

### Management Team

Chairman: Martin Petrov  
 Deputy Chairman: Arthur van Pelt  
 Board Member: Jeroen Kruis  
 Board Member: Rumen Zapryanov

### Industry

Banking

### Target Acquisitions

Romanian Bank or Bulgarian Bank with full banking license in EU

### Offering

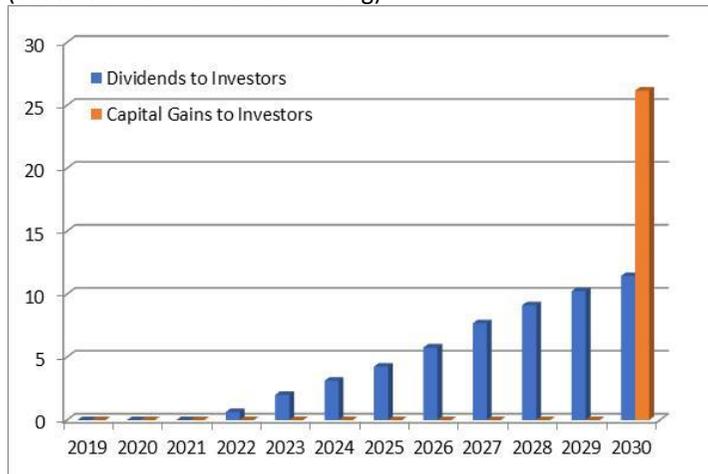
Class A Shares  
 Face Value €1.00  
 Underwriting Price €1.09  
 Minimum of 11.75 million shares  
 Maximum of 37.6 million shares

### Use of Funds

Acquiring and modernizing a boutique commercial bank

### Forecasted Performance

(based on maximum underwriting)



Figures in millions of EUR

### Business Model

By moving to a digital-first model, redesign a legacy boutique commercial bank into a modern financial platform, built around 4 core pillars: omni-channel banking, modular banking, open banking, smart banking.

### Team Expertise

**Martin Petrov** as proposed Chairman of the Supervisory Board has over 25 years in senior bank management, advising the European Commission and successfully implementing turnaround strategies in banking.

**Arthur van Pelt** as proposed Chief Financial Officer has over 30 years of experience in Finance & IT, with customers from Holland, Belgium, Spain, Luxembourg, Bonaire and England, ranging from Dutch governmental departments and ministries to the Dutch Royal Family, from large hospitals and care conglomerates to museums, banks and commercial enterprises of all kinds.

**Jeroen Kruis** as Chief Tehnology Officer has over 2 decades of expertise in various industries ranging from telecommunications to mortgage lending - and on many types of project - from system integrations to user facing tools.

**Rumen Zapryanov** as Treasurer and Chief Retail Officer has over 25 years of experience as Head of Treasury and Chairman of ALCO of Top 10 commercial banks before founding his own corporate advisory boutique.

By joining a professional team already in place at the target bank, blend the required experience of traditional banking and contemporary digital banking to produce a successful boutique player.

### Value Proposition

Having identified commercial banks with stable fundamentals, where an acquisition can be completed at a discount to book value, we will seek to substantially invest in developing open banking platform, introduce innovative products and services targeted at (a) speeding up client servicing; (b) simplifying and making it easier for clients to understand and select services; (c) decreasing the cost of banking for clients; and (d) build a platform that allows easy integrating with external service providers.

### Market

The traditional market for banking services.

### Strategy

We believe that legacy banking with the existing high degree of regulatory compliance, built trust of clients, and stable base of clients being modernized is the better proposition compared to non-bank challengers (FinTech) managing to obtain full banking license by meeting all regulatory requirements, while the obvious success of challengers in niche industries – robo-advice, payments, etc. – demonstrate the capability of a digital player to seriously challenge traditional players.

We shall seek to exit the investment by 2030-2031.

### Competition

As a boutique bank, the target is not likely to be viewed as a major challenge to the dominant legacy players, providing it the required time to achieve sustainability. Ultimately, competition will come from both legacy players and niche challengers. By providing higher client focus than traditional banking and fuller scope of service than niche players, the acquired target should be able to successfully compete in the long term.

Indicative Data 2019 (est.)	Bulgarian Asset	Romanian Asset							
Year Founded	1994	2009							
Branches	22	15							
Key shareholder stake (%)	99.94	100							
Assets (EUR million)	205.8	96.3							
Gross Lending Book (EUR million)	100.2	50.1							
Client Deposits (EUR million)	183.7	75.2							
Share Capital (EUR million)	34.8	15							
Net Interest Income (EUR million)	4.3	3.6							
Net Fee Income (EUR million)	1.9	0.3							
Auditor	AFA	Mazars							
Valuation of 100% stake (EUR million)	25	11							
Target stake (%)	100	80							
Expected price of Target stake (EUR million)	25	9							
Price / Book Value	0.72x	0.73x							

Minimum Offering	Number	Face Value	Underwriting Price	less Offering Cost	Gross Proceeds	Net Proceeds
Total Shares	12 500 000	€ 1.00	N/A	N/A	€ 12 837 500	€ 12 197 125
Underwritten by Jeroen Kruis	187 500	€ 1.00	€ 0.04	N/A	€ 7 500	€ 7 500
Underwritten by Arthur van Pelt	187 500	€ 1.00	€ 0.04	N/A	€ 7 500	€ 7 500
Underwritten by Martin Petrov	187 500	€ 1.00	€ 0.04	N/A	€ 7 500	€ 7 500
Underwritten by Rumen Zapryanov	187 500	€ 1.00	€ 0.04	N/A	€ 7 500	€ 7 500
Offered to Investors	11 750 000	€ 1.00	€ 1.09	5%	€ 12 807 500	€ 12 167 125

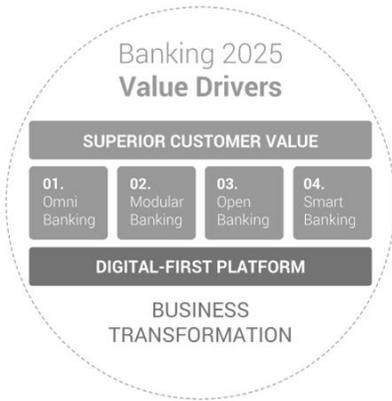
  

Maximum Offering	Number	Face Value	Underwriting Price	less Offering Cost	Gross Proceeds	Net Proceeds
Total Shares	40 000 000	€ 1.00	N/A	N/A	€ 41 080 000	€ 39 030 800
Underwritten by Jeroen Kruis	600 000	€ 1.00	€ 0.04	N/A	€ 24 000	€ 24 000
Underwritten by Arthur van Pelt	600 000	€ 1.00	€ 0.04	N/A	€ 24 000	€ 24 000
Underwritten by Martin Petrov	600 000	€ 1.00	€ 0.04	N/A	€ 24 000	€ 24 000
Underwritten by Rumen Zapryanov	600 000	€ 1.00	€ 0.04	N/A	€ 24 000	€ 24 000
Offered to Investors	37 600 000	€ 1.00	€ 1.09	5%	€ 40 984 000	€ 38 934 800

Use of Proceeds	Minimum Underwriting	Maximum Underwriting	Method to determine
Offering Fees to Platform	€ 640 375	€ 2 049 200	5% of amount raised, reflected in decreased net proceeds
Legal and Registration Fees	€ 5 000	€ 5 000	Fixed amount
Acquiring of 80% in Romanian Target	€ 8 000 000	€ -	Estimated cost of 80% in Romanian Bank
Acquiring of 100% in Bulgarian Target	€ -	€ 25 000 000	Estimated cost of 100% in Bulgarian Bank
Capital Increase	€ 1 000 000	€ -	Required CET1 Increase for Romanian Bank
Supplementary Acquisitions / White Labels	€ -	€ 8 000 000	Supplementary acquisitions/white labels for EMI, Investment Intermediary, Non-Bank Lending, Trade Finance
Restructuring of Target	€ 250 000	€ 500 000	Estimated cost based on preliminary information
Development of New Lending Products	€ 300 000	€ 300 000	Peer-to-peer lending, crypto-backed lending
Development of e-Payment Service	€ 500 000	€ 500 000	Including development of crypto-based cards
Implementation of Distributed Ledger	€ 250 000	€ 250 000	Distributed Ledger Accounting Book
Development of Wealth Management	€ 200 000	€ 200 000	Including crypto-assets portfolios
Development of Smart Trade Finance	€ 250 000	€ 250 000	Smart trade finance contracts
Development of e-Security	€ 250 000	€ 250 000	Increased client accounts encryption, GDPR
Compliance Costs	€ 200 000	€ 200 000	Fully implement Basel III, CRD IV, PSD 2, AML 5th
Marketing and Rebranding	€ 100 000	€ 500 000	Depending on market penetration
Additional Licensing Costs	€ 100 000	€ 250 000	Depending on scope of services
Cash Reserve	€ 121 750	€ 680 600	To be used for capital increase of the acquired target
<b>Total Usage of Funds</b>	<b>€ 12 167 125</b>	<b>€ 38 934 800</b>	

FORECASTED PERFORMANCE: MINIMUM UNDERWRITING												
Key Balance Sheet Items	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Lending Book	50.1	55	60	65	70	75	80	85	90	95	100
Non-Lending Assets	46.2	42	42.2	42.2	42.3	42.7	43.2	43.9	39.7	40.7	36.8	33
<b>Total Assets</b>	<b>96.3</b>	<b>97</b>	<b>102.2</b>	<b>107.2</b>	<b>112.3</b>	<b>117.7</b>	<b>123.2</b>	<b>128.9</b>	<b>129.7</b>	<b>135.7</b>	<b>136.8</b>	<b>138</b>
Equity	15	17	17.2	17.2	17.3	17.7	18.2	18.9	19.7	20.7	21.8	23
Client Deposits	75.2	80	85	90	95	100	105	110	110	115	115	115
Other Liabilities	6.1	0	0	0	0	0	0	0	0	0	0	0
<b>Equity and Liabilities</b>	<b>96.3</b>	<b>97</b>	<b>102.2</b>	<b>107.2</b>	<b>112.3</b>	<b>117.7</b>	<b>123.2</b>	<b>128.9</b>	<b>129.7</b>	<b>135.7</b>	<b>136.8</b>	<b>138</b>
Key Income Statement Items	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Net Interest Income	3.6	3.8	4.2	4.5	4.9	5.2	5.6	5.9	6.3	6.6	7
Net Fee Income	0.6	0.7	0.8	0.9	1	1.1	1.2	1.3	1.4	1.5	1.5	1.5
New Business Lines Income	0	0	0	0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8
<b>Gross Operating Income</b>	<b>4.2</b>	<b>4.5</b>	<b>5</b>	<b>5.4</b>	<b>6</b>	<b>6.5</b>	<b>7.1</b>	<b>7.6</b>	<b>8.2</b>	<b>8.7</b>	<b>9.2</b>	<b>9.6</b>
OPEX	TBD	3	4	4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Impairment	TBD	1	1	1	1	1	1	1	1	1	1	1
<b>Net Operating Profit</b>	<b>TBD</b>	<b>0.5</b>	<b>0</b>	<b>0.4</b>	<b>1.5</b>	<b>2</b>	<b>2.6</b>	<b>3.1</b>	<b>3.7</b>	<b>4.2</b>	<b>4.7</b>	<b>5.1</b>
Dividends	TBD	0.3	0	0.3	1.1	1.5	1.9	2.3	2.7	3.1	3.5	3.8
Retained Profit	TBD	0.2	0	0.1	0.4	0.5	0.7	0.8	1	1.1	1.2	1.3
Capital Gains Cumulative*	-	-	0	0.1	0.5	1	1.7	2.5	3.5	4.6	5.8	10.1
Dividends Cumulative	-	-	0	0.3	1.4	2.9	4.8	7.1	9.8	12.9	16.4	20.2
Key Performance Measures	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Dividends to Investors	0	0	0	0.24	0.88	1.2	1.52	1.84	2.16	2.48	2.8
Capital Gains to Investors	0	0	0	0	0	0	0	0	0	0	0	8.08
Total Return to Investors	0	0	0	0.24	0.88	1.2	1.52	1.84	2.16	2.48	2.8	11.12
ROI	-	-	-	1.92%	7.04%	9.60%	12.16%	14.72%	17.28%	19.84%	22.40%	88.96%
<b>Annualized ROI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>	<b>19.39%</b>

FORECASTED PERFORMANCE: MAXIMUM UNDERWRITING												
Key Balance Sheet Items	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Lending Book	100.2	105	115	125	140	160	180	200	220	250	275
Non-Lending Assets	118.3	120	115	107	95.4	81.3	67.6	59.4	51.8	35	23.8	3.1
<b>Total Assets</b>	<b>218.5</b>	<b>225</b>	<b>230</b>	<b>232</b>	<b>235.4</b>	<b>241.3</b>	<b>247.6</b>	<b>259.4</b>	<b>271.8</b>	<b>285</b>	<b>298.8</b>	<b>303.1</b>
Equity	34.8	35	35	35	35.4	36.3	37.6	39.4	41.8	45	48.8	53.1
Client Deposits	183.7	190	195	197	200	205	210	220	230	240	250	250
Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity and Liabilities</b>	<b>218.5</b>	<b>225</b>	<b>230</b>	<b>232</b>	<b>235.4</b>	<b>241.3</b>	<b>247.6</b>	<b>259.4</b>	<b>271.8</b>	<b>285</b>	<b>298.8</b>	<b>303.1</b>
Key Income Statement Items	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Net Interest Income	4.3	4.7	5.7	6.8	8.4	10	11.7	13.5	15.4	17.5	19.2
Net Fee Income	1.9	2.3	2.3	2.9	2.9	3	3.1	3.2	3.4	3.6	3.7	3.8
New Business Lines Income	0	0	0	0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8
<b>Gross Operating Income</b>	<b>6.2</b>	<b>7</b>	<b>8</b>	<b>9.7</b>	<b>11.4</b>	<b>13.2</b>	<b>15.1</b>	<b>17.1</b>	<b>19.3</b>	<b>21.7</b>	<b>23.6</b>	<b>25.6</b>
OPEX	TBD	5	6	6.5	6	6	6	5.5	5.5	5.5	5.5	5.5
Impairment	TBD	2	2	2	2	2	2	2	2	1	1	1
<b>Net Operating Profit</b>	<b>TBD</b>	<b>0</b>	<b>0</b>	<b>1.2</b>	<b>3.4</b>	<b>5.2</b>	<b>7.1</b>	<b>9.6</b>	<b>12.8</b>	<b>15.2</b>	<b>17.1</b>	<b>19.1</b>
Dividends	TBD	0	0	0.8	2.5	3.9	5.3	7.2	9.6	11.4	12.8	14.3
Retained Profit	TBD	0	0	0.4	0.9	1.3	1.8	2.4	3.2	3.8	4.3	4.8
Capital Gains Cumulative*	-	-	0	0.4	1.3	2.6	4.4	6.8	10	13.8	18.1	32.7
Dividends Cumulative	-	-	0	0.8	3.3	7.2	12.5	19.7	29.3	40.7	53.5	67.8
Key Performance Measures	Current Status	Acquisition Phase	Development Phase		Maturity Phase							Exit Phase
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Dividends to Investors	0	0	0	0.64	2	3.12	4.24	5.76	7.68	9.12	10.24
Capital Gains to Investors	0	0	0	0	0	0	0	0	0	0	0	26.16
Total Return to Investors	0	0	0	0.64	2	3.12	4.24	5.76	7.68	9.12	10.24	37.6
ROI	-	-	-	1.60%	5.00%	7.80%	10.60%	14.40%	19.20%	22.80%	25.60%	94.00%
<b>Annualized ROI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>	<b>20.10%</b>



We expect to see three core factors influencing FinTech:

- Adoption of successful aspects by dominant legacy players;
- Increased pressure to regulate and set a level playing field for new entrants and legacy players, which, given the nature and resources of the legacy players, will set high entrance barriers to challengers;
- Increased demand of quality, speed, personalization and affordability of financial services by clients.

These trends in our opinion define a gradual evolution of legacy players into digital players by (a) buying or integrating challengers, or (b) internally developing technology, or (c) eventually merging to achieve the size where the cost of FinTech adoption becomes feasible.

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