

INFORMATIENOTA (AANBIEDING AAN HET PUBLIEK)

INFORMATIENOTA OVER DE AANBIEDING VAN LULALEND OBLIGATIES DOOR LULA LEND (PTY) LTD

Dit document is opgesteld door Hands-on BV (Lendahand).

DIT DOCUMENT IS GEEN PROSPECTUS EN WERD NIET GECONTROLEERD NOCH GOEDGEKEURD DOOR DE AUTORITEIT VOOR FINANCIËLE DIENSTEN EN MARKTEN

18 maart 2020

WAARSCHUWING: DE BELEGGER LOOPT HET RISICO ZIJN BELEGGING VOLLEDIG OF GEDEELTELIJK TE VERLIEZEN EN/OF HET VERWACHTE RENDEMENT NIET TE BEHALEN

DE BELEGGINGSINSTRUMENTEN ZIJN NIET GENOTEERD: DE BELEGGER LOOPT HET RISICO GROTE PROBLEMEN TE ONDERVINDEN OM ZIJN POSITIE AAN EEN DERDE TE VERKOPEN INDIEN HIJ DAT ZOU WENSEN.

Deel I - Belangrijkste risico's die inherent zijn aan de uitgevende instelling en de aangeboden beleggingsinstrumenten, en die specifiek zijn voor de betrokken aanbieding

Over het algemeen geldt hoe hoger het aangeboden of verwachte rendement, hoe hoger het risico. Het aangeboden of verwachte rendement op de obligaties is afhankelijk van de winst die de uitgevende instantie maakt. De kans bestaat dat de winst lager is dan verwacht of dat er zelfs sprake is van verlies, waardoor u mogelijk minder rendement krijgt uitgekeerd of zelfs uw inleg of een deel daarvan verliest. De belangrijkste redenen waardoor de uitgevende instelling mogelijk niet in staat is het aangeboden of verwachte rendement of zelfs uw inleg uit te keren, zijn:

Macro-economische, sociale en politieke landenrisico's: er is sprake van het risico dat macro-economische, sociale en politieke factoren leiden tot een lastig zakelijk klimaat voor de uitgevende instelling. Deze risico's zijn aan elkaar gerelateerd en lastig te beheersen. Economische, financiële en sociale instabiliteit, een complex en snel veranderende juridisch systeem, natuurrampen, etc. hebben een grote impact op het zakelijk klimaat via o.a. devaluaties van lokale valuta, hoge inflatie en beperkte capaciteit tot terugbetaling door klanten.

Portefeuille risico: er is sprake van het risico op te veel slechte leningen in de portefeuille van de uitgevende instelling, bijvoorbeeld omdat de kredietbeoordeling en/of klantafhandeling niet op orde is, of door politieke instabiliteit of een natuurramp. Dit betekent dat leningen afgeboekt moeten worden wat een weerslag kan hebben op de kapitalisatie en winstgevendheid van de uitgevende instelling.

Wisselkoersrisico: er is sprake van het risico op verliezen door wisselkoersschommelingen omdat de uitgevende instelling inkomsten genereert die anders zijn dan de valuta waarin de obligaties zijn uitgegeven. Dit betekent dat de liquiditeit en solvabiliteit van de uitgevende instelling in gevaar kan komen bij heftige wisselkoersschommelingen.

De obligaties zijn niet verhandelbaar op een beurs of platform en daardoor beperkt verhandelbaar. Dat betekent dat er mogelijk geen koper is voor uw obligaties als u tussentijds van uw belegging af wilt. U loopt dan dus het risico dat u niet op het door u gewenste moment uw geld terug kan krijgen en uw belegging langer aan moet houden of uw obligaties voor een lagere prijs moet verkopen.

Fraude en corruptierisico's: er is sprake van het risico op fraude en/of corruptie omdat er over het algemeen een grote afstand is tussen de uitgevende instelling en de investeerders in de obligaties. Tevens is het fraude- en corruptieniveau in het land van de uitgevende instelling over het algemeen hoger dan in het land van verblijf van de investeerders in de obligaties. Dit betekent dat de (financiële) situatie bij de uitgevende instelling er beter voor kan lijken te staan dan dat het daadwerkelijk is.

Financieringsrisico: er is sprake van een financieringsrisico omdat de uitgevende instelling continue financiering nodig heeft voor haar activiteiten. Dit betekent dat het kan gebeuren dat de uitgevende instelling haar

leenportefeuille moet verkleinen als ze niet meer voldoende financiering kan aantrekken wat een neerwaartse druk geeft op de winstgevendheid.

Vervroegde aflossing: er is sprake van het risico op vervroegde aflossing omdat de uitgevende instelling de obligaties op lagere kosten kan herfinancieren. Dit betekent voor u als belegger dat u eerder de beschikking heeft over uw geld dan verwacht, hetgeen gederfde (rente)inkomsten als gevolg kan hebben.

Rangorde uitbetaling: uitkering van het rendement gebeurt nadat operationele uitstaande kosten voldaan zijn zoals lonen en facturen van leveranciers. Het risico bestaat dat de uitgevende instelling onvoldoende liquide middelen overhoudt om het rendement uit te keren. Dit betekent voor u als belegger dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

In geval van faillissement hebben de volgende uitkeringen voorrang op de uitbetaling van het rendement op de obligaties: operationele uitstaande kosten, belastingen, deposito's, vreemd vermogen met onderpand. Let op dat deze lijst niet per se uitputtend is. Dit betekent voor u dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

Beperkt eigen vermogen: het eigen vermogen van de uitgevende instelling is beperkt ten opzichte van het vreemd vermogen. Dit betekent dat de buffer aan eigen vermogen klein is waardoor bij tegenvallende resultaten de uitgevende instelling relatief snel niet meer aan haar verplichtingen op de obligaties zal kunnen voldoen. Het risicoprofiel van de obligaties lijkt daardoor op het risicoprofiel van aandelen.

Operationeel risico: er is sprake van het risico op operationele tekortkomingen omdat de kosten langdurig te hoog kunnen zijn versus de opbrengsten. Dit betekent dat de uitgevende instelling niet meer aan haar financiële verplichtingen kan voldoen.

Platform risico: er is sprake van het risico op discontinuatie van het platform omdat de aanbieder de exploitatie niet rendabel kan maken. Dit betekent dat het lastiger zal zijn om terugbetalingen te faciliteren voor investeerders in de obligaties.

Deel II - Informatie over de uitgevende instelling en de aanbieder van de beleggingsinstrumenten

A. Identiteit van de uitgevende instelling

1. De uitgevende instelling is een besloten vennootschap, opgericht op 13 augustus 2014 en gevestigd in Kaapstad, Zuid-Afrika. Het adres van de uitgevende instelling is Pier Place, 3rd floor, Heerengracht Street, Kaapstad, WC8000, Zuid-Afrika. De website van de uitgevende instelling is www.lulalend.co.za
2. Dit zijn de belangrijkste activiteiten van de uitgevende instelling: financieren van particulieren en kleine en middelgrote ondernemingen in Zuid-Afrika.
3. Voor zover die informatie bekend is bij de uitgevende instelling of de aanbieder, identiteit van de personen die meer dan 5% van het kapitaal van de uitgevende instelling in bezit hebben, en omvang (uitgedrukt als percentage van het kapitaal) van de deelnemingen in hun bezit: De aandeelhouders van de uitgevende instelling zijn: Trevor Owen Gosling (19.5%), Neil Christopher Welman (19.5%), Alexander Schuetz (16%), Lutz Seebacher (11%), ACCION AFRICA-ASIA INVESTMENT COMPANY (10.5%)
4. Het bedrag aan uitstaande leningen is EUR 3.644.681. Dit betreft 10 leningen die de uitgevende instelling voor oktober 2020 moet hebben afgelost.
5. De uitgevende instelling wordt bestuurd door de volgende natuurlijke personen: Trevor Gosling (CEO), Neil Welman, Johan Bosini
6. Bezoldiging bestuurders: onbekend bij aanbieder

7. voor de sub 4° bedoelde personen, vermelding van elke veroordeling als bedoeld in artikel 20 van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen, of een passende negatieve verklaring: niet van toepassing
8. beschrijving van de belangenconflicten tussen de uitgevende instelling en de sub 3° tot 5° bedoelde personen, of met andere verbonden partijen, of een passende negatieve verklaring: niet van toepassing
9. in voorkomend geval, identiteit van de commissaris: niet van toepassing

B. Financiële informatie over de uitgevende instelling

Verklaring door de uitgevende instelling dat het werkkapitaal naar haar oordeel toereikend is om aan haar behoeften voor de volgende twaalf manden te voldoen: ja

Het bedrag aan uitstaande leningen is EUR 3.644.681

Beschrijving van elke wijziging van betekenis in de financiële of handelspositie die zich heeft voorgedaan na het einde van het laatste boekjaar waarop de sub 1° hierboven bedoelde jaarrekening betrekking heeft, of een passende negatieve verklaring: niet van toepassing

C. Uitsluitend wanneer de aanbieder en de uitgevende instelling verschillende personen zijn: identiteit van de aanbieder

De aanbieder is niet de uitgevende instelling van de obligaties. Na uitvoerig onderzoek biedt de aanbieder de uitgevende instelling toegang tot haar website waarmee de uitgevende instelling financiering kan aantrekken ten behoeve van verschillende projecten. Hiervoor krijgt de aanbieder een vergoeding van de uitgevende instelling. Er is dus een financiële relatie tussen de aanbieder en de uitgevende instelling. Meer informatie over de uitgevende instelling is te vinden op de website van de aanbieder.

De aanbieder is opgericht op 17 juli 2012 en gevestigd in Rotterdam onder het KvK-nummer 55711766. Het adres van de aanbieder is Eendrachtsplein 3, Unit 2A, 3015 LA Rotterdam, Nederland. De website van de aanbieder is www.lendahand.com

De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

D. Uitsluitend wanneer de aangeboden beleggingsinstrumenten een onderliggend actief hebben: beschrijving van het onderliggende actief

Niet van toepassing.

Deel III - Informatie over de aanbidding van beleggingsinstrumenten

A. Beschrijving van de aanbidding

De totale opbrengst van de aanbidding bedraagt EUR 2.500.000, verdeeld over diverse projecten gedurende de looptijd van de aanbidding.

Dit bedrag kan ook lager zijn als niet op alle obligaties wordt ingeschreven. De minimale opbrengst is EUR 5.000

De aanbiddingsperiode begint op 19-03-2020 en eindigt op 18-03-2021, of zoveel eerder als op de gehele aanbidding is ingeschreven.

Gedurende de aanbestedingsperiode biedt de uitgevende instelling projecten aan op de Lendahand website op basis waarvan obligaties worden uitgegeven.

De uitgiftedatum van de obligaties is doorlopend gedurende de aanbestedingsperiode.

De startdatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

Over uw inleg betaalt u geen emissiekosten. Bij verkoop van uw obligaties betaalt u geen kosten.

Van elke euro van uw inleg wordt EUR 0,- gebruikt om kosten af te dekken. EUR 1,- wordt geïnvesteerd in obligaties van de uitgevende instelling. Er is dus geen sprake van kosten voor de belegger.

B. Reden voor de aanbesteding

De opbrengst wordt gebruikt voor het financieren van kleine en middelgrote bedrijven in Zuid-Afrika. Van de opbrengst wordt 0% gebruikt voor kosten, tenzij er sprake is van een eenmalige vooruitbetaalde platform vergoeding welke over het algemeen niet hoger is dan 3,75% per jaar

Deel IV - Informatie over de aangeboden beleggingsinstrumenten

A. Kenmerken van de aangeboden beleggingsinstrumenten

U belegt in een obligatie.

De nominale waarde van de obligaties is EUR 50,00.

De intrinsieke waarde van de obligaties is EUR 50,00.

De prijs van de obligaties is EUR 50,00.

Deelname is mogelijk vanaf EUR 50,00.

De uitgiftedatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

De looptijd van de verschillende obligaties varieert tussen de 6 en 48 maanden. De betreffende looptijd wordt per project aangegeven. Terugbetalingen vinden elke 6 maanden plaats, inclusief rente, op de 15^e van de maand.

De rente op de obligaties varieert tussen de 3-4% per jaar. Het betreffende percentage wordt per project aangegeven. De obligaties kennen geen bonusrente.

Rang van de beleggingsinstrumenten in de kapitaalstructuur van de uitgevende instelling bij insolventie: obligaties zijn niet preferent noch achtergesteld.

B. Uitsluitend in het geval waarin door een derde een garantie wordt toegekend in verband met de beleggingsinstrumenten: beschrijving van de garant en van de garantie

Niet van toepassing.

C. In voorkomend geval, bijkomende informatie voorgelegd door de markt waar de beleggingsinstrumenten toegelaten zijn.

Niet van toepassing.

Deel V - Alle andere belangrijke informatie die mondeling of schriftelijk aan één of meer beleggers wordt gericht

Onder verwijzing naar de Wet van 18 december 2016 tot regeling van de erkenning en de afbakening van crowdfunding en houdende diverse bepalingen inzake financiën, wordt de volgende informatie gedeeld:

De volledige identiteit en contactgegevens van de gereglementeerde onderneming die de alternatieve-financieringsdiensten verstrekt:

Hands-on B.V. (*een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht op 17 juli 2012 en gevestigd te Rotterdam*)

Eendrachtsplein 3, Unit 2A
3015 LA Rotterdam, Nederland
www.lendahand.com

Geregistreerd bij de Nederlandse Kamer van Koophandel onder nummer 55711766

De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

De naam en het adres van de bevoegde autoriteit die de vergunning heeft verleend aan de gereglementeerde onderneming:

Autoriteit Financiële Markten (AFM)
Vijzelgracht 50
1017 HS Amsterdam, Nederland

De kosten van de alternatieve-financieringsdiensten voor de cliënten: geen.

De in het kader van het verstrekken van de alternatieve-financieringsdiensten in ontvangst genomen vergoedingen: een fee van de uitgevende instellingen.

De gereglementeerde onderneming beschikt over een belangenconflictenbeleid, ten einde zich op loyale, billijke en professionele wijze in te kunnen zetten voor de belangen van haar cliënten.

De gereglementeerde onderneming verwijst naar bovengenoemde Wet van 18 december 2016 voor de geldende (gedrags)regels voor het verstrekken van alternatieve-financieringsdiensten.

De te financieren projecten worden op de volgende wijze geselecteerd:

Lendahand voert een boekenonderzoek uit waarbij onder andere gekeken wordt naar de track record, de sociale missie, het business model en enkele financiële datapunten (zoals de unit economics en marges, winstgevendheid, groeicijfers, de balansgrootte, samenstelling van de bezittingen en schulden). Dit boekenonderzoek wordt ter goedkeuring voorgelegd aan een externe credit committee bestaande uit impact investing professionals.

Het is de gereglementeerde onderneming verboden:

- om gelden die haar cliënten toebehoren in ontvangst te nemen en aan te houden
- om beleggingsdiensten te verlenen, met uitzondering van het in ontvangst nemen en doorgeven van orders
- om een mandaat of volmacht te hebben op de rekeningen van haar cliënten

Voornaamste kenmerken van de beleggingsinstrumenten die de gereglementeerde onderneming commercialiseert: vast rentende obligatieleningen met tussentijdse aflossingen.

Bijlage

Voor zover de uitgevende instelling op dat moment al actief was, haar jaarrekening van de laatste twee boekjaren, alsook, in voorkomend geval, overeenkomstig artikel 13, go 1 of 2, 1°, van de wet van 11 juli 2018, het verslag van de commissarissen.

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Annual
financial
statements
for the year
ended 28
February
2019

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Financial Services
Directors	Neil Christopher Welman <i>Trevor Owen Gosling</i> Amee Govind Parbhoo Lutz Seebacher Wayne Bryan Gosling
Registered office	12 Calais Road Sea Point Cape Town 8005
Business address	81 Church Street Cape Town 8000
Postal address	81 Church Street Cape Town 8000
Bankers	First National Bank Mercantile Bank
Auditors	Nexia SAB&T Chartered Accountants (SA) Registered Auditors
Company registration number	2014/156767/07
Tax reference number	9277134194
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: Quentin Daniel Financial Manager

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 29 February 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 9 to 46, which have been prepared on the going concern basis, were approved by the board of directors on 28 May 2019 and were signed on their behalf by:

Approval of financial statements



Neil Christopher Welman



Trevor Owen Gosling

Date:

28 May 2019

Independent Auditor's Report

To the shareholders of Lula Lend Proprietary Limited Opinion

We have audited the annual financial statements of Lula Lend Proprietary Limited set out on pages 9 to 45, which comprise the statement of financial position as at 28 February 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Lula Lend Proprietary Limited as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Detailed Income Statement as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia SAB&T

Nexia SAB&T
Chartered Accountants (SA)
Registered Auditors
Per: H. Kajie
Director

Date: *0 -of>- 2.-of 1*

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Lula Lend Proprietary Limited for the year ended 28 February 2019.

1. Nature of business

Lula Lend Proprietary Limited was incorporated in South Africa with interests in the financial services industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Stated capital

			2019	2018
Authorised			Number of shares	
Ordinary shares			1,200,000	1,200,000
Series A preference shares			649	649
Issued	2019	2018	2019	2018
	R	R	Number of shares	
Ordinary shares	4,646,625	4,646,625	2,459	2,434
Series A preference shares	<u>14,172,041</u>	<u>14,172,041</u>	649	<u>649</u>
	<u>18,818,666</u>	<u>18,818,666</u>	<u>3,108</u>	<u>3,083</u>

Refer to note 9 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 100% of the company's issued share capital, under the control of the directors until the next AGM.

5. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
Neil Christopher Welman	Executive	South African
Trevor Owen Gosling	Executive	South African
Amee Govind Parbhoo	Non-executive	American
Lutz Seebacher	Non-executive	Austrian
Wayne Bryan Gosling	Non-executive	South African

There have been no changes to the directorate for the year under review.

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

7. Directors' interests in shares

As at 28 February 2019, the directors of the company held direct and indirect beneficial interests in 43% (2018 : 50%) of its issued ordinary shares, as set out below.

Interests in shares

Directors	2019 Direct	2018 Direct
Neil Christopher Welman	600	600
Trevor Owen Gosling	600	600
Lutz Seebacher	121	336
	<u>1,321</u>	<u>1,536</u>

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

9. Intangible assets

At 28 February 2019 the company's intangible assets amounted to R 5,976,412 (2018: R 2,056,056), of which R 2,860,319 (2018: R 2,121,119) was added in the current year through additions.

10. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

11. Events after the reporting period

The company is in the process of finalising an equity raise. The completion of this equity raise will be finalised subsequent to the date of this report.

12. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

13. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

14. Auditors

Nexia SAB&T continued in office as auditors for the company for 2019.

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)
At the AGM, the shareholders will be requested to reappoint Nexia SAB&T as the independent external auditors of the company and to confirm Mr. H. Kaije as the designated lead audit partner for the 2020 financial year.
Annual Financial Statements for the year ended 28 February 2019

Directors' Report

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

15. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

16. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

	Note(s)	2019 R	2018 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	218,496	238,897
Intangible assets	5	5,976,412	3,896,352
Deferred tax	6	419,494	297,405
		6,614,402	4,432,654
Current Assets			
Advances and other receivables	7	62,858,113	19,965,723
Cash and cash equivalents	8	7,387,186	6,621,805
		70,245,299	26,587,528
Total Assets		76,859,701	31,020,182
Equity and Liabilities			
Equity			
Stated capital	9	18,818,666	18,818,666
Share based payment reserve	10	472,810	183,478
Cashflow hedging reserve	11	(78,700)	
Retained income		509,880	(929,383)
		19,722,656	18,072,761
Liabilities			
Non-Current Liabilities			
Other financial liabilities	12	11,872,077	9,312,810
Current Liabilities			
Trade and other payables	13	1,158,655	525,893
Loan from shareholder	14	4,547	4,547
Other financial liabilities	12	44,012,917	2,910,622
Current tax payable		88,849	193,549
		45,264,968	3,634,611
Total Liabilities		57,137,045	12,947,421
Total Equity and Liabilities		76,859,701	31,020,182

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2019 R	2018 R
Revenue	15	22,726,227	9,212,820
Cost of services	16	(6,072,065)	(2,256,436)
Gross profit		16,654,162	6,956,384
Other operating income	17	36,717	34,283
Other operating (losses) gains	18	(1,806,277)	454,918
Operating expenses		(12,759,717)	(7,055,856)
Operating profit	19	2,124,885	389,729
Finance costs	20	{8,065}	
Profit before taxation		2,116,820	389,729
Taxation	21	(677,555)	(132,333)
Profit for the year		1,439,265	257,396
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Cash flow hedge reserve recognised during the year		{109,306}	
Income tax relating to items that may be reclassified		30,606	
Total items that may be reclassified to profit or loss		(78,700)	
Other comprehensive income for the year net of taxation		(78,700)	
Total comprehensive income for the year		1,360,565	257,396

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Statement of Changes in Equity

	Stated capital	Cash flow hedging reserve	Share based payment reserve	Retained income	Total equity
	R	R	R	R	R
Balance at 01 March 2017	18,818,666		33,530	(1,186,TT9)	17,665,417
Profit for the year				257,396	257,396
Other comprehensive income					
Total comprehensive Income for the year			-	257,396	257,396
Employees share option scheme: Value of employee services not vested			149,948		149,948
Total contributions by and distributions to owners of company recognised directly in equity			149,948	-	149,948
Balance at 01 March 2018	18,818,666		183,478	(929,385)	18,072,759
Profit for the year				1,439,265	1,439,265
Other comprehensive income		(78,700)			(78,700)
Total comprehensive income for the year	-	(78,700)	-	1,439,265	1,360,565
Employees share option scheme: Value of employee services not vested			289,332		289,332
Total contributions by and distributions to owners of company recognised directly in equity			289,332		289,332
Balance at 28 February 2019	18,818,666	(78,700)	472,810	509,880	19,722,656
Note(s)	9	11	10		

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Statement of Cash Flows

	Note(s)	2019 R	2018 R
Cash flows from operating activities			
Cash used in operations	22	(36,700,676)	(11,407,485)
Interest income		271,680	512,726
Finance costs		(8,065)	
Tax paid	23	(873,739)	
Net cash from operating activities		(37,310,800)	(10,894,759)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(97,997)	(148,346)
Net proceeds on sale of property, plant and equipment	4		6,142
Capitalisation of expenses to intangible assets	5	(2,860,319)	(2,121,119)
Net cash from investing activities		(2,958,316)	(2,263,323)
Cash flows from financing activities			
Proceeds from other financial liabilities		53,054,258	8,698,472
Repayments of other financial liabilities		(12,019,761)	(1,742,979)
Net cash from financing activities		41,034,497	6,955,493
Total cash movement for the year		765,381	(6,202,589)
Cash at the beginning of the year		6,621,805	12,824,394
Total cash at end of the year	8	7,387,186	6,621,805

Lula Lend Proprietary Limited

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Annual Financial Statements for the year ended 28 February 2019

Lula Lend Proprietary Limited
(Registration number 2014/156767/07)
Annual financial statements
for the year ended 28 February 2018

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Lula Lend Proprietary Limited

General Information

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Country of incorporation and domicile Nature of business and principal activities Directors	South Africa Financial Services Neil Christopher Welman Trevor Owen Gosling Amee Govind Parbhoo Lutz Seebacher Wayne Bryan Gosling
Registered office	12 Calais Road Sea Point Cape Town 8005
Business address	81 Church Street Cape Town 8000
Postal address	81 Church Street Cape Town 8000
Bankers	First National Bank Mercantile Bank
Auditors	Nexia SAB&T Chartered Accountants (SA) Registered Auditors
Company registration number Tax reference number	2014/156767/07 9277134194
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Quentin Daniel Financial Manager

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Index	Page
Directors' Responsibilities and Approval	3
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Directors' Report	6-8
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Statement of Changes in Equity	11
Statement of Cash Flows Accounting	12
Policies	13 - 19
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	36
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The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2019 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 37, which have been prepared on the going concern basis, were approved by the board of directors and were signed on their behalf by:

Approval of financial statements

Neil Christopher Welman 03
May 2018

T.e..J14n Gosling

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

Independent Auditors' Report

To the shareholders of Lula Lend Proprietary Limited

Opinion

We have audited the Annual Financial Statements of Lula Lend Proprietary Limited set out on pages 9 to 35 which comprise the Statement of Financial Position as at 28 February 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position Lula Lend Proprietary Limited as at 28 February 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditors' report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in a with International Financial Reporting Standards and the requirements of the Companies Act 71 2008, and for S. control as the directors determine is necessary to enable the preparaiton of Annual Financial Statements that. material misstatement, whether dueto fraud or error.

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Lula Lend Proprietary Limited

Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Rustenburg
(Registration number 2014/156767/07)
Annual Financial Statements for the year ended 28 February 2019

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

In preparing the Annual Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Nexia SABB

Chartered Accountants (SA)

Registered Auditors

Per Director: Hassen Kajie Date:

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Nexia SAB&T

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2019

The directors have pleasure in submitting their report on the annual financial statements of Lula Lend Proprietary Limited for the year ended 28 February 2018.

1. Nature of business

Lula Lend Proprietary Limited was incorporated in South Africa with interests in the Financial services industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Stated capital

	2018		2017	
Authorised	Number of shares			
Ordinary shares	1,200,000		1,200,000	
Series A preference shares	649		649	
	2018	2017	2018	2017
Issued	R			
Ordinary shares	4,646,625	4,646,625	Number of shares	
Series A preference shares	<u>14,172,041</u>	<u>14,172,041</u>	649	649
	18,818,666	18,818,666	3,083	3,066

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 100% of the company's issued stated capital, under the control of the directors until the next AGM.

5. Dividends

No dividend was declared or paid for the financial year ended 28 February 2018.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
Neil Christopher Welman	Executive	South African
Trevor Owen Gosling	Executive Non-executive Non-	South African
Amees Govind Parbhoo	executive Non-	American
Lutz Seebacher	executive Non-	Austrian South
Wayne Bryan Gosling	executive	African

There have been no changes to the directorate for the year under review.

7. Directors' interests in shares

As at 28 February 2018, the directors of the company held direct and indirect beneficial interests in 50% (2017: 50%) of its issued ordinary shares, as set out below.

Interests in shares

Directors	2018 Direct	2017 Direct
Neil Christopher Welman	600	600
Trevor Owen Gosling Lutz	600	600
Seebacher	336	336
	1,536	1,536

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

9. Intangible assets

At 28 February 2018 the company's intangible assets amounted to R3,896,352 (2017: R 2,056,056), of which R2,121,119 (2017: R 1,165,914) was added in the current year through additions.

10. Special resolutions

No special resolutions, the nature of which might be significant to the shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

11. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

12. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

13. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Directors' Report

14. Auditors

Nexia SAB&T continued in office as auditors for the company for 2018.

At the AGM, the shareholders will be requested to reappoint Nexia SAB&T as the independent external auditors of the company and to confirm Mr Hassen Kajie as the designated lead audit partner for the 2019 financial year.

15. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Financial Position as at 28 February 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property and equipment	3	238,897	189,753
Intangible assets	4	3,896,352	2,056,056
Deferred tax	5	297,405	236,190
		<u>4,432,654</u>	<u>2,481,999</u>
Current Assets			
Advances and other receivables	6	19,965,723	7,667,483
Cash and cash equivalents	7	6,621,805	12,824,394
		<u>26,587,528</u>	<u>20,491,877</u>
Total Assets		<u>31,020,182</u>	<u>22,973,876</u>
Equity and Liabilities			
Equity			
Stated capital	8	18,818,666	18,818,666
Share-based payment reserve	9	183,478	33,530
Accumulated loss		(929,383)	(1,186,779)
		<u>18,072,761</u>	<u>17,665,417</u>
Liabilities			
Non-Current Liabilities			
Other financial liabilities	11	9,312,810	3,701,326
Current Liabilities			
Trade and other payables	12	525,893	60,652
Loan from shareholder	13	4,547	4,548
Other financial liabilities	11	2,910,622	1,541,933
Current tax payable		193,549	-
		<u>3,634,611</u>	<u>1,607,133</u>
Total Liabilities		<u>12,947,421</u>	<u>5,308,459</u>
Total Equity and Liabilities		<u>31,020,182</u>	<u>22,973,876</u>

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2018 R	2017 R
Revenue	14	9,212,820	3,994,702
Cost of services	15	(2,256,436)	(1,884,379)
Gross profit		6,956,384	2,110,323
Other operating income	16	34,283	-
Unrealised and realised forex gains	17	454,918	361,947
Operating expenses		(7,055,856)	(3,694,025)
Operating profit (loss)	18	389,729	(1,221,755)
Profit (loss) before taxation		389,729	(1,221,755)
Taxation	19	(132,333)	236,190
Profit (loss) for the year		257,396	(985,565)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		257,396	(985,565)

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Changes in Equity

	Stated capital	Share-based payment reserve	Accumulated loss	Total equity
	R	R	R	R
Balance at 01 March 2016	3,566,775	-	(201,214)	3,365,561
Loss for the year	-	-	(985,565)	(985,565)
Other comprehensive income	-	-	-	-
Total comprehensive Loss for the year	-	-	(985,565)	(985,565)
Issue of shares	15,251,891	-	-	15,251,891
Employees share option scheme: Value of employee services not yet vested	-	33,530	-	33,530
Total contributions by and distributions to owners of company recognised directly in equity	15,251,891	33,530	-	15,285,421
Balance at 01 March 2017	18,818,666	33,530	(1,186,779)	17,665,417
Profit for the year	-	-	257,396	257,396
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	257,396	257,396
Employees share option scheme: Value of employee services not yet vested	-	149,948	-	149,948
Total contributions by and distributions to owners of company recognised directly in equity	-	149,948	-	149,948
Balance at 28 February 2018	18,818,666	183,478	(929,383)	18,072,761
Notes	8	9		

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

Annual Financial Statements for the year ended 28 February 2018

Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash used in operations	20	<u>(11,392,697)</u>	<u>(4,142,406)</u>
Cash flows from investing activities			
Purchase of property and equipment	3	(148,346)	(171,862)
Net proceeds on sale of property, plant and equipment	3	6,142	-
Capitalisation of expenses to intangible assets	4	<u>(2,121,119)</u>	<u>(1,165,914)</u>
Net cash from investing activities		<u>(2,263,323)</u>	<u>(1,337,776)</u>
Cash flows from financing activities			
Proceeds on ordinary shares issue	8	-	1,079,850
Proceeds on series A preference shares issued	8	-	14,172,041
Net movement on other financial liabilities		7,453,431	2,431,889
Net movement on shareholders loan		-	1,706
Net cash from financing activities		<u>7,453,431</u>	<u>17,685,486</u>
Total cash movement for the year		(6,202,589)	12,205,304
Cash at the beginning of the year		<u>12,824,394</u>	<u>619,090</u>
Total cash at end of the year	7	<u>6,621,805</u>	<u>12,824,394</u>

Lula Lend Proprietary Limited

(Registration number 2014/156767/07)

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