

Q3 2020 Investor Update

Investment and Expansion Plans

After one year of searching for the right strategic partners and negotiations that were complicated by the COVID-19 crisis Ibanicar signed two "Series A" equity investment agreements in July for a total investment of up to €1,750,000 to develop the Spanish lending business.

The first investment totalling €750,000 comes from a syndicate of seven private investors, who are all finance professionals (fund managers, traders and bankers). €500,000 have already been received and are on our balance sheet from 31/07/2020 and the second €250,000 will come at the end of September.

The second investment is from a Dubai based Venture Capital Fund and is composed of an initial €750,000 (to be received in late September) plus a €250,000 option (to be exercised in June 2021).

The money is being raised to expand lending operations in Spain.

We expect approximately 20% of proceeds will be used for scaling the business (new hires, tech and marketing) and the remainder will remain on our balance sheet to ensure we can grow our loan book with a conservative mix of equity and debt. We will continue to raise debt progressively via P2P marketplaces and an asset backed facility that will be set up in Q1 2021 for HNW and institutional investors.

Following the first tranche of €500,000 already received our balance sheet looks very solid:

- Loan book €1,200,000
- Cash €620,000
- Total assets €2,000,000
- Secured debt €840,000
- Corporate debt €130,000
- Equity €900,000

During the course of 2021 Ibanicar is likely to raise a "Series B" equity round in order to fund expansion in other countries. We are examining market opportunities in Europe, Africa and Latin America.

Current State of Operations and COVID-19

During the COVID19 crisis Ibanicar reduced lending to a minimum and therefore did not require new debt funding. As of July we have resumed in "slow growth" mode and will be returning to the P2P market in August.

As part of our effort to enhance transparency for P2P investors we have published a website showing the loans we have assigned to marketplaces and investors can verify loan information independently. The page can be found here: <https://p2p.ibancar.com/>

Our loan book has continued to perform consistently during the crisis months and our team has made great efforts to support our borrowers and help them avoid defaults.

Despite the difficult last months Ibanicar registered record loan book revenue in July 2020 as we received a record 436 payments from 461 active loan agreements.

Current loan book LTV is 39% and NPLs remain under control at 6.6%. The capital recovery rate on NPLs is 114% in 2020 and 119% since inception.

We have resumed a revised, slower, growth plan for the remainder of 2020 and are aiming to end the year at a monthly lending rate in excess of €250,000. In 2021 we expect to accelerate growth and possibly launch Ibanicar internationally with the help of further equity investments.

We look forward to an exciting future as we grow in Spain and internationally with the continued support of our institutional and P2P investors. We remain committed to delivering consistent returns to all our investors through the application of innovative and ethical lending practices.

A handwritten signature in black ink, appearing to read 'Alexander Melis', with a long horizontal line extending to the right.

Alexander Melis
CEO

20/08/2020