

**T**RADE**B**ACKING**.C**OM

OUR LEVERAGE FOR YOUR TRADE OPERATIONS

**T**RADE **F**INANCING



## Problems

### SME lack of access to funds

The buyer does not have enough funds for more frequent purchases. The manufacturer sets a 100% prepayment as terms of sale. Therefore, the buyer has to look for a loan having no proper collateral, but neither the bank, nor the investor, who has excess funds, will want to finance the deal without proper collateral. ***So the main problem is the vicious circle.***

***The development of this problem is the second problem: the Buyer does not meet creditors' requirements for collateral or loan amount.*** Or it could be difficult for the manufacturer to perform the necessary verification, confirming that the Buyer is trustworthy. As a result, there could be just costs, instead of the access to financing. The manufacturer will require 100% prepayment due to lack of trust to the Buyer. And perhaps, the lack of a solution will lead the manufacturer to insufficient sales volumes. And the investor will have to check carefully the Buyer who would have applied for funding. After all, he will not provide any means without proper knowledge of the borrower. Such a check will require a considerable amount of time, and therefore the loss of money seems inevitable.

### SME inability to provide collateral

### Lack of trust

***The third main problem derived from the fact that business and financing institutions don't exchange information.*** Various parties use different systems of different scale and complexity, making the cooperation not transparent, risky, expensive as well as time-consuming. Peer-2-peer lending platforms are able to partially solve the problem, enabling investors to fund directly. But to be scalable, such platforms also will need an integrated ecosystem. Only an international integrated system will significantly improve the efficiency of transactions.

***The fourth one, traditional investments will not always provide sufficient return and capitalization growth.*** The transition to alternative investments will require the investor to change the approach to risk management. And the new approach could appear to be costly and uncomfortable. That is, investors are looking for a variety of projects for investment, and business transparency is a very important criterion for selecting a project.

### Alternative investments seem risky

**These problems have created a 1.6 trillion USD niche in the area of SMEs trade financing.**



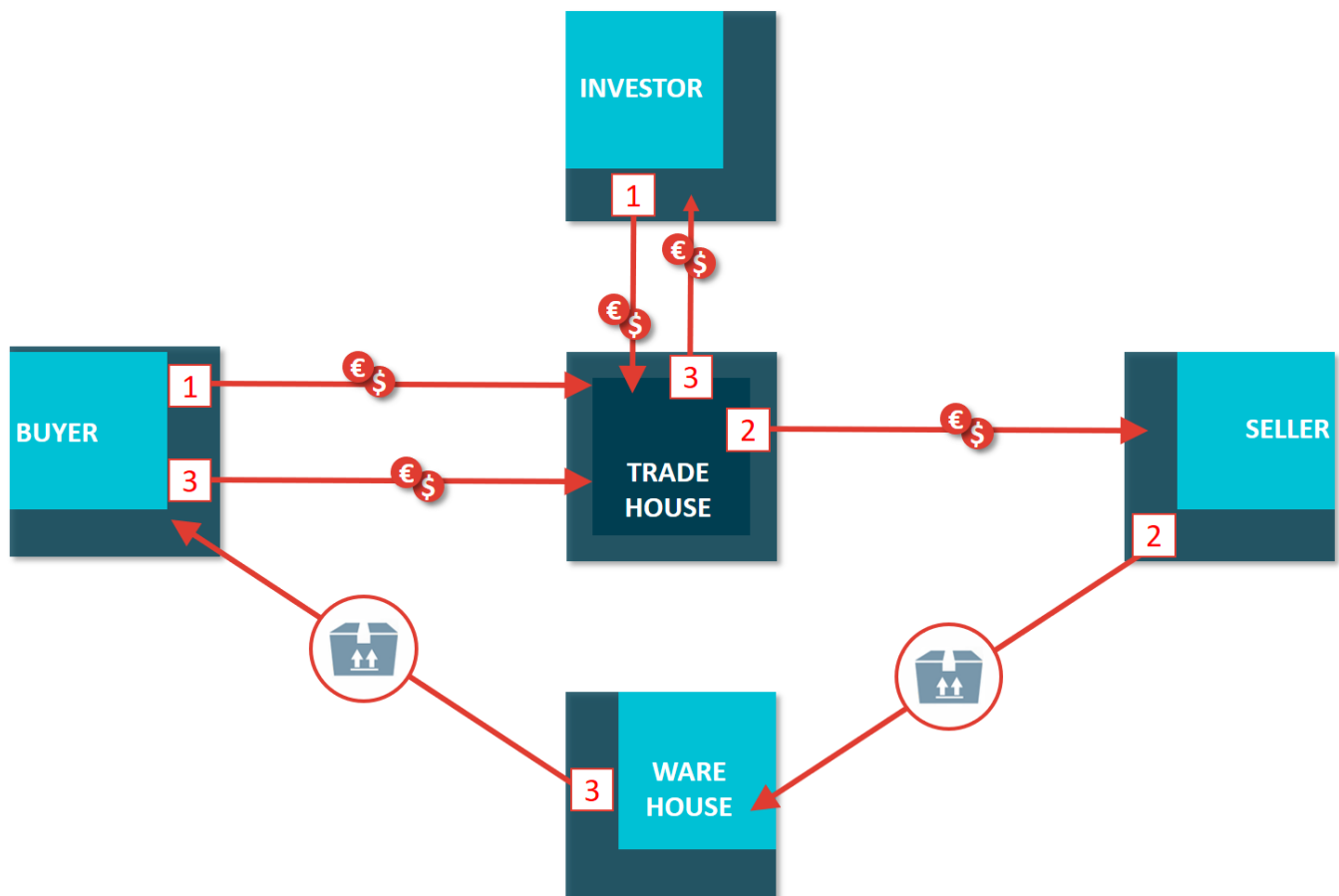
## To solve these Problems the Trade Financing has been developed

Since 2009, our team has been offering professional financial services to small and medium-sized enterprises (SMEs). And in 2016 we developed a new simple and clear service – **Trade Financing** and created TradeBacking.com.

The Trade Financing has given our customers an opportunity to replace the full prepayment to a partial one. Now they can import more goods and develop their business, as their funds that could have been "frozen" in long-term deliveries, stay free.

We mainly fund deals in the amounts of up to 500,000 Euros. The problem of collateral has been solved through goods redeem. All deals are transparent and supported by clear reporting.

The service provides secure deposits for investors on the one hand and a convenient financing solution – on the other hand. The service combines the advantages of credit, factoring and letter of credit and is provided through trading.



## Trade Financing is performed in 3 stages:

### 1. Signing the contract

The Analytical Department of TradeBacking.com (TB.O) will analyze customer's business model, reputation, financial and product turnover. The Credit Committee will determine the loan size and the terms of financing.

### 2. Goods Purchase

At this stage, TB.O will receive a prepayment from the customer in the amount starting from 30% of the total goods value. Then TB.O will pay 100% of the cost to the manufacturer, deliver the goods and store the purchased goods in a safe warehouse for up to 60 days. If necessary, private investors will be involved in providing financing.

### 3. Sale of the Goods

At the third stage, the client will buy the goods from TB.O in whole or in parts. In this case, the client will repay the amount of funding and will pay for the TB.O commissions and logistics services. Then TB.O will return funds to investors and will pay their interest.

## Business Indicators

For every participant all transactions and processes are 100% transparent.

Our investors' funds are 100% protected due to the TradeBacking.com risk management policy: as of January 2018 – 0% of bad deals and 0% of overdue payments.

The collateral is not less than 143% (LTV  $\leq$  70%). Thus TB.O can ensure its investors a stable profit up to 12% p.a.

TradeBacking.com is developing the Trade Financing business all over the world.

Since its launch in 2016, TB.O has financed deals for 15 million Euros. And as of April 2018, there are other 15-million-euro deals as pending orders.

The trade financing business model is unique, as our clients receive full cycle of service for their deals: from purchase financing to release of the goods from the warehouse.

There are no direct competitors. The indirect competitors are banks that provide factoring services and companies that offer invoice financing. But all of them are mainly interested in clients looking for financing in the amount of 1 million Euros and more.

TB.O target audience is SMEs that need funding in the amounts from 10,000 up to 500,000 Euros. Deals beyond these limits will be agreed with investors separately.

The main advantages of TB.O is that we own no lien, we own the collateral, and we have means to control the collateral, regardless of its location.

## Management Team



### **Dmitry Cheleby**

#### **CEO**

Dmitry Cheleby is a brilliant specialist in finance and credit with experience and expertise in solving the most complicated financial and legal problems. He graduated the Department of Economics and Management of the Latvian University. After that he keeps gaining experience in the fields of logistics, IT, banking and has been engaged in administrative management at various levels.

During the years of his entrepreneurship, Dmitry has masterly created and managed many companies, successfully developing businesses notwithstanding complicated economic factors in Europe.

Dmitry's competence in financial matters, faultless gut and managerial talent have repeatedly allowed management teams to avoid significant losses, and to receive income in very difficult situations and circumstances.

The peak of Dmitry's managerial talents is the growing success of TradeBacking.com.



### **Dzintars Veips**

#### **Financial Director**

Dzintars is a master at managing capital and finances. Dzintars got education in the field of economics and business management and was awarded an MBA Diploma. Developing and improving his skills and managing an accounting company, he has always been and remains committed to his client's business, investment and credit solutions for various enterprises and organizations.

Strategic approach to business performance, consistent accounting of finances and processes in client companies has made Dzintars a wise consultant able to help both with answers to financial issues and in solving economic problems.

Dzintars' entrepreneurial and creative potential is revealed both in his relationships with colleagues and in his approaches to management, giving each management team the opportunity not only to make the balanced and economically considered solutions, but also to find a unique move to solve a financial problem that could have appeared in the course of the activity.





## **Mikhail Bobkin**

### **Development Director**

Mikhail's versatile education, obtained at the Open University Business School, the Moscow State Industrial University and the Higher School of Economics and Culture, allows him to delve into every detail of any project, while maintaining big picture of the situation with the project and the environment in which the project has been developing.

His incredible ability to process and analyze information, ability of utmost task concentration and his clarity in performance control provides the management with constant and clear control over the tasks completion, and ensures achievement of the set goals within the time and agreed budget for the team as a whole.

Mikhail constantly develops his skills, both because of personal traits, and due to wide variety of projects of the Quinto Group Holding.



## **Mikhail Dzhondzhua**

### **Communication Direction**

As you can expect from a person with engineering education, Mikhail brings technological logic and rigor into his professional activity.

In addition, he augmented his perfect communication skills with the education in the field of interpersonal communication, gained from the best American and European specialists.

Each person who works with him has a benefit of getting a unique integration of many years of the international business coach and consultant experience and skills of long-term and persistent aikido practice.

In 2017, Mikhail received his MBA degree from the Stockholm School of Economics and continues to develop practical management and knowledge skills in the financial and banking sectors. He offers the Company's clients modern solutions in financing, jurisprudence and other aspects of work within the financial sector.

As a professional manager, Mikhail constantly and consistently strengthens the integrity of the management and the team as a whole, maintains open communication, and constantly cares about each employee.



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# Investment Offer

# About Quinto Capital Partners, TradeBacking.com and their Investors

The main business direction of the TradeBacking.com company (hereinafter *TB.O*)<sup>1</sup> — trade deals co-financing. Since 2016 a group of investors has been working with the TB.O company. All this time TB.O has been paying them not less than 10% per annum.

This is ensured by the fact that the company TB.O carefully worked through all aspects of risk management. We keep funding only the companies that have been working for a year or more with equally financially sustainable suppliers. We thoroughly check these facts.

The customer's goods will act as collateral in all deals. Currency risks are levelled as all deals are carried out in Euro only.

In case of a buyer's default, TB.O possesses a capability and resources of fast realization of the goods being in pledge. Realization of collateral allows providing guaranteed payment of the principal amount and interest to the investor. In any case, the investor's capital is fully secured by highly liquid collateral.

Investors' funds are 100% secured by the TradeBacking.com risk managing policy: up to January 2018 – 0% of bad deals and 0% of overdue payments. The collateral amounts 143% as a least (LTV ≤ 70%). In fact, due to that TB.O can ensure a stable investor profit of more than 10% per annum.

In 2017, the total volume of financed trade deals exceeded 6 mln Euros.

Today we have exhausted the resource of our pool of investors and have reached the limits of portfolio growth.

## Co-operation Offer

As of April 16, 2018, clients' requests for financing amounted to more than 15 mln Euros. Therefore, we are turning to the owners of capital and offering to become our co-investors in trade deals.

## The Scheme of Co-operation with TB.O

1. We will conclude a target loan agreement;
2. The investor will confirm the participation in the deal and will perform the funds transfer in accordance with the terms of the agreement and the deal prospectus;
3. At the end of each deal the investor will receive the income: interest plus the principal amount.

Further there are a few deals that you can refinance. And we offer you to become a co-investor in any deal of your choice.

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<sup>1</sup> The TradeBacking.com brand is the property of the legal person of SIA "Quinto Capital Partners" and TradeBacking.com GmbH





# Deal №1: Bicycles Purchase and Sales

## Investment Terms

- Amount – from 10,000.00 up to **300,000.00 EUR**
- Interest rate – from **12% a year** (depends on the amount of funds invested)
- Deal lead time – **up to 135 days**

+ Opportunity to participate in subsequent deals on partner terms and to increase the invested amount.

## What You Invest In

On March 19, 2018 the TB.O company started co-financing the purchase-sale of bicycles and accessories (the manufacturer: FELT company) for the company that has been our client for a long time. TB.O is participating in the deal in the amount of 100% of the total goods value.

The client's company pledged collateral in the amount of 200% of the deal value.

The TB.O company has made 100% prepayment to the bicycle manufacturer. Also, TB.O will remain the owner of the cargo during the whole time of its transportation and storage. Thus, the total amount of collateral is twice the amount of the TB.O invested in the deal means.

The goods will be the pledge for our investments during the whole time of the deal financing. Our subsidiary, forwarding company *Quinto Logistics*, will fully control the delivery and storage of the cargo.

The goods delivery will take 45 days. The customer has agreed to redeem the goods within 90 days after its delivery to the warehouse. The goods can be redeemed as a whole or in several batches. The goods and pledge will be transferred into the client's ownership property only after 100% payment.

## Deal Plot

TradeBacking.com (TB.O) company is financing the purchase of bicycles for one of Russia's leading retailers, "VELOCENTR" company ([www.velo.ru](http://www.velo.ru)).

Bicycles are purchased from a German manufacturer from their factory in Taiwan and are delivered to a temporary storage warehouse in Riga. The TB.O company's subsidiary, the forwarding company *Quinto Logistics*, supplies, stores, delivers and releases goods to the client. The customer buys the goods back on prepayment basis only and delivers them to his trading network in Russia.

After the deal is completed, TB.O transfers the earned interest and the principal amount of the loan to the investor.



## Risks: [low]

Risks	Deal Evaluation Summary
Operational	Co-operation experience > 2 years
Credit	The goods are the collateral
Currency	The deal is performed in Euro
Liquidity	Only new bicycle models are bought
Market	Discount on goods in the amount of 50% of the wholesale price

# Deal №2: Petrol Purchase and Sales

## Investment Terms

- Amount – **6,000,000.00 USD**
- Interest rate – **12% a year**
- Deal lead time – **up to 60 days**
- Earnings for the maximum period of one deal – **2.0% or 120,000.00 USD**
- Minimum investment period – **6 months**
- Optimal investment period – **12 month**

+ Opportunity to participate in subsequent deals for the period of up to 12 months on similar terms and / or to increase the invested amount up to 2-3 times.

## What You Invest In

The TB.O company finances the purchase-sale of petrol in the Market of Nigeria together with the Zenith Bank (ranked in the top 5 banks of Nigeria, ranks 239<sup>th</sup> in the top 1000 banks of the World), where the bank acts as a supervisor providing control of the cargo purchase and sale cargo (Collateral manager).

- Quota Volume – 10,000 MT (12,300,000 litres of petrol);
- High level of deal reliability.

The manager's, who supervises the deal, experience: over 20 years in the industry.

## Deal Plot

The Nigerian State oil Company (the Nigerian National Petroleum Corporation, NNPC) issues a quota in the name of TB.O, for the wholesale supply of petrol, which will be the State guarantee of delivery.

After receiving and checking the quota at the Zenith Bank, NNPC will be paid within 10 days.

Within 4 days after the payment, NNPC will carry out the petrol delivery to the petrol terminal, certified by the State institutions of the Republic of Nigeria.

Existing TB.O clients will make a prepayment to the deal account at the Zenith bank, and after that the delivery of petrol will be carried out under the bank control.

When the deal cycle is completed, the TB.O company will transfer the amount of interest earned to the investor.



The TB.O company will transfer the principal amount of the loan to the investor after the completion of the investment period.

## Risks: [low]

Risks	Deal Evaluation Summary
Operational	Co-operation experience <1 year
Credit	Guarantees of the Zenith bank, the State guarantee, contracts
Currency	Forward NGN/USD
Liquidity	Turnover = up to 60 days
Market	Fixed fuel price

## Invest in Trade Financing Deals!



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