

Company Number 597719

**QUANTROM P2P LENDING DAC**  
**DIRECTORS' REPORT**  
**AND**  
**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

# Quantrom P2P Lending DAC

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# Quantrom P2P Lending DAC

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## COMPANY INFORMATION

<b>Directors</b>	Gustav Jensen (Danish) Lars Peter Svane (Danish)
<b>Company secretary</b>	Doran & Minehane Limited <i>(appointed 24 October 2018)</i> 59/60 O'Connell Street Limerick Ireland V94 E95T  Natsec Limited <i>(resigned 24 October 2018)</i> 1st Floor 10-11 Exchange Place I.F.S.C. Dublin 1 Ireland
<b>Registered office</b>	59/60 O'Connell Street Limerick Ireland V94 E95T
<b>Company number</b>	597719
<b>Investment Manager</b>	Quantrom Limited 59/60 O'Connell Street Limerick Ireland V94 E95T
<b>Accountants &amp; Transfer Agent</b>	Doran & Minehane Limited 59/60 O'Connell Street Limerick Ireland V94 E95T
<b>Legal advisor</b> <i>(Irish law)</i>	Philip Lee 7/8 Wilton Terrace Dublin 2 Ireland
<b>Banker</b>	Bank of Ireland College Green Branch 2 College Green Dublin 2 Ireland D02 VR66

# Quantrom P2P Lending DAC

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## DIRECTORS' REPORT

The Directors present the annual report and unaudited financial statements for the financial year ended 31 December 2018 for Quantrom P2P Lending DAC (the "Company").

### **Principal activities, review of the business and future developments**

The Company was incorporated on 6 February 2017. The Company's registered office is 59/60 O'Connell Street Limerick, V94 E95T, Ireland.

The principal activity of the Company is investment in a diversified portfolio of direct loans or tranches of loans via a number of peer-to-peer lending platforms in the European Economic Area.

At 31 December 2018, the investment assets of the Company consist of loans receivable held through four peer-to-peer lending platforms, namely, Bondora Capital OÜ ("Bondora"), Estateguru OÜ ("EstateGuru"), Fellow Finance Plc ("Fellow Finance") and AS Mintos Marketplace ("Mintos").

During the year, the Directors noted that for the purposes of pursuing the business objective of the Company, the capital of the Company did not meet the optimal equity and debt funding mix for the Company. In October 2018, the Directors resolved to launch a Profit Participating Note ("PPN") program to issue an unlimited amount of unsecured Profit Participating Notes ("PPN's" or the "Notes") with the intention that the PPN program will be the sole mechanism for investment into the Company.

Existing shareholders of the Company were given the option to convert their shares in the Company to the Notes.

On 20 December 2018, the reduction in share capital was approved by all shareholders of the Company.

Prior to the reduction, the Company had two share classes in issue, Ordinary Shares and Class B Ordinary Participating Shares.

The reduction in share capital resulted in the Ordinary Shares of the Company being reduced to EUR 100 by cancelling and extinguishing all but EUR 100 of the Company's Ordinary Shares of EUR 1 each and reducing the Class B Ordinary Participating Shares to EUR Nil by cancelling and extinguishing all Class B Ordinary Participating Shares of EUR 1 each.

On 31 December 2018, all of the Class B Ordinary Participating Shares were repurchased by the Company and Notes were issued to existing shareholders exercising their option.

The Notes are unsecured profit participating notes. The price of the Notes is equal to the principal (to the extent recoverable from the net assets of the Company attributable to the Notes) and accrued interest on the Notes at each valuation point.

Interest on the Notes is computed at each valuation point as an amount equal to the profits for accounting purposes (from valuation Point to valuation Point) of the Company, before deduction of interest on the Notes.

### **Principal risks and uncertainties**

The Directors consider that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial positions:

- The key asset of the Company is the investment in direct loans via peer-to-peer lending platforms. If the loans were to become impaired, this may have significant adverse impact on the Company.

The company secretary has no interest in the shares of the Company. At 31 December 2018, Gustav Jensen holds 100 Ordinary Shares in the Company.

# Quantrom P2P Lending DAC

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## DIRECTORS' REPORT *(continued)*

### **Directors and company secretary**

The Directors of the Company during the year ended 31 December 2018 and to date are:

- Gustav Jensen; and
- Lars Peter Svane

Doran & Minehane Limited acted as secretary from 24 October 2018 to date. Prior to this, Natsec Limited acted as secretary.

### **Results for the year**

The statement of comprehensive income for the year ended 31 December 2018, together with the statement of financial position at that date are set out on pages 4 to 5 of the financial statements, herein. The profit for the year amounted to EUR 151,207 (2017: EUR 29,540). Total equity at 31 December 2018 amounted to EUR 2,776 (2017: EUR 1,209,004). Refer to principal activities, review of the business and future developments.

### **Dividends**

The Directors paid no dividends during the year (2017: EUR Nil).

### **Going concern**

The unaudited financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue in operation and are satisfied that the Company has the resources to continue in business for the foreseeable future.

### **Political donations**

The Company made no political donations during the year.

### **Accounting records**

The Directors believe that they have complied with the requirements of section 281 to 285 of the Companies Act, 2014 with regard to keeping adequate accounting records by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at 59/60 O'Connell Street, Limerick, V94 E95T, Ireland.

### **Subsequent events**

Up to the date of approval of these financial statements, there were no material subsequent events affecting the Company which necessitate disclosure in or revision of the figures included in the financial statements.

On behalf of the board of directors:

Gustav Jensen  
Director

Lars Peter Svane  
Director

4 September 2019

# Quantrom P2P Lending DAC

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## DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the Directors to prepare financial statements for each financial period. Under the law, the Directors have elected to prepare the financial statements in accordance with applicable law and Generally Accepted Accounting Practice ("GAAP"), specifically Financial Reporting Standard 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), applying section 1A of that Standard.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that financial period and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial positions and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of directors:

Gustav Jensen  
Director

Lars Peter Svane  
Director

4 September 2019

# Quantrom P2P Lending DAC

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

		<b>For the year ended 31 December 2018 EUR</b>	For the period from 6 February 2017 (date of incorporation) to 31 December 2017 EUR
Turnover	4	<b>247,102</b>	56,767
<b>Gross profit</b>		<b>247,102</b>	56,767
Referral fees	6	<b>(38,058)</b>	(17,690)
Management fees	6	<b>(17,634)</b>	(2,759)
Administrative expenses	5	<b>(15,512)</b>	(2,532)
Performance fees	6	<b>(3,085)</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>172,813</b>	33,786
Tax on profit on ordinary activities	7	<b>(21,606)</b>	(4,246)
<b>Profit for the year/period after taxation</b>		<b>151,207</b>	29,540

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses in the financial year or the preceding financial period other than those dealt with in the statement of comprehensive income as set out above.

The financial statements were approved by the Board of Directors on 4 September 2019 and signed on its behalf by:

**Gustav Jensen**  
Director

**Lars Peter Svane**  
Director

*The accompanying notes form an integral part of these unaudited financial statements.*

# Quantrom P2P Lending DAC

## UNAUDITED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31 December 2018 EUR	31 December 2017 EUR
<b>Current assets</b>			
Loans receivable	8	2,373,539	1,228,910
Receivables and prepayments		36,997	1,056
Cash at bank	9	32,408	6
<b>Total current assets</b>		<b>2,442,944</b>	<b>1,229,972</b>
<b>Creditors: amounts falling due within one year</b>			
Notes payable	10	(1,952,585)	-
Creditors	11	(70,993)	(20,968)
<b>Net current assets</b>		<b>419,366</b>	<b>1,209,004</b>
<b>Total assets less creditors: amounts falling due within one year</b>		<b>419,366</b>	<b>1,209,004</b>
<b>Creditors: amounts falling due after one year</b>			
Notes payable	10	(416,590)	-
<b>Net assets</b>		<b>2,776</b>	<b>1,209,004</b>
<b>Equity</b>			
Called up share capital	12	100	1,124,861
Share premium account		-	54,603
Retained earnings		2,676	29,540
<b>Total shareholders' equity at 31 December</b>		<b>2,776</b>	<b>1,209,004</b>

The unaudited financial statements have been prepared in accordance with Financial Reporting Standard 102: the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), applying section 1A of that Standard, and applicable law.

We, as Directors of Quantrom P2P Lending DAC, state that:

- the Company is availing itself of the exemption provided for by chapter 15 of part 6 of the Companies Act 2014;
- the Company is availing itself of the exemption on the grounds that the conditions specified in section 358 are satisfied;
- the shareholders of the Company have not served a notice on the Company under section 334(1) in accordance with section 334(2);
- we acknowledge the Company's obligations under the Companies Act 2014, to keep adequate accounting records and prepare financial statements which give a true and fair view of the assets, liabilities and financial position of the Company at the end of its financial year and of its profit or loss for such a year and to otherwise comply with the provisions of the Companies Act 2014 relating to financial statements so far as they are applicable to the Company.

The financial statements were approved by the Board of Directors on 4 September 2019 and signed on its behalf by:

Gustav Jensen  
Director

Lars Peter Svane  
Director

*The accompanying notes form an integral part of these unaudited financial statements.*



## Quantrom P2P Lending DAC

### UNAUDITED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

<b>2018</b>	<b>Called up share capital EUR</b>	<b>Share premium account EUR</b>	<b>Retained earnings EUR</b>	<b>Total equity EUR</b>
At 1 January 2018	1,124,861	54,603	29,540	1,209,004
Capital reduction	(1,124,761)	(54,603)	(178,071)	(1,357,435)
Profit for the period after taxation	-	-	151,207	151,207
At 31 December 2018	<b>100</b>	<b>-</b>	<b>2,676</b>	<b>2,776</b>
<b>2017</b>	<b>Called up share capital EUR</b>	<b>Share premium account EUR</b>	<b>Retained earnings EUR</b>	<b>Total equity EUR</b>
At 6 February 2017	-	-	-	-
Issued share capital	1,124,861	54,603	-	1,179,464
Profit for the period after taxation	-	-	29,540	29,540
At 31 December 2017	<b>1,124,861</b>	<b>54,603</b>	<b>29,540</b>	<b>1,209,004</b>

*The accompanying notes form an integral part of these unaudited financial statements.*

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 1. FORMATION AND PRINCIPAL ACTIVITY

Quantrom P2P Lending DAC (the “Company”), was incorporated on 6 February 2017 with a company registration number 597719. The principal activity of the Company is investment in a diversified portfolio of direct loans or tranches of loans via a number of peer-to-peer lending platforms in the European Economic Area. The registered office of the Company is 59/60 O’Connell Street, Limerick, V94 E95T, Ireland.

At 31 December 2018, the investment assets of the Company consist of loans receivable held through four peer-to-peer lending platforms, namely, Bondora Capital OÜ (“Bondora”), Estateguru OÜ (“EstateGuru”), Fellow Finance Plc (“Fellow Finance”) and AS Mintos Marketplace (“Mintos”).

Quantrom Limited (the “Investment Manager”) is the investment manager of the Company and is responsible for, among other things, managing, investing and reinvesting the assets of the Company in accordance with the investment parameters adopted by the Company.

During the year, the Directors noted that for the purposes of pursuing the business objective of the Company, the capital of the Company did not meet the optimal equity and debt funding mix for the Company. In October 2018, the Directors resolved to launch a Profit Participating Note (“PPN”) program to issue an unlimited amount of unsecured Profit Participating Notes (“PPN’s” or the “Notes”) with the intention that the PPN program will be the sole mechanism for investment into the Company.

Existing shareholders of the Company were given the option to convert their shares in the Company to the Notes.

On 20 December 2018, the reduction in share capital was approved by all shareholders of the Company.

Prior to the reduction, the Company had two share classes in issue, Ordinary Shares and Class B Ordinary Participating Shares.

The reduction in share capital resulted in the Ordinary Shares of the Company being reduced to EUR 100 by cancelling and extinguishing all but EUR 100 of the Company’s Ordinary Shares of EUR 1 each and reducing the Class B Ordinary Participating Shares to EUR Nil by cancelling and extinguishing all Class B Ordinary Participating Shares of EUR 1 each.

On 31 December 2018, all of the Class B Ordinary Participating Shares were repurchased by the Company and Notes were issued to existing shareholders exercising their option.

The Notes are unsecured profit participating notes. The price of the Notes is equal to the principal (to the extent recoverable from the net assets of the Company attributable to the Notes) and accrued interest on the Notes at each valuation point.

Interest on the Notes is computed at each valuation point as an amount equal to the profits for accounting purposes (from valuation Point to valuation Point) of the Company, before deduction of interest on the Notes.

The Company had no employees during the year (2017: Nil).

The financial statements were authorised for use by the Company’s Board of Directors on 4 September 2019.

# Quantrom P2P Lending DAC

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The unaudited financial statements have been prepared in accordance with Financial Reporting Standard 102: the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), applying section 1A of that Standard, and applicable law. There were no material departures from the standard.

### (b) Basis of preparation

The financial statements are prepared on a going concern basis. Refer to the note 3 (c) below and overleaf for the policy details in relation to classification, recognition and measurement of the financial assets and liabilities.

### (c) Functional and presentation currency

The functional and presentation currency of the Company is Euro ("EUR"), rounded to the nearest EUR and this is the currency in which the Company's investments are denominated in.

### (d) Going concern

The unaudited financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue in operation and is satisfied that the Company has the resources to continue in business for the foreseeable future.

### (e) Exemptions

The Company has availed of the exemption in FRS 102 Section 1A from the requirement to prepare a cash flow statements because it is classified as a small company.

### (f) Comparatives

These financial statements represent the year from 1 January 2018 to 31 December 2018. The comparative figures represent the period from 6 February 2017 (date of incorporation) to 31 December 2017.

## 3. ACCOUNTING POLICIES

### (a) Turnover

Turnover comprises interest income, subscription and redemption fees, referral fees and gains from trading in peer to peer loans.

### (b) Expenses and accruals

All expenses are accounted for on an accruals basis.

### (c) Financial instruments

Basic financial instruments comprising cash at bank, accounts receivable and accounts payable are initially measured at transaction price in accordance with Section 11 Basic Financial Instruments of FRS 102.

#### *Cash at bank*

Cash at bank consists of deposits held on call with the bank.

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 3. ACCOUNTING POLICIES (continued)

#### (c) Financial instruments (continued)

##### *Accounts receivable*

The Company's accounts receivable consists of loans receivable, debtors and amounts receivable from Quantrom Limited.

Subsequent to initial recognition, the accounts receivable are measured at amortised cost using the effective interest method.

At the reporting date, the Company's accounts receivable are reviewed to determine whether there is objective evidence of impairment.

##### *Accounts payable*

The Company's accounts payable consist of creditors.

Subsequent to initial recognition, the accounts payable are measured at amortised cost using the effective interest method.

#### **Other financial instruments**

In respect of other financial instruments, the Company has elected under paragraph 11.2 of FRS 102 to apply the recognition and measurement provisions of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") (as adopted for use in the EU).

##### *(i) Classification*

The Company's Notes have been classified as financial liabilities within the fair value through profit or loss category. The category of financial assets and financial liabilities at fair value through profit or loss comprises of:

- Financial instruments held for trading. Financial assets and liabilities held for trading are securities which are either acquired for generating a profit from short term fluctuations in price or dealer margins, or are included in a portfolio where a pattern of short term trading exists.
- Financial instruments designated at fair value through profit or loss upon initial recognition.

At 31 December 2018, the Company classified the Notes as financial liabilities designated at fair value through profit or loss upon initial recognition.

##### *(ii) Recognition*

The Company recognises its other financial instruments on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of the other financial instruments is recognised using trade date accounting. From this date, any gains or losses arising from changes in fair value of the financial assets or liabilities are recorded in the statement of comprehensive income.

# Quantrom P2P Lending DAC

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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

## 3. ACCOUNTING POLICIES (continued)

### (c) Financial instruments (continued)

#### *(iii) Measurement and fair value measurement principles*

##### Initial measurement

Other financial instruments are measured initially at fair value (transaction price).

Transaction costs on the other financial instruments which are financial assets at fair value through profit or loss are expensed immediately.

##### Subsequent measurement

Subsequent to initial recognition, all the other financial instruments at fair value through profit or loss are re-measured at fair value.

##### Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the other financial instruments that are not traded in an active market is determined using valuation techniques. The Directors and Investment Manager of the Company use methods and make assumptions that are based on market conditions existing at each reporting date. Any valuation techniques used maximise the use of relevant observable inputs such as indicative, executable or binding prices and minimise the use of unobservable inputs.

The Notes allow investors to gain exposure to and benefit from the Company's assets without actually owning them. The Notes are an over the counter agreement between the Company and investors, whereby the Company makes payments based on the return of the Company's investments which includes both the income and capital gains these investments generate. The fair value is the estimated amount (based on the fair value of the Company's investments) that the Company would pay to terminate the Notes at the reporting date.

### (d) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

In accordance with the Offering Memorandum, under normal market conditions the Company impair loans (which they categorise above as defaulted) by 50% after 180 days (from the date of categorisation as defaulted) and impair fully on the bankruptcy or insolvency of the borrower.

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 4. TURNOVER

During the year/period the Company recognised the following turnover:

	<b>For the year ended 31 December 2018 EUR</b>	For the period from 6 February 2017 (date of incorporation) to 31 December 2017 EUR
Interest income	201,521	39,845
Referral fee income	36,054	17,290
Other income	8,986	368
Subscription and redemption fees	541	-
<b>Total turnover</b>	<b>247,102</b>	<b>56,767</b>

### 5. ADMINISTRATIVE EXPENSES

During the year/period the Company incurred the following administrative expenses:

	<b>For the year ended 31 December 2018 EUR</b>	For the period from 6 February 2017 (date of incorporation) to 31 December 2017 EUR
Professional fees	(9,019)	(1,630)
Other operating expenses	(6,493)	(902)
<b>Total administrative expenses</b>	<b>(15,512)</b>	<b>(2,532)</b>

### 6. MANAGEMENT AND PERFORMANCE FEES

The Investment Manager is responsible for, among other things, managing, investing and reinvesting the assets of the Company in accordance with the investment parameters adopted by the Company.

#### *Referral fee*

These are fees that are charged by the Investment Manager of the Company.

The amounts in respect of referral fees charged during the financial year are disclosed in the Statement of Comprehensive Income. At 31 December 2018, there were no referral fees payable.

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 6. MANAGEMENT AND PERFORMANCE FEES (continued)

#### *Management fee*

The Investment Manager is entitled to a management fee calculated and accruing at the last calendar day of each month and payable in arrears at a rate of 1/12<sup>th</sup> of 1% of the value attributable to the Notes (before deduction of that month's management fee and any accrued performance fee). The management fee is prorated based on the Noteholders actual period of ownership of its Notes.

The Investment Manager may in its discretion waive all or part of the management fee with respect to any Noteholder by rebate or otherwise.

The amounts in respect of management fees charged during the financial year are disclosed in the Statement of Comprehensive Income. At 31 December 2018, there were no management fees payable.

#### *Performance fee*

The Investment Manager is also entitled to receive, in respect of the Notes only, a performance fee which is an amount equal 10% of the appreciation of the price of the Notes above 7% year on year.

The performance fee if any, is calculated and payable (i) as of the last valuation point (being the close of business in the last market relevant to the Company to close on each valuation day or such other time as the Directors may determine), (ii) as of each redemption point (being two hours after the valuation point and within the last calendar day of the relevant calendar month) with respect to the Notes redeemed by redeeming Noteholders and (iii) as of the date of termination of the Investment Management agreement, each case above with respect to the period ending on such date.

All fees and expenses, including taxes, of the Company for that period, including the management fee but excluding the performance fee, that have been accrued or paid for a given period, are factored into the calculation of the performance fee. The Investment Manager may, at its discretion, waive all or part of the performance fee with respect to any Noteholder by rebate or otherwise.

The Company has not adopted any equalisation methodology in the calculation of the price per note. This may result in some investors bearing a greater proportion of the performance fee than others, to their disadvantage. Further, it may result in the Investment Manager receiving more or less performance fees than if equalisation was in operation.

#### *High Water Mark*

The performance fee with respect to the Notes is calculated on a cumulative basis and is not payable unless the following high water mark conditions are fulfilled, namely that the price of the Notes:

- (i) exceed the subscription price of the Notes in the same month of the previous year + 7%;
- (ii) are greater than the highest price per note in respect of which a performance fee has been charged at the end of any previous performance period (if any) during which such Note was in issue; and
- (iii) exceed the price of the Notes for the previous performance period by at least 0.5654%.

The amounts in respect of performance fees charged during the financial year are disclosed in the Statement of Comprehensive Income. At 31 December 2018, there were no performance fees payable.

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 7. TAXATION

Analysis of tax charge in the year/period:

	<b>For the year ended 31 December 2018 EUR</b>	For the period from 6 February 2017 (date of incorporation) to 31 December 2017 EUR
<b>Irish corporation tax</b>		
Tax on profit on ordinary activities	<b>(21,606)</b>	(4,246)

Trading income is taxable at a rate of 12.5%. Non-trading income is taxable at a rate of 25%. The Company is subject a tax at a rate of 12.5%.

Reconciliation of the current tax charge for the year/period is outlined below:

	<b>For the year ended 31 December 2018 EUR</b>	For the period from 6 February 2017 (date of incorporation) to 31 December 2017 EUR
<b>Current tax expense</b>		
Profit on ordinary activities before taxation	<b>172,813</b>	33,786
Current tax at 12.5%	<b>(21,606)</b>	(4,246)



# Quantrom P2P Lending DAC

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 8. LOANS RECEIVABLE

The Company holds loans receivable through the following peer-to-peer lending platforms at the reporting date:

	<b>31 December 2018 EUR</b>	31 December 2017 EUR
Bondora	<b>39,895</b>	63,745
EstateGuru	<b>441,593</b>	-
Fellow Finance	<b>11,323</b>	5,383
Mintos	<b>1,880,728</b>	1,159,782
<b>Total loans receivable</b>	<b>2,373,539</b>	1,228,910

The Company's loans are made up of a diversified portfolio of direct loans or tranches of loans purchased from originators on the above lending platforms. At 31 December 2018, the Company has a total of 7,289 (2017: 3,645) loans receivable held across the peer-to-peer lending platforms.

The Company conducts due diligence on the platforms and the loan originators prior to entering in to any loan agreement.

Loan agreements are entered in to directly between the company and the originators with originators required to pledge collateral for the loans. At 31 December 2018, total collateral pledged to the Company for all of the loans receivable held across the peer-to-peer lending platforms was EUR 1,922,572 (2017: EUR 1,151,218).

Transactions, redemptions and interest payments change the Company's portfolio on a continuous basis. Interest and principal received by the Company are reinvested on a daily basis. The weighted average interest rate of the loans receivable held across the peer-to-peer lending platforms is 11.37% (2017: 13.13%).

At 31 December 2018, the total amount of loans receivable held by the Company's on the lending platforms amounted to EUR 2,373,539 (2017: EUR 1,228,910).

### 9. CASH AT BANK

At 31 December 2018, cash at bank consisted of unrestricted balances held with Bank of Ireland of EUR 32,408 (2017: EUR 6).

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 10. NOTES PAYABLE

	<b>31 December 2018 EUR</b>	31 December 2017 EUR
Notes in issue subject to lock up	<b>(416,590)</b>	-
Notes in issue not subject to lock up	<b>(1,952,585)</b>	-
<b>Total Notes Payable</b>	<b>(2,369,175)</b>	-

In October 2018, the Directors resolved to launch a PPN program to issue an unlimited amount of unsecured Notes with the intention that the PPN program will be the sole mechanism for investment into the Company.

Existing shareholders of the Company were given the option to convert their shares in the Company to the Notes.

On 20 December 2018, the reduction in share capital was approved by all shareholders of the Company.

Prior to the reduction, the Company had two share classes in issue, Ordinary Shares and Class B Ordinary Participating Shares.

The reduction in share capital resulted in the Ordinary Shares of the Company being reduced to EUR 100 by cancelling and extinguishing all but EUR 100 of the Company's Ordinary Shares of EUR 1 each and reducing the Class B Ordinary Participating Shares to EUR Nil by cancelling and extinguishing all Class B Ordinary Participating Shares of EUR 1 each.

On 31 December 2018, all of the Class B Ordinary Participating Shares were repurchased by the Company and Notes were issued to existing shareholders exercising their option.

#### *The Notes*

The Notes rank pari passu for all purposes. The price of the Notes is equal to the principal (to the extent recoverable from the net assets of the Company attributable to the Notes) and accrued interest on the Notes at each valuation point. The Notes bear interest on the principal from the subscription point and cease to bear interest from the redemption point. Interest on the Notes is computed at each valuation point as an amount equal to the profits for accounting purposes (from valuation point to valuation point) of the Company, before deduction of interest on the Notes.

The Notes may be issued on any business day following a valuation day or such other days as the Directors may determine. The Notes are issued in integral multiples of EUR 1. The minimum initial value of Notes a Noteholder can subscribe for is EUR 10,000. Subsequent subscriptions must be for a minimum of EUR 2,000 per subscription.

The Notes are subject to a lock up period of 12 months following the relevant issue date and may not be redeemed during the lock up period unless otherwise approved by the Directors in writing at their discretion. The Notes may be redeemed as of the last business day of each calendar month or at the discretion of the Directors subject to at least 35 business days' prior notice.

At 31 December 2018, Notes payable subject to lock up amounted to EUR 416,590 and Notes payable not subject to lock up amounted to EUR 1,952,585.

# Quantrom P2P Lending DAC

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2018

## 11. CREDITORS

	<b>31 December 2018 EUR</b>	31 December 2017 EUR
Payable to Noteholders	(26,399)	-
Taxation	(21,629)	(4,246)
Trade creditors	(21,357)	(15,123)
Accrued expenses	(1,608)	(1,599)
<b>Total creditors</b>	<b>(70,993)</b>	<b>(20,968)</b>

## 12. SHARE CAPITAL

	<b>31 December 2018 EUR</b>	31 December 2017 EUR
<i>Authorised, issued and fully paid</i> Ordinary shares of par value of EUR 1	<b>100</b>	1,124,861
	<b>100</b>	1,124,861

During the year, the Directors noted that for the purposes of pursuing the business objective of the Company, the issued share capital of the Company did not meet the optimal equity and debt funding mix for the Company. In October 2018, the Directors resolved to launch a PPN program to issue an unlimited amount of unsecured Notes with the intention that the PPN program will be the sole mechanism for investment into the Company.

Existing shareholders of the Company were given the option to convert their shares in the Company to the Notes.

On 20 December 2018, the reduction in share capital was approved by all shareholders of the Company.

Prior to the reduction, the Company had two share classes in issue, Ordinary Shares and Class B Ordinary Participating Shares.

The reduction in share capital resulted in the Ordinary Shares of the Company being reduced to EUR 100 by cancelling and extinguishing all but EUR 100 of the Company's Ordinary Shares of EUR 1 each and reducing the Class B Ordinary Participating Shares to EUR Nil by cancelling and extinguishing all Class B Ordinary Participating Shares of EUR 1 each.

On 31 December 2018, all of the Class B Ordinary Participating Shares were repurchased by the Company and Notes were issued to existing shareholders exercising their option.

At 31 December 2018, there is 100 Ordinary Shares in issue which is held by Gustav Jensen.

# Quantrom P2P Lending DAC

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

### 13. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Directors during the year are set out on page 1. The Directors do not receive remuneration from the Company.

#### **Investment Manager**

Gustav Jensen, a Director of the Company is also a director of the Investment Manager. The amount of Investment Manager fees and referral fees charged during the financial year and outstanding at the reporting date are presented in the Statement of Comprehensive Income and the Statement of Financial Position, respectively.

At 31 December 2018, the Company had an amount receivable of EUR 4,131 (2017: EUR Nil) due from the Investment Manager.

### 14. SUBSEQUENT EVENTS

Up to the date of approval of these financial statements, there were no material subsequent events affecting the Company which necessitate disclosure in or revision of the figures included in the financial statements.

### 15. COMPARATIVES

Certain comparative figures have been reclassified as follows:

#### **Statement of Financial Position**

	<b>As reclassified</b>	Per 2017 financial statements
	<b>EUR</b>	EUR
<b>Statement of financial position</b>		
Investments <sup>1</sup>	-	1,229,966
Loans receivable <sup>1</sup>	<b>1,228,910</b>	-
Receivables and prepayments <sup>1</sup>	<b>1,055</b>	-

<sup>1</sup>Reclass relates to the misclassification of the Company's loans receivable and other receivables as investments.

### 16. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements on 4 September 2019.