

Q&A on the Group guarantee and the Group structure

Does the Group guarantee involve all the companies in the Group, including those that are not listed on the PeerBerry platform?

Yes, into the Group guarantee provided by both the Aventus Group and the Gofingo Group are involved all group-owned companies in both Groups, including those companies that are not listed on the PeerBerry platform.

What is the legal mechanism for the Group guarantee?

The Group guarantee model is based on the principle of "All for one, one for all". Cross-guarantee agreements have been concluded between all companies in the Group. These are internal documents with non-disclosure provisions between Aventus Group and Gofingo Group companies that both Groups have the right not to disclose.

Since Group guarantee contracts have non-disclosure provisions, how can investors be sure that such contracts are concluded between the companies of the Groups?

The Memorandum of the Aventus Group on the cross-corporate guarantee and the Memorandum of the Gofingo Group on the cross-corporate guarantee confirm that the Group's guarantee agreements are concluded between companies in both Groups. These documents are signed by the CEO of the Aventus Group and by the CEO of the Gofingo Group and are publicly available on the PeerBerry website.

Why the Memorandum of Aventus Group/Gofingo Group on the cross-corporate guarantee, which is available publicly, only names companies that are partnering with PeerBerry?

A Group guarantee is not a mandatory service. Both Aventus Group and Gofingo Group undertake the obligation to provide a Group guarantee to investors at their own internal decision based on the cross-corporate guarantee internal agreements with the primary focus to ensure the quality and business stability of those companies that are partnering with PeerBerry.

Coming P2P regulation is requiring and will require lenders (loan originators) who list loans on the platform to meet the requirements of the platform regulator. Each loan originator has and will have to meet criteria that prove the lender's current and future ability to meet its obligations to investors. This is one of the reasons why the Memorandum on the cross-corporate guarantee available to the public includes companies that partner with PeerBerry first.

Another reason for the Memorandum on the cross-corporate guarantee between those companies that list loans on PeerBerry - their equity is more than enough to cover all the liabilities to PeerBerry investors in a sufficiently short time. The debt to P2P of both Aventus Group and Gofingo Group is relatively small compared to their total loan portfolios. Apart from the P2P, both Groups do not use any other sources of funding. PeerBerry business partners borrow only up to 45% of their loan portfolio via P2P - the majority of loans are issued using their own funds.

In the case of a Group guarantee, what would be the process? Which company in the Group would guarantee to another company in that particular case?

According to the Aventus Group and Gofingo Group cross-corporate guarantee model, all group companies are guarantors for all other group companies. In the case of a Group guarantee, the management of the group decides which companies specifically to involve in the particular case. The best possible solution would be made in the case of a Group guarantee - one, two, five, or even all companies in the Group can be involved to cover the liabilities depending on the particular case. The liabilities of the Group guarantee case company would be distributed within the Group in such a way that no company would be significantly affected. All investors would be repaid in full, with accrued interests. It is a flexible solution inside the companies of the Group that 100% works in the favor of investors.

The loan originator Senmo in Vietnam is owned by both Aventus Group and Gofingo Group. Which Group or which company guarantees for Senmo owned by both Groups?

The Vietnamese company Senmo is guaranteed by both the Aventus Group and the Gofingo Group, as the Vietnamese company belongs to both groups.

What is the role of PeerBerry in terms of the Group guarantee?

First of all, PeerBerry's role is preventive - to take all possible precautionary measures to prevent such a situation where a Group guarantee would be needed to apply:

- As written above, PeerBerry partners borrow only up to 45% of their total loan portfolio via P2P (the rest of the loans are issued using their own funds). PeerBerry controls the level of debt of all partners so that it never exceeds the set limit. If the borrowing level of partners reaches the set limit, the loans of that partner are not listed on the platform for some time (until the situation improves).
- PeerBerry partners accumulate 10% (and more) cash reserve of the loan portfolio. PeerBerry has access to the partner's accumulated funds reserve and can use it at any time to repay loans to investors.

PeerBerry's responsibility is to support investors in all matters related to PeerBerry's business partners and investments in the platform.

Why both Aventus Group and Gofingo Group do not provide consolidated financial statements for the whole group of companies?

Both the Aventus Group and the Gofingo Group operate according to the same business model, which is not subject to the obligation to prepare consolidated group financial statements. All companies in both Groups operate as separate legal entities that prepare separate financial statements under local laws and regulatory requirements in different countries. We want to emphasize that all companies in both Groups must audit their finances, and it is very seriously controlled on the local countries level. In 2019, the audit was not mandatory only in Kazakhstan and the Czech Republic, but from this year the financial statements will be audited in these countries as well.

Aventus Group was investigating the possibilities of the consolidation of the finances of all Group companies, also the audit of the consolidated financial report, but due to differences in laws and taxes in different countries, this process is so complex that the price of the whole process is inadequate to the benefits that the Group would get from this consolidation.

On the other hand, it would not even be possible to fully consolidate the finances of all Aventus Group companies since some companies are partly co-owned by other legal entities, as in the case of PeerBerry loan originator Senmo, when the Vietnamese company is co-owned by the Gofingo Group.

Under Aventus Group and Gofingo Group's business models and laws, operational and financial consolidation is not mandatory for both Groups. Aventus Group and Gofingo Group companies do not issue bonds, do not participate in stock markets, both Groups operate in the non-banking sector, so both Groups simply do not need it. If the laws would change and it was required otherwise the management of both Groups would follow requirements set by the law.

According to PeerBerry operations and future regulatory requirements, PeerBerry is required to provide investors with the financial statements of those loan originators that list the loans on the platform. The financial statements 2019 of PeerBerry business partner are available to the public on the PeerBerry website.

We would like to draw your attention once again to the fact that the Group guarantee is not a mandatory service. A Group guarantee is an additional service that is not a subject to regulation. Therefore, the regulator also will not require consolidated Group financial statements in the future.

What is the Aventus Group? What is a legal base for Aventus Group to be positioned as a group of companies?

Aventus Group is a group of separate legal entities that operate under the Aventus Group name. Ownership of those companies makes them a group of companies.

Aventus Group companies are related by the ultimate beneficial owner (UBO) or direct sole shareholder, and by the related persons to UBO/or direct sole shareholder. Related persons are also ultimate beneficial owners of some companies that operate under the Aventus Group name. Please be informed/reminded that related persons from legal and tax perspective means closest family members vertically and horizontally up to a fourth degree. UBO is a person who holds 25% of share capital (or more) directly in the company and indirectly in the subsidiary company.

If Aventus Group is a trademark (not a legal entity), why separate legal entities are positioned under the brand Aventus Group?

Aventus Group is a registered trademark that belongs to one of the group companies. Every legally related company has the legal right to use the Aventus Group trademark. Each lending company operates under its own local brand in its own local country. Local brands define the nature of the services provided to customers. The Aventus Group brand is used to communicate about all legally related companies to the public as a whole.

If Aventus Group is a trademark (not a legal entity), why Andrejus Trofimovas position himself as a CEO of Aventus Group?

Andrejus Trofimovas is the CEO of several companies of the group that legally operate under the Aventus Group brand. Being the main decision maker in the group of companies, he has the full legal right to use the Aventus Group brand in his signature and to position other companies that work under the brand Aventus Group. The Aventus Group trademark is registered and owned by Aventus Capital, LLC, whose sole shareholder is Andrejus Trofimovas.

As Andrejus Trofimovas is the main shareholder of companies that operate under the Aventus Group name, is he the right signatory to sign such a document as the Memorandum of Aventus Group on the cross-corporate guarantee? Shouldn't the CEOs of all related companies sign the Group guarantee?

Yes, Andrejus Trofimovas has the full right to sign such a document as the Memorandum of the Aventus Group on the cross-corporate guarantee. He is legally authorized by the power of attorney to represent all related companies operating under the Aventus Group brand. The shareholder has higher power than the CEO of the company. According to the companies' statutes, the CEOs are accountable to the shareholder (s). The shareholder (s) has the right to hire/fire the CEO, motivate or impose penalties and make business strategy-related and important decisions.

The internal cross-guarantee agreements, which are concluded between all companies in the Group, are signed by the CEOs of all related companies. Cross-guarantee agreements are internal documents with non-disclosure provisions between companies that operate under the Aventus Group brand and these companies have the right not to disclose it.

The Memorandum of the Aventus Group on the cross-corporate guarantee, signed by the CEO of Aventus Group (the main shareholder and decision maker in the Group) proves that internal cross-guarantee agreements are concluded between all companies in the Group.

What/who is the management of the Aventus Group companies?

The Aventus Group management is shareholders and CEOs of the companies that operate under the Aventus Group brand. The main decision-maker in the Group is Andrejus Trofimovas, who has full rights to represent all legal entities that operate under the Aventus Group brand.

The base, the meaning, and the importance of the Group guarantee

Memorandum of the group guarantee is not a legally binding document but represents legally binding repayment guarantees between companies that operate under the Aventus Group name and under the Gofingo Group name. Repayment guarantees are internal business agreements that contain financial data and other commercial secret information. Due to this reason repayment guarantees are not publicly disclosed. Please be reminded that such the group guarantee is not required by Latvian laws, EU, or international private law, and it is concluded by the Aventus Group and Gofingo Group own decision as an additional layer of security for the investors.

Measures that PeerBerry, Aventus Group and Gofingo Group apply on the purpose to ensure business sustainability and investors protection

Each business with the long-term strategy mindset and competent people inside will first put all efforts to prevent business and its clients from possible threats.

Please be informed and reminded that PeerBerry currently has the triple-layer security for investors:

First:

All claims on the PeerBerry platform are with the buyback guarantee. It means that the Intermediary company is obliged according to the assignment agreement (automatically generated to every claim found under “My investments”) to pay the buyback price of the claim with interest to the client/investor of PeerBerry.

PeerBerry and the Intermediary company are constantly monitoring and upkeeping debt levels of the Loan originator company.

Also, loan cash flow is segregated from the other assets of the Loan originator and Intermediary company.

We remind you that PeerBerry has been cooperating with the regulator in Latvia FCMC since spring 2020. According to the requirements of the regulator, the scoring model, which includes 23 evaluation points/criteria, is applied for each loan originator. **All PeerBerry loan originators fall into the low and average risk segment.** We provide this info to the regulator regularly.

Second:

As an additional layer of security, the Loan originator always undertakes to pledge all of its property rights with claims for present and future loans and receivables in the amount of Loan, interest on the use of Loan, penalties, and fines, if any, accrued under the Loan agreement between the Loan originator and the Intermediary company.

Third:

There are repayment guarantees concluded by Loan originators (Debtors), Loan originators (Guarantors), and Intermediary companies (Creditors). It means that Guarantors guarantee the Intermediary companies (Creditors) for the liabilities of the Loan originators under the Loan agreements between the Loan originators and the Intermediary companies. Repayment guarantees are internal business agreements.

After the license – fourth layer:

The rights of investors will be protected under the laws of the Republic of Latvia and EU and the statutory class of investors entitled to compensation of 90% of the invested amount up to EUR 20 000.

PeerBerry and business partners goal is not to come to the Group guarantee case. For this together with our partners, we take/apply several preventive measures.

- PeerBerry partners borrow only up to 45% of their loan portfolio via P2P (the rest of the loans are issued using their own funds). PeerBerry controls the level of debt of partners so that it never exceeds the set

limit. If the LO borrowing level reaches our set limit, the loans of that LO are not listed on the platform for some time (until the situation improves).

- PeerBerry partners constantly accumulate a 10% (and more) cash reserve of the loan portfolio. PeerBerry can use this reserve at any time to repay loans to investors.
- The total loan portfolio of the companies that work under the Aventus Group name, at the end of 2020 amounted to EUR 84.83 million. Aventus Group's total debt to PeerBerry investors was EUR 23.15 million at the end of 2020 (the debt to P2P is relatively small and we constantly control this level). Other PeerBerry partners maintain similar proportions. Aventus Group companies and Gofingo group companies in 2020 earned significant profits.
- The default rate of PeerBerry business partners in 2020 was 6-7%. Buyback on the PeerBerry platform accounts for only about 1.5-2% of all loans listed on the platform. No defaulted loans on the platform since the beginning of PeerBerry operations.

In what cases/situations the Group guarantee would be applied?

In all cases when the company is not able to implement the buyback to the investors after 60 days of the loan delay.

How the Group's guarantee step into action?

According to the Aventus Group and Gofingo Group cross-corporate guarantee model, all group companies are guarantors for all other group companies. In the case of a Group guarantee, the management of the group decides which companies(-ies) specifically to involve in the particular case. The best possible solution would be made in the case of a Group guarantee - one, two, five, or even all companies in the Group can be involved to cover the liabilities depending on the particular case.

In the Group guarantee case, the liabilities of the company (Debtor) would be distributed within the Group in such a way that no company would be significantly affected. All investors would be repaid in full, with accrued interests. It is a flexible solution inside the companies of the Group that 100% works in the favor of investors.

What steps should investors take if the Group guarantee would not be respected?

The Assignment agreement(-s) is the most important document to investors. According to the Assignment agreement(-s) investors can directly enforce claims against Intermediary company(-ies) and Loan originator(-s). Loan originators are legally obliged to help each other to cover the debts to the investors according to the internal cross-guarantee repayment agreements.

PeerBerry takes all the responsibility is to support investors in all matters related to PeerBerry's business partners and investments in the platform.