 000	
Retained earnings (loss)	-154 943	-79 015	
Annual period profit (loss)	-13 089	-75 928	
Total equity	-93 032	-79 943	
Total liabilities and equity	2 234 978	2 131 324	

Income statement

(In Euros)

	2022	2021	Note
Revenue	104 673	13 982	9
Other income	0	408	
Other operating expense	-57 509	-60 575	10
Employee expense	-111 629	-55 670	11
Depreciation and impairment loss (reversal)	-374	-374	
Other expense	-1 596	0	
Operating profit (loss)	-66 435	-102 229	
Interest income	144 330	98 469	
Interest expenses	-107 054	-63 301	
Other financial income and expense	17 867	-1 899	
Profit (loss) before tax	-11 292	-68 960	
Income tax expense	-1 797	-6 968	12
Annual period profit (loss)	-13 089	-75 928	

Notes

Note 1 Accounting policies

General information

The objective of the 2022 annual accounts of Benedixus OÜ is to provide users of the report, who have sufficient financial knowledge to understand the report, with relevant and fairly presented information about the financial position and performance of Benedixus OÜ to enable them to make informed economic decisions. These are condensed financial statements and have been prepared in accordance with the Estonian Financial Reporting Standard. The Estonian Financial Reporting Standard is a set of publicly available financial reporting requirements based on internationally accepted accounting and reporting principles, the basic requirements of which are laid down in the Accounting Act and specified in the Accounting Standards issued by the Accounting Standards Board in accordance with a regulation of the Minister of Finance. The financial statements have been prepared on the assumption that Benedixus OÜ is a going concern and has no intention or need to cease trading.

The financial statements are presented in euros.

Financial assets

A financial asset is an asset that is:

- (a) money;
- (b) a contractual right to receive cash or another financial asset (eg a receivable from a buyer) from another party;
- (c) a contractual right to exchange financial assets with another party on potentially beneficial terms (e.g. positive fair value derivatives);
- (d) an equity instrument of another entity (e.g. an investment in shares of another entity).

Financial assets are initially recognised at cost, which is the fair value of the consideration to be paid for the financial asset. The initial cost includes all transaction costs directly attributable to the acquisition of the financial asset. Financial assets are derecognised when Benedixus OÜ loses the right to the cash flows from the financial asset or when it transfers substantially all the risks and rewards of the financial asset to a third party.

Cash and cash equivalents

Cash and cash equivalents in the financial statements include cash on hand, balances on current accounts (except bank overdrafts) and short-term (generally up to 3 months) highly liquid investments that are convertible into a known amount of cash and which are not subject to a significant risk of changes in market value (e.g. short-term deposits).

Foreign currency transactions and assets and liabilities denominated in a foreign currency

Transactions in foreign currencies, transactions in virtual currencies and financial assets and liabilities denominated in foreign currencies and virtual currencies.

Transactions denominated in a foreign currency are translated at the exchange rates of the European Central Bank on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euro using the official exchange rates of the European Central Bank at the balance sheet date. Exchange differences arising on revaluation are recognised in the economic outturn account as foreign exchange gains/losses.

Transactions fixed in virtual currency are recorded on the basis of the closing rate on the BITSTAMP cryptocurrency exchange on the day of the transaction. Assets and liabilities denominated in virtual currencies are translated into euro at the balance sheet date using the crypto exchange rates prevailing on the BITSTAMP crypto exchange on the balance sheet date. Gains and losses on virtual currency transactions are recognised in the income statement as income and expenses.

Virtual currency assets and liabilities:

- receivables (including receivables from buyers, loans granted) that are settled in virtual currency;
- debts (including debts owed to suppliers, debts owed to contractors, loan obligations, bonds and debentures) that are payable in virtual currency;
- virtual currency, which is accounted for using the fair value method.

Receivables and prepayments

Receivables are receivables (current and non-current receivables (including loan receivables)) arising in the ordinary course of business of Benedixus OÜ. Receivables are valued in the balance sheet on the basis of the amounts likely to be received. The valuation of receivables has been based on an individual assessment of each receivable, taking into account known information about the customer's ability to pay. Receivables are stated at adjusted cost (i.e. nominal value less any write-downs).

Inventories

In accordance with Accounting Interpretation RTT 1 and the purpose of acquiring and holding cryptocurrency, Benedixus OÜ has chosen the following accounting policies for cryptocurrency: Benedixus OÜ recognises both its own and its customers' cryptocurrency as current assets, within inventories.

Cryptocurrencies are carried at fair value. The fair value is the market price of the cryptocurrency at the date of the transaction (the closing price of the BITSTAMP cryptocurrency on the exchange on the day of the transaction).

Gains/losses on the revaluation of liabilities/claims related to operating activities recognised in the profit and loss account at adjusted cost and of virtual currency recognised at fair value are offset and the result is recognised in other operating income/expenses.

Plant, property and equipment and intangible assets

Tangible fixed assets are assets with a cost of EUR 1 000 or more and a useful life of more than one year. Assets with a useful life of more than one year but a cost of less than EUR 1 000 are recorded as low-value inventories until they are brought into use and are charged at 100% to expenses when they are brought into use. Low-value items of inventory written off are accounted for off-balance-sheet.

Tangible fixed assets are initially recognised at cost, being the purchase price plus the costs directly attributable to their acquisition and necessary to bring them to their working condition and location.

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method.

Minimum threshold for the inclusion of fixed assets EUR 1000

Useful life by fixed asset group (in years)

Name of fixed asset group Useful life

Computers and computer systems 3 years

Leases

A finance lease is a lease where all the risks and rewards incidental to ownership of the asset are transferred to the lessee. Ownership may or may not ultimately pass to the lessee.

An operating lease is a lease that is not a finance lease.

Financial liabilities

A financial commitment is a contractual obligation:

(a) to pay cash or other financial assets (e.g. a liability to suppliers) to another party; or

(b) exchange financial assets with another party on potentially unfavourable terms (e.g. negative fair value derivatives).

Financial liabilities are initially recognised at cost, being the fair value of the consideration payable for the obligation. The initial cost includes all transaction costs directly attributable to the acquisition of the liability.

Financial liabilities are carried in the balance sheet at adjusted cost. A financial liability is removed from the balance sheet when it is discharged, cancelled or expires.

Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable.

Revenue from the provision of services is recognized when the service is provided.

Interest and dividend income is recognized when it is probable that the income will be received and the amount can be estimated reliably.

Expense recognition

Expenses are recognized on an accrual basis using the matching principle.

Taxation

Under the Income Tax Act currently in force in Estonia, corporate profits are taxed only on distribution. From 2019, the final income tax rate will depend on the timing and compression of dividend payments. The income tax relating to the payment of dividends is recognised as an expense in the period in which the dividends are declared.

Related parties

A party is considered to be linked if one party either controls the other party or has significant influence over the other party's business decisions.

The related parties of OÜ Benedixus are the management, the significant private owners.

Profit and loss account

The profit and loss account has been drawn up using schedule I. Both in the profit and loss account and in the notes disclosing explanations of the items in the profit and loss account, income is shown as positive amounts and expenses as negative (i.e. with a minus sign) amounts.

Events after the balance sheet date

The recognition in the financial statements of events occurring after the balance sheet date but before the approval of the financial statements depends on whether they are adjusting or non-adjusting. The effects of adjusting events are recognised in the balance sheet and profit and loss account for the year. The effects of non-adjusting events are not recognised in the balance sheet and income statement for the year then ended but are disclosed in the notes, if material.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2022	31.12.2021
Bank accounts	76 158	9 008
Total cash and cash equivalents	76 158	9 008

Note 3 Receivables and prepayments

(In Euros)

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Loan receivables	1 998 224	93 955	1 904 269	4
Other receivables	152 334	12 202	140 132	
Interest receivables	152 334	12 202	140 132	
Prepayments	1 418	1 418		
Deferred expenses	1 118	1 118		
Other paid prepayments	300	300		
Total receivables and prepayments	2 151 976	107 575	2 044 401	

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	200	200		
Accounts receivables	200	200		
Loan receivables	2 081 285	2 081 285		4
Other receivables	28 930	28 930		
Interest receivables	28 930	28 930		
Prepayments	1 659	1 659		
Deferred expenses	1 659	1 659		
Total receivables and prepayments	2 112 106	2 112 106		

Note 4 Loan receivables

(In Euros)

	31.12.2022	Allocation by remaining maturity		Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years			
Loan receivables	1 998 224	93 955	1 904 269	5-6%	EUR, USD	2023-2026
Loan receivables	1 998 224	93 955	1 904 269			

	31.12.2021	Allocation by remaining maturity		Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years			
Loan receivables	2 081 285	2 081 285		5-6%	EUR, USD	2022
Loan receivables	2 081 285	2 081 285				

Note 5 Investments in subsidiaries and associates

(In Euros)

	31.12.2022	31.12.2021
Shares of subsidiaries	5 000	0
Total investments in subsidiaries and associates	5 000	0

Note 6 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
16622206	BENEDIXUS ADVISORS OÜ	Estonia	Business advice, etc management consultancy	0	100
16627534	BENEDIXUS FINTECH OÜ	Estonia	Business advice, etc management consultancy	0	100

Acquired ownership interests:			
Name of subsidiary	Acquired ownership interest %	Acquisition date	Cost of acquired ownership interest
BENEDIXUS ADVISORS OÜ	100	28.11.2022	2 500
BENEDIXUS FINTECH OÜ	100	06.12.2022	2 500

Note 7 Loan commitments

(In Euros)

	31.12.2022	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Non-current loans							
Non-current loans	1 996 021	1 300	1 994 721		3%	EUR, USD	2023-2026
Non-current loans total	1 996 021	1 300	1 994 721				
Non-current bonds							
Non-current bonds	104 000	104 000	0		4,6%	EUR	2023
Non-current bonds total	104 000	104 000					
Loan commitments total	2 100 021	105 300	1 994 721				
	31.12.2021	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Non-current loans							
Non-current loans	2 008 628	2 008 628			3%	EUR, USD	2022
Non-current loans total	2 008 628	2 008 628					
Non-current bonds							
Non-current bonds	104 000		104 000		4,6%	EUR	2023
Non-current bonds total	104 000		104 000				
Loan commitments total	2 112 628	2 008 628	104 000				

Note 8 Payables and prepayments

(In Euros)

	31.12.2022	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	2 675	2 675	
Employee payables	10 497	10 497	
Related parties payables	39 277	39 277	
Tax payables	6 248	6 248	
Other payables	167 712	16 125	151 587
Interest payables	167 712	16 125	151 587
Total payables and prepayments	227 989	76 402	151 587
	31.12.2021	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	1 552	1 552	
Employee payables	13 689	13 689	
Related parties payables	296	296	
Tax payables	6 464	6 464	
Other payables	60 999	60 999	
Interest payables	60 999	60 999	
Liabilities to customers EUR, USD	14 002	14 002	
Liabilities to customers in virtual currency	1 637	1 637	
Total payables and prepayments	98 639	98 639	

Note 9 Net sales

(In Euros)

	2022	2021
Net sales by geographical location		
Net sales in European Union		
Estonia	4 800	0
Cyprus	68 500	0
Other European Union net sales	633	0
Total net sales in European Union	73 933	0
Net sales outside of European Union		
United Kingdom	30 740	0
Ukraine	0	12 000
Other net sales outside of European Union	0	1 982
Total net sales outside of European Union	30 740	13 982
Total net sales	104 673	13 982
Net sales by operating activities		
Financial services	104 673	12 000
Virtual currency exchange service	0	1 982
Total net sales	104 673	13 982

Note 10 Miscellaneous operating expenses

(In Euros)

	2022	2021
Leases	-2 216	-1 860
Training expense	-1 205	0
Legal, accounting and auditing services	-28 659	-14 893
Costs related to the application of due diligence measures under the law	-7 178	-6 552
Software charges	-5 712	-8 345
Bank and payment institution charges	-8 535	-17 967
Communication services	-1 183	-2 387
Hosting services	-1 319	-5 981
Cryptocurrency exchange platform fees	0	-1 158
Miscellaneous	0	-671
Other	-1 502	-761
Total miscellaneous operating expenses	-57 509	-60 575

Note 11 Labor expense

(In Euros)

	2022	2021
Wage and salary expense	-86 680	-41 796
Social security taxes	-24 949	-13 874
Total labor expense	-111 629	-55 670
Average number of employees in full time equivalent units	3	2

Note 12 Income tax

(In Euros)

The income tax expense for the reporting period is EUR 1 797 (2021a. EUR 6 968).
Income tax has been paid on income earned abroad (interest income).

Note 13 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2022	31.12.2021
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	39 277	296
Total payables and prepayments	39 277	296

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2022	2021
Remuneration	45 662	39 287