

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA

For the period of the years ended December 31, 2020

REVIEW REPORT OF THE INDEPENDANT AUDITOR

To Investors and Directors of

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA

We have audited the Individual financial statements enclosed of **ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA**., which comprise the individual statement of financial position as of 31 December, 2020 and the corresponding individual statement of comprehensive income, change in equity and cash flows for the years ended in those dates, and the corresponding notes to the individual financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE INDIVIDUAL FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with international standards for financial reporting. This responsibility includes designing, implementing, and maintaining of a relevant internal control to the preparation and fair presentation of individual financial statements that are exempt to material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform our work in order to achieve a reasonable assurance that the individual financial statements are exempt of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risk of material misstatement of the individual financial statements, whether due to fraud or error. To achieve these risk assessments, the Auditor considers the internal control relevant to the preparation and fair presentation of the individual financial statements entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose to express an opinion on the effectiveness of internal control of the entity. Consequently, we express no such kind of opinion.

An audit, also, includes evaluating what are appropriate accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the individual financial statement.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a base for our audit opinion.

OPINION

In our opinion, these individual financial statements previously mentioned, fairly present, in all material respect, the financial situation of **ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA** as of December 31, 2020 and the results of its operation and cash flows for the years ended on those dates in accordance with international financial reporting standards.

Pryor Consulting Services Chile SA
Chile – Brazil
Rut: 76.671.150-2

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA

STATEMENT OF FINANCIAL POSITION TO DECEMBER 31, 2020 AND DECEMBER 31, 2019

(Amounts in Chilean pesos – CLP)

	Note	31-12-2020	31-12-2019
ASSETS			
Current assets			
Cash and cash equivalents	1	6.014.049.500	3.957.681.708
Accounts receivables, net of allowance	1	1.238.618.811	1.935.022.902
Other Taxes and Credits	2	484.572.926	2.271.160.543
Prepaid expenses	3	-	183.200
Deferred Taxes	9	1.348.996.265	-
Unbilled accounts receivable	3	<u>1.050.379.246</u>	<u>1.207.476.760</u>
Total current assets		10.136.616.748	9.371.525.113
Property and equipment, net		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>10.136.616.748</u>	<u>9.371.525.113</u>
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable	4	2.504.305	312.126.774
Accrued employee costs	5	405.401.546	317.983.811
Deferred revenue	6	1.646.508.663	583.132.330
Other current liabilities	7	210.078.585	763.767.021
Due to – related parties	8	1.181.793.530	1.369.441.620
Income tax Payable	10	<u>395.536.924</u>	<u>-</u>
Total current liabilities		3.841.823.553	3.346.451.556
Commitments			
Stockholder's equity			
Common stock, \$0.01 par value, Authorized: 100 shares			
Equity Share Capital		795.139.398	795.139.398
Convertible preferred Stock		-	-
Additional paid-in-capital		-	-
Retained Earnings – Current		269.719.638	568.544.949
Equity Revaluation		-	-
(Accumulated deficit) retained earnings		5.229.934.159	4.661.389.210
Accumulated other comprehensive loss			
Total stockholder's equity	11	<u>6.294.793.195</u>	<u>6.025.073.557</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY		<u>10.136.616.748</u>	<u>9.371.525.113</u>

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION
FOR THE PERIODS ENDED THE YEAR TO 2020 AND 2019
(Amounts in Chilean pesos – CLP)

	31-12-2020	31-12-2019
Revenue	5.675.150.684	5.788.058.145
Cost of revenue (excluding depreciation and amortization)	<u>(5.497.854.554)</u>	<u>(4.437.266.602)</u>
Gross profit	177.296.130	1.350.791.543
Operating expenses	(34.349.494)	(66.623.428)
Selling and marketing expenses	-	(4.749.500)
General and administrative expenses	(160.948.453)	(207.424.152)
Depreciation and amortization	<u>(21.660.076)</u>	<u>(5.359.632)</u>
Operating (loss) income	(39.661.893)	1.066.634.831
Non-operating income (expense), net	(217.460.944)	(323.991.621)
Interest income	-	-
Interest expense	-	-
Other income (expenses), net	<u>(562.376)</u>	<u>(7.872.881)</u>
(Loss) income before income taxes	(257.685.213)	734.770.329
Provision for income taxes	527.404.851	(166.225.380)
Net (loss) income	<u>269.719.638</u>	<u>568.544.949</u>

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA

INDIVIDUAL STATEMENTS OF INDIRECT CASH FLOWS.
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

	Year ended December 31,	Year ended December 31,
	2020	2019
Cash flows from operating activities		
Net (loss) income before taxes	269.719.638	734.770.329
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities	114.424.168	
Income Tax	(528.639.517)	-
Depreciation and amortization	-	-
Stock Compensation Cost	-	-
Exchange Rate Adjustment	-	-
Minority interest		
	(144.495.711)	734.770.329
Changes in operating assets and liabilities, net of effect of acquisition		
Accounts receivable and unbilled receivables	1.832.526.676	(1.241.139.527)
Other current assets and other assets	(228.848.336)	
Current liabilities and other liabilities	597.185.163	(613.702.950)
Income Tax Paid		
Net cash (used in) provided by operating activities	2.056.367.792	(1.120.072.148)
Cash flows from investing activities		
Purchase of property and equipment	-	-
Rental Deposits	-	-
Write-off Intangibles		
Net cash used in investing activities	-	-
Cash flows from financing activities		
Issue of Shares	-	-
Securities Premium	-	-
Capital Revaluation on Equity	-	-
Net cash used in financing activities	-	-
Net (decrease) increase in cash and cash equivalents	2.056.367.792	(1.120.072.148)
Effect of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	3.957.681.708	5.077.753.856
Cash and cash equivalents at the end of the year	6.014.049.500	3.957.681.708
<u>Supplemental disclosure of cash flow information</u>		
Taxes paid	-	-
Cash paid for interest		
Purchase accounting adjustment		
Assets acquired under capital leases		

GENERAL INFORMATION

The Company was legally incorporated on November 26, 2009 and its corporate purpose is performing any kind of Buying, selling and marketing of software, programs and / or computer products.

The Equity is: 1.000.000. - Chilean pesos. The partners and the percentage of participation:

Oracle Financial Services Software Limited : 99%

Oracle Financial Services Software B.V: : 1%

BASIS OF PRESENTATION OF INDIVIDUAL FINANCIAL STATEMENTS AND ACCOUNTING CRITERIA APPLIED.

Preparation bases

For all matter related to the presentation of its financial statements, the company uses the international financial reporting standards issued by international accounting standards board (hereinafter “IASB”),

The individual financial statements for the period of one year to December 31, 2020 and December 31, 2019 have been prepared in accordance with international accounting financial standards, issuing by the international accounting standards board (hereinafter “IASB”).

These individual financial statements have been prepared from the accounting records kept by the Main Company.

The financial statements have been prepared on the historical cost basis except for some financial instruments that are measured at revalued amounts or fair values at the end of each exercise as explained in the accounting policies below. In general terms, the historical costs are based in the fair value of the consideration given by goods and services.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinarily transactions between market participants in the valuation date, regardless of whether this amount is observable or estimated using another technique of direct assessment. To estimate the fair value of an asset or liability, the company takes into consideration the characteristics to set up the price of the assets or liability to the measurement date. The fair value valuation purposes and / or disclosure of individual financial statements is determined such, except for:

- i) The calculation that have some similarities with the market value (but they are not their fair value, such as net realizable value in IAS 2 or value in use of IAS 36).

To assess the value in use, the company prepare projections of future cash flows before tax based on the most recent estimates available. These budgets include the best estimations of managements of management on the revenues and costs of the cash-generating units using industry projections, past experience and future expectations.

Accounting Period

These individual financial statements cover the following periods:

Statements of financial Situation at December 31, 2020 and December 31, 2019.

Statements of changes in Equity of the period of twelve months ended in December 31, 2020 and 2019.

Statements of Comprehensive Income for the twelve-month periods ended December 31, 2020 and 2019

Indirect Flow Statements Cash for the twelve-month periods ended December 31, 2020 and 2019.

Responsibility for the information

In the preparation of these Individual Financial Statements have used certain estimation made by management of the company to quantify some assets, liabilities, income, expenses and commitments that are registered in them, among others we mention the following:

- Useful life of fixed assets
- Assessment of assets
- Assessment of impairment of assets
- Assumptions used in the actuarial calculation of employee termination benefits and other long-term benefits
- Assumptions used to calculate the fair value of financial instruments
- Revenue from services pending billing (Revenue recognition)
- Provisions for obligations to third parties
- Risks arising from current litigation

The main estimates refer basically to:

1. Impairment of assets: The Company reviews the carrying value of its tangible assets to determine whether there is any indication that the book value may not be recoverable as indicated in IAS No. 36. If such an indication exists, the recoverable amount of asset is estimated to determine the extent of deterioration.

In the case of financial assets that have commercial substance, the company has defined a policy to register the impairment provisions based on bad debt of the outstanding balance, which is determinate base on an analysis of the age and historical collection.

2. Revenue recognition: The Revenues are recognized according to the degree of progress method. This method requires estimating the progress of the project by comparing the costs incurred at a given date with the total estimated costs. The total budgeted costs are accumulated using assumptions related to the period needed to finalize the project, the prices and availability of the materials as well as the salaries and wages to be incurred. Unforeseen circumstances could extend the life of the project or the costs to be incurred,

the basis of the calculation of the degree of progress could change what would affect the rate or period over which the project income is recognized.

Accounting Principles

Currency

The financial statements of the company are presented in the currency of the primary economic environment in which the companies operate (their functional currency). For the purposes of the Financial Statements, the Company's comprehensive income and cash flow statement are expressed in Chilean pesos, which is the functional currency of the Company and the presentation currency for the individual Financial Statements.

Property, Plants and Equipment

Property, plant and equipment owned by the Company correspond to the tangible assets that meet the following definition and according IFRS the initial cost of fixed assets may include:

- Acquisition price (plus import duties and other costs associated with imports).
- Any costs directly attributable to the transfer of the asset to its final location and conditioning needed to start operations.
- Borrowing costs incurred during the construction period which are directly attributable to the acquisition or construction of qualifying assets.

The Company has chosen the cost method, for all the elements of its fixed assets, which consists of valuing the initial cost, less accumulated depreciation less impairment losses (if any).

An item of property, plant and equipment is derecognized upon disposal or when no expected future economic benefits arising from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales revenue and the carrying amount of the asset and recognized in income.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that they are not quoted in an active market. Loans and receivables (including trade accounts and other receivables, bank and cash balances, and others) are measured at amortized cost using the effective interest method, less any impairment.

Interest income are recognized by applying the effective interest rate, except for accounts receivable in a short term when the effect of discounting is not significant.

Derecognition of financial assets

The Company will derecognize a financial asset only when the contractual rights expire on the cash flows of the asset, or when transferring substantially all the risks and rewards of ownership of the asset to another entity. If neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained on active participation and liability associated by the amounts that may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognize the financial asset and recognizes a collateral loan income received.

When a financial asset in its entirety is derecognize, the difference between the carrying amount of the asset and the sum of the consideration received and receivable and the gain or loss that has been recognized in other comprehensive income and accumulated in the equity is recognized in the results.

When a financial asset other than in its entirety is derecognize (for example, when retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part that continues recognizing under continuing involvement, and the part that it is no longer recognizes, based on the relative fair values of those parts on the date of transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any accumulated result assigned to that part which has been recognized in other comprehensive income is recognized in results. A cumulative result that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that it is no longer recognized on the basis of the relative fair values of those parts.

Financial liabilities

Financial liabilities at fair value through profit or loss are recorded at fair value, recognizing any gains or losses arising from the new measurement in the statement of comprehensive income.

Other Financial Liabilities

Other financial liabilities (including loans and trade and other payables) are valued at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and

other premiums or discounts) over the expected life of the financial liability (or, where appropriate a shorter period) to the net carrying amount on initial recognition.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event that it is probable that the Company use resources to settle the obligation and which can make a reliable estimate of the amount of the obligation. The amount recognized as a provision which represents the best estimate of the amounts required to settle the present obligation at the closing date of the financial statements, taking into account the risks of uncertainty surrounding the obligation. When a provision is determined using the estimate cash flows to settle the present obligation, its carrying amount is the present value of those cash flows.

When is expected to recover part or all of the economic benefits required to settle a provision from a third party, the amount receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Income Taxes

The Company in Chile accounted the income tax based on the net taxable income determined according to the rules established in the Law on Income Tax.

Deferred taxes caused on temporary differences and other events that create differences between the accounting and tax basis of assets and liabilities are registered in accordance with the rules set out in IAS 12 "Income taxes".

Assets and deferred tax liabilities should be measured at the tax rates expected to be applicable in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially approved at the end of the reporting period is reported.

The current taxes and changes in deferred taxes are registered in income or in equity in the statement of financial position, depending on where they have registered the gains or losses which have arisen, except assets or liabilities arising from business combinations.

Deferred tax assets and tax credits are recognized only when it is probable that sufficient future tax gains to recover the deductible temporary differences and make tax credits. Liabilities are recognized for deferred taxes for all temporary differences, except those arising from the initial recognition of goodwill and those whose origin is given by the valuation of investments in subsidiaries, associates and jointly controlled entities in which the Company may control the reversal of the same and probably not reverse in the foreseeable future.

The carrying amount of a deferred tax asset should be reviewed at the end of each reporting period on which is informed and it should be reduced to the extent that it is no longer deemed likely to be available sufficient revenues to allow it to recover all or part of the asset.

Current and deferred tax for the year

Current and deferred tax should be recognized as a gain or loss, except when related to items recognized in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognized in other comprehensive income or directly in the equity, respectively. When the current or deferred tax arises from the initial accounting of a business combination, the tax effect is included in the accounting for the business combination.

Cash flow statement indirect method

For purposes of preparing the cash flow statement, the Company has defined the following considerations:

Cash and cash equivalent: Includes cash balances, deposits, mutual funds fixed income and other short-term highly liquid investments which are readily convertible into cash and have a low risk of changes in value and with an original maturity of up to three months. In statements of financial position, bank overdrafts are classified as current liabilities.

Operation activities: They are the activities that constitute the main source of revenue of the Company and other activities that cannot be classified as investment or financing.

Investment activities: They are activities of acquisition and disposal of long-term assets and other investments not included in cash and equivalents.

Financial activities: They are activities that produce changes in the size and composition of equity and financial liabilities.

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

NOTE 1- CURRENT ASSETS

The detail is as follows:

	31-12-2020	31-12-2019
Cash and Cash Equivalents	6.014.049.500	3.957.681.708
Account Receivables	<u>1.238.618.811</u>	<u>1.935.022.902</u>
Total	7.252.668.311	5.892.704.610

NOTE 2- OTHER TAXES AND CREDITS

The detail is as follows:

	31-12-2020	31-12-2019
Income Tax Deposit, Current Prepaid Taxes	134.399.309	663.170.298
CIT Liabilities, Current PMT - Fed & Foreign	49.384.128	466.974.708
VAT on Sales	182.081.848	269.699.227
VAT Purchases - Reverse Charge – Input.	<u>118.707.641</u>	<u>871.316.310</u>
Total	484.572.926	2.271.160.543

NOTE 3- PREPAID EXPENSES AND WARRANTY BILL

The detail is as follows:

	31-12-2020	31-12-2019
Prepaid Expenses and other current assets	-	183.200
Unbilled Debtors	<u>1.050.379.246</u>	<u>1.207.476.760</u>
Total	1.050.379.246	1.207.659.960

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

NOTE 4- ACCOUNT PAYABLE

The detail is as follows:

	31-12-2020	31-12-2019
Accounts Payable	-	300.323.153
Accrued Audit Fees	2.504.305	6.469.050
Open PO / Web Expenses Accrual	-	<u>5.334.571</u>
Total	<u>2.504.305</u>	<u>312.126.774</u>

NOTE 5- ACCRUED EMPLOYEE COST

The detail is as follows:

	31-12-2020	31-12-2019
Other employee benefits	162.162.865	-
Acc. Exp. – Leave Encashment	242.402.731	317.983.811
Employee Advance - Travel / Expenses	<u>835.950</u>	<u>-</u>
Total	<u>405.401.546</u>	<u>317.983.811</u>

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

NOTE 6- DEFERRED REVENUE (CURRENT)

The detail is as follows:

	31-12-2020	31-12-2019
Unearned Revenue-License	-	-
DSO Consulting Reclass	-	(36.731.291)
Unearned Revenue-Consulting	1.558.078.189	386.577.515
Unearned Revenue-Support	<u>88.430.474</u>	<u>233.286.106</u>
Total	1.646.508.663	583.132.330

NOTE 7- OTHER CURRENT LIABILITIES

The detail is as follows:

	31-12-2020	31-12-2019
WHT Payable AP - Federal	29.021.658	563.970
Payroll Tax Payable	17.737.489	7.195.529
Employee Tax Payable (Withholding Tax Payable)	14.003.649	12.787.213
ESPP Liability	3.854.751	
Employer Tax Payable (Social Contribution)	35.335	801.435
WHT AR	31.870.181	(37.535.843)
VAT Purchases - Reverse Charge - Output	<u>113.555.522</u>	<u>779.954.717</u>
Total	210.078.585	763.767.021

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

NOTE 8- DUE TO RELATED PARTIES

The detail is as follows:

	31-12-2020	31-12-2019
OFSS/ORCL I/C Account	51.345.441	1.456.491
OFSS Inter-co Trade	543.227.002	894.449.391
OFSS Intra-co Non-Trade	587.221.085	473.535.736
OFSS I/C AR-AP Invoicing Clearing Account	2	2
OFSS I/C - Deferred Revenue on COGS & Unbilled	-	-
Total	<u>1.181.793.530</u>	<u>1.369.441.620</u>

NOTE 9- DEFERRED INCOME TAX

The detail is as follows:

	31-12-2020	31-12-2019
Bad debt reserve	141.843.384	-
Accrued vacation	62.529.155	-
Fixed assets (Net book-tax value)	3.069.277	-
Tax / Book revenue	1.140.421.184	-
Other expenses	1.133.266	-
Tax loss	-	-
Total	<u>1.348.996.265</u>	-

NOTE 10- INCOME TAX PAYABLE

The detail is as follows:

	31-12-2020	31-12-2019
CIT Liabilities, CIT Payable – Provision	334.645.085	-
WHT payable	60.891.839	-
Total	<u>395.536.924</u>	-

ORACLE FINANCIAL SERVICES SOFTWARE CHILE LIMITADA
FOR THE PERIODS ENDED IN DECEMBER 31, 2020 AND 2019
(Amounts in Chilean pesos – CLP)

NOTE 11- SHAREHOLDERS' EQUITY

The detail is as follows:

	31-12-2020	31-12-2019
Share capital	795.139.398	795.139.398
(Accumulated Deficit) Retained Earning	5.229.934.159	4.661.389.210
Retained Earnings - Current	<u>269.719.638</u>	<u>568.544.949</u>
Total	<u>6.294.793.195</u>	<u>6.025.073.557</u>

NOTE 12- CONTINGENCIES AND COMMITMENTS

During the year 2020, a Sars-Cov-2 virus pandemic was generated in the world, which has affected the local economy, however, the local outlook is expected to improve, during the year 2021.

NOTE 13- SUBSEQUENT EVENTS

Since the period from December 31, 2020 and the date of preparation of these financial statements, no events have occurred that could significantly affect the presentation and interpretation of them.