

MANAGEMENT ASSERTION REPORT on total number of Active Client Accounts, total sum of Agent Commissions, total sum of Client Balances, and largest Individual Client Balance

Purpose

The purpose of the report is to inform current clients and agents about several important corporate indicators, as well as to attract new clients and agents by providing the following information:

- 1) Total number of Active Client Accounts for the Calendar Year 2020,
- 2) Total sum of Agent Commissions for the Calendar Year of 2020,
- 3) Total sum of Client Balances for the Calendar Year 2020, and
- 4) Largest Individual Client Balance for the Calendar Year 2020.

Definitions

E-Global	E-Global Trade & Finance Group, Inc., incorporated on British Virgin Islands at 02-FEB-2007 with registration number 1384287 and having legal address at First Floor, Mandar House, Johnson's Ghut, P.O. Box 3257, Road Town, Tortola, British Virgin Islands, operating under the trade mark "Forex4you".
Calendar Year 2020	Period of time from 1st January 2020 00:00:00 till 31st December 2020 23:59:59.
Trading Servers	Trading servers with "MetaTrader4" professional trading software, consisting of the following servers: 1) "Classic1", 2) "Classic2", 3) "Classic3", 4) "Cent1", 5) "Cent2", 6) "Cent3", 7) "Cent4", 8) "Cent5", 9) "Cent6", 10) "Cent7", 11) "Cent8", 12) "Cent9"; as well as trading server with proprietary professional trading software 13) "MarketPlace".
Trade Transaction	Transaction for opening trade position or closing trade position regardless of monetary value.
Client Accounts	Unique accounts identified by a unique account number registered on each Trading Server, for both – legal and private persons. One user may have several accounts on different Trading Servers; all such accounts are counted separately. Test accounts have been excluded from the calculation.
Active Client Accounts	Client Accounts who have performed any of Trade Transactions during the Calendar Year of 2020. Client accounts only depositing and/or withdrawing and other non-trade related transactions were excluded.

Agent	Partner (legal or private person) who is assisting E-Global with attracting clients.
Agent Commissions	Commissions that have been earned by agents on Trading Servers (trade operations related commissions). Agent commissions based on received invoices or other method of calculation of agents' contribution were excluded.
Client Balances	Balances of Client Accounts on Trading Servers on 31st December 2020 23:59:59. Balances represent cash positions of clients without deductions or additions or for any open trades' trading gain or loss and without deductions for open trade positions cash reservations.
Largest Individual Client Balance	The value of the largest Balance of Individual Client Accounts (private persons only, legal entities excluded) on Trading Servers on 31st December 2020 23:59:59.

Methodology

- 1) We have obtained the reports from Trading Servers that list all trade transactions by all user/server combinations for the Calendar Year of 2020.
- 2) We have obtained the reports from Trading Servers that list all Agent Commissions for the Calendar Year of 2020.
- 3) We have obtained the reports from Trading Servers that list all Client Balances for the Calendar Year of 2020.
- 4) Based on the reports obtained from procedure 1) we have counted the number of unique Active Client Accounts.
- 5) Based on the reports obtained from procedure 2) we have summarized transactions which formed Agent Commissions.
- 6) Based on the reports obtained from procedure 3) we have summarized all Client Balances.
- 7) We have checked mathematical accuracy of the total Agent Commissions.
- 8) We have checked mathematical accuracy of the total Client Balances.
- 9) We have converted all Agent Commissions summarized in procedure 5) from EUR and RUB to USD using exchange rate at the date of the transaction when the transaction was made.
- 10) We have converted all Client Balances summarized in procedure 6) from EUR and RUB to USD using exchange rate at 31st December 2020.
- 11) We have used European Central Bank official currency exchange rate quotations that had been used for particular currency conversions into US dollars.
- 12) We have identified the amount of the largest Individual Client Balance in the total list of Client Balances.

Findings

1) Total Number of Active Client Accounts for the Calendar Year of 2020

78 319

2) Total Sum of Agent Commissions for the Calendar Year of 2020

USD 12.36 million

3) Total Client Balances on December 31, 2020

USD 52.47 million

4) Largest Individual Client Balance on December 31, 2020

USD 0.63 million

Marina Strausa, Director

Aleksandrs Gromovs, Head of Accounting Department

Date: 1 July 2021



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Independent Reasonable Assurance Report to E-Global Trade & Finance Group, Inc. on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance

We were engaged by the board of directors of E-Global Trade & Finance Group, Inc. to report on E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance as at and for the year ended 31 December 2020 as reported on pages 1 to 2 of the accompanying management assertion report. We report in form of an independent reasonable assurance conclusion based on our work performed on whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance as at and for the year ended 31 December 2020 is properly prepared, in all material respects, based on the methodology described in the accompanying management assertion report.

E-Global Trade & Finance Group, Inc.'s Responsibilities

The management of E-Global Trade & Finance Group, Inc. is responsible for the preparation of the management assertion report on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and largest individual client balance that is free from material misstatement in accordance with the management voluntary disclosure requirements and methodology described therein.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the management assertion report on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance ensuring that it is free from material misstatement, whether due to fraud or error. It also includes developing the methodology used in the report, selecting and applying policies and procedures that are reasonable in the circumstances, and maintaining adequate records in relation to the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance as at and for the year ended 31 December 2020.

The board of directors of E-Global Trade & Finance Group, Inc. is also responsible for preventing and detecting fraud and for identifying and ensuring that E-Global Trade & Finance Group, Inc. complies with laws and regulations applicable to its activities. The board of directors of E-Global Trade & Finance Group, Inc. is responsible for ensuring that E-Global Trade & Finance Group, Inc. and staff involved with the preparation of the management assertion report on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance are properly trained and relevant information systems are properly maintained updated.

Our Responsibilities

Our responsibility is to examine the management assertion report on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance prepared by E-Global Trade & Finance Group, Inc. and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence



obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. The standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance as at and for the year ended 31 December 2020 is properly prepared, in all material respects, based on the methodology described in the report.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest client balance as at and for the year ended 31 December 2020 whether due to error or fraud.

In making those risk assessments, we have considered internal controls relevant to the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of E-Global Trade & Finance Group, Inc.'s internal controls over the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance. Our engagement also included: assessing the appropriateness of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest client balance, the suitability of the criteria used by E-Global Trade & Finance Group, Inc. in preparing the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance in the circumstances of the engagement, evaluating the appropriateness of the methodology used in the preparation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance and evaluating the overall presentation of the management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance. Reasonable assurance is less than absolute assurance.

The procedures amongst others included:

- Obtaining understanding and testing general IT controls related to IT systems where calculation and accounting of clients transactions, balances and agent commissions takes place;
- Testing the design, implementation and operating effectiveness over controls related to recording of funds' transfers that form clients' balances;
- Testing the design, implementation and operating effectiveness over IT application controls related to trading gain and losses and commission expenses affecting clients' balances and agent commission items;
- Testing the design, implementation and operating effectiveness over automated IT application controls related to foreign exchange updates in servers.



- Obtaining the detailed breakdown of the client accounts, who engaged in trading activity for the period from 1st January 2020 00:00:00 to 31st December 2020 23:59:59 to determine the number of active client accounts;
- Selecting a sample of active client accounts and reconciling trading result to detailed breakdown of transactions to confirm the underlying data;
- Obtaining the detailed breakdown of agent commissions earned within the period from 1st January 2020 00:00:00 to 31st December 2020 23:59:59 to determine the total amount of commissions earned;
- Selecting a sample of agent commission items from the breakdown and reconciling to detailed breakdown of transactions to confirm the underlying data;
- Obtaining the detailed breakdown of client balances as at 31st December 2020 to determine the total sum of client balances;
- Reconciling the total agent commissions and client balances to general ledger as at 31 December 2020;
- Identifying the amount of the largest client balance in the total list of client balances as at 31st December 2020.

Criteria

The management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance was assessed against the definitions and methodology described on pages 1 to 2 of the accompanying management assertion report.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified conclusion.

E-Global Trade & Finance Group, Inc.'s Assertion

Management asserts that total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance is prepared, in all material respects, based on the definitions and methodology stated on pages 1 to 2 of the accompanying management assertion report.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, E-Global Trade & Finance Group, Inc.'s management assertion of the total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance as at and for the year ended 31 December 2020 is properly prepared, in all material respects, based on the definitions and methodology described in the report.

Restriction of Use of Our Report

The management assertion report on total number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance has been assessed against methodology described on pages 1 to 2 of the accompanying management assertion report. These criteria are relevant only to the management of E-Global Trade & Finance Group, Inc.'s for the preparation of management assertion report on total



number of active client accounts, total sum of agents' commissions, total sum of client balances, and the largest individual client balance and should not be considered suitable for any other party or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than E-Global Trade & Finance Group, Inc. for any purpose or in any context. Any party other than E-Global Trade & Finance Group, Inc. who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than E-Global Trade & Finance Group, Inc. for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

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A handwritten signature in blue ink, appearing to read 'Rainers Vilāns', written in a cursive style.

Rainers Vilāns
Partner
KPMG Baltics AS
1 July 2021
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