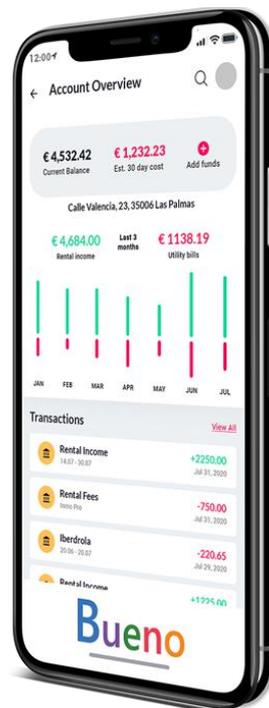


Seed capital investment

Bueno

Bueno NEO bank



August 2020

www.getbueno.com – www.buenobank.eu

Legal

This document is not a prospectus but an informative document that is intended to describe the prerequisites, risk factors, objectives and conditions for participating in the first investment round (seed) for the banking concept Bueno.

The document has not been controlled by any financial authority or any other public authority.

The document meets the requirements for exemption to publish a prospectus pursuant to (EU) 2017/1129, the Prospectus Regulation, Article 3 (2), which came into force on 21 July 2019 for the following countries: Bulgaria, Cyprus, Denmark, Estonia, Finland, Iceland, Ireland, Luxembourg, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Czech Republic, the UK.

Summary

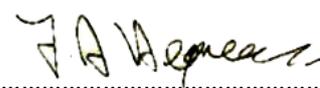
Bueno is a NEO bank concept that will be launched in early 2021. Bueno will provide banking services to people who own or rent a property abroad, starting with Spain. Our typical customers are northern Europeans who own or rent a property in Spain, either as a holiday home or they are living part or full time in Spain. While this is our key customers, we will also provide banking for second home owners in the domestic market as we grow, for example Spaniards owning a holiday home.

Bueno makes it easy to deal with a bank in a foreign country. Our banking platform will be available in different languages enable people from our key markets to do day to day banking in their own language. We will offer additional services that will make it easy to own a home abroad. We will also offer discounts on a number of services, such as electricity, internet, alarm. Bueno aim to launch its own insurance brand. And a rental platform as an alternative to Airbnb, to offer the rental service to the many foreigners who are buying a property abroad to rent out.

Bueno will raise up to 500,000 euros in start-up capital in a seed financing round. This will be followed by a second financing round in early 2021 after the bank have launched. 10% of the company is offered in the seed round, and a further 10% in the next financing round.

With an expected average income per customer of €150+ euro per year Bueno will generate 15 times higher income per customer than the 2019 UK average NEO bank income of €10 per customer (ref UK customer data for 2019). Revolut have recently reported their income to €26 per customer, still far behind the Bueno estimates. Our income per customer is higher because we will only accept premium (paying) customers, contrary to building our banking business around free products.

Based on our estimates we will build a highly profitable and valuable bank with fewer customers compared to most of the big NEO banks. We therefore believe Bueno to be an extremely good investment opportunity, but being a start-up company there is also risk involved which investors need to consider before they decide to back Bueno and become an owner.

A handwritten signature in black ink, appearing to read 'John A. Hegrenes', is written over a horizontal dotted line.

John A. Hegrenes, Founder
Bueno Europe Ltd, UK

Background

The EU has made a number of changes to its financial legislation in recent years to increase competition in the financial industry. This means, among other things, that companies can launch financial services, such as banking services, without being licensed themselves. Instead, it operates under another company's license, which then specializes in providing the license's services.

This works in many ways, such as in the Telecom sector, where companies can offer mobile services without having their own network. In the UK, EE, O2, Three and Vodafone own and operate the mobile network. Then you have all the other companies that offer mobile services renting mobile network access, such as Tesco Mobile, Virgin Mobile, TalkTalk, BT Mobile, giffgaff and many more.

As a customer of one of the virtual mobile companies, you hardly think about who owns the mobile network, it does not matter to you as a customer as long as the mobile works, and you get the best price. The situation is the same in the new financial market, you as a customer notice no difference whether you are a customer of a high street bank or a challenger bank, except for lower prices and more innovative banking services.

NEO bank

So, what is a NEO bank? NEO banks are 100% digital, they have no branches. Most offer mobile apps that easily allow you to perform all types of banking services, many also have a web platform. NEO banks have modern technical platforms, traditional banks have technical platforms that are outdated and very expensive to upgrade and operate.

There are two types of license setups for NEO banks. You have those who operate under an e-money license, this gives them the opportunity to offer accounts, transfers, cards and a number of other financial services, but there is a limit to what investments and loans you can offer. Then you have those who operate under a full bank license, you can then of course offer all banking services as long as this is supported by the entity who owns the license. As a customer, you notice very little difference from these two setups, the biggest difference is that the deposit guarantee does not apply to those who operate under an e-money license. But on the other hand, since the e-money license restricts lending, the security of the deposit is very well taken care of. Of course, all client funds are held in segregated client accounts which cannot be used for daily operations, and these accounts are normally not affected in the event of bankruptcy.

Many of the well-known NEO banks don't hold their own license, they act as a sub-licensee (agent) under either a bank license or an EMI (e-money) license. The fact that a NEO bank doesn't have its own license do not matter, the partner who own the license ensure that the banking services meet the financial regulations and also make sure that their agents operate in accordance with the licensing requirements. Revolut started without its own license, then was awarded an EMI license, and more recently a bank license in Lithuania. N26 on the other hand have had their own bank license since 2015.

Bueno is in dialogue with a German bank that offers bank sub-licensing to NEO banks. Our preferred choice is to launch as a full-fledged bank. However, this type of license comes with significantly higher costs, so after completing our seed financing, we must consider what is the best approach for the first phase of our banking business. More about this later in the document.

Bueno is a unique bank concept

In Bueno, we will offer banking services in the first instance to people who own a home abroad, or who rent a home on a long-term lease. We see ourselves as a bank for your home abroad. We make it easier to manage your home abroad, and we save our customers money through partnerships with suppliers such as in alarm, internet and electricity.

The bank account is of course in the owner's name, we cannot legally issue accounts to a property, but we will brand the bank and accounts as the bank for your property. The reason why we have chosen to focus on banking for the property is twofold; there is no one else doing this and it sets us apart from all the other NEO banks. In a race to get the most customers, hundreds of millions of euros are invested in offering free banking services within the NEO banking market, while no one is making any money. In Bueno we do things differently, we will build a profitable banking operation around customers who are happy to pay for a great product.

We first launch in Spain as this is the largest market for Bueno, but also because it is a market we know well, parts of the team behind Bueno live in Spain. Our goal is to grow throughout Europe, initially to Portugal, France, Italy and other typical holiday home countries, but eventually we might also offer banking services that will create benefits and added value for people's main home. Bueno will also be available for Spaniards who own a second (holiday) home at a later stage.

Bueno products

Bueno is far more than a traditional bank; we work with customers to create the best product for your home. This means that banking services are only part of what we offer, but the banking platform is the key platform for our business concept.

Banking

As a customer of Bueno, you will have a dedicated account for your home. You can open several accounts, for example for family members, or if you have more than one home. The account is a standard IBAN bank account, in Euro. It will also be possible to have accounts in other currencies.

We offer Visa / MasterCard associated with the accounts. We can also offer cards that you can, for example, give to the person responsible for cleaning and maintenance of your property.

We have a goal of also offer loans, but this is not planned for in the first 2-3 years.

We will offer the market's best conditions for currency transfer and exchange. Banks often charge 4-5% on currency exchange, we will charge about one tenth of the cost high street banks charge.

Insurance

Together with a B2B insurance company in Luxembourg we are working on launching a new brand of home insurance in Spain, and later on, for large parts of Europe. Our goal is to offer the market's best home insurance at a fair price. We will also offer car insurance and health/travel insurance.

Utility Savings

When people join forces, we get better deals. Our goal is to offer the lowest prices for electricity, alarm and internet in Spain. We also want to negotiate better prices on building materials, maintenance, etc. As a customer of Bueno, you can be certain that we work towards giving you the best deals where it is possible, potentially saving our customers €300-€800 per year.

Service portal

When you are new abroad, it is not always easy to know who to turn to get things done. Our service portal is a tool for our customers, a service we offer to build our brand and loyalty. If we can help to simplify everyday life in Spain, and later on in other countries, we know this will one way to attract and keep customers. On our platform people can contact suppliers directly, and give feedback (rating) on work performed to help others choose the right supplier.

Rental

Many people rent out their holiday property in Spain, and in the rest of Southern Europe. There are a few major players in this market, such as Airbnb, and many smaller players. We want to offer an alternative to the major players by creating a solution that will be used by all the smaller players, for example by real estate agents who offer short-term rentals. Renting via a bank will give both owners and holiday guests a whole new level of security. And of course, the rent goes straight into the owner's Bueno bank account (it will be required for the property owner to hold a Bueno account).

Financial data

With a fixed price per month, the subscription is a significant part of Bueno's revenue. The cost of being a customer of Bueno varies from € 89 to € 129 per year (slightly more if you choose to pay per month). The base price includes limited banking and card services (we will charge outside the limits).

Income

Product	2021	2022	2023
Monthly fee	€ 882 000	€3 970 000	€9 000 000
Card fee	€26 000	€ 120 000	€ 275 000
Currency Exchange	€ 744 000	€ 1 461 000	€ 3 151 000
Insurance	€159 000	€1 013 000	€3 390 000
Utilities	€ 90 000	€ 833 000	€2 876 000
Rental	€ 958 000	€ 8 390 000	€28 300 000
Total	€2 862 000	€15 790 000	€42 936 000
Customers	17 000	50 000	100 000

Income is based on 100% of our customers paying the annual/monthly fee, for the other products we have used a variable to set the percent of our customers using the additional services, and the revenue per service. We have not extracted from the income the cost of transactions Bueno will cover on behalf of the customer to cover the free banking included in the subscription plans. Both bank transfers and card usage come with a small cost per transaction, included with limited usage.

Expenses

Cost	2020	2021	2022	2023
External development	€ 100 000	€ 150 000	€ 250 000	€ 250 000
Internal dev. and operation	€ 41 000	€ 252 000	€ 516 000	€ 660 000
Management/sales staff	€ 75 000	€ 360 000	€ 576 000	€ 720 000
Support staff	€ 10 000	€ 300 000	€ 900 000	€ 1 500 000
Marketing	€ 20 000	€ 500 000	€ 2 000 000	€ 5 000 000
Corp cost	€ 26 000	€ 198 000	€ 396 000	€ 596 000
Bank platform cost	€ 150 000	€ 678 000	€ 1 342 000	€ 2 264 000
Agent commissions	€ 0	€ 132 000	€ 529 000	€ 1 097 000
Total	€422 000	€2 570 000	€6 510 000	€12 088 000
Balance	-442 000	€291 000	€9 280 000	€33 848 000

Our expenses will vary according to which model we choose for the banking platform and the license. As mentioned, we are in dialogue with a German bank where we can become a full-fledged European bank under their license. But costs are significantly higher than if one chooses to launch under an e-money license. If we reach our funding goal of 500,000 euros, the German license is the preferred choice, if we raise less, we probably have to go for an e-money license. The experience for our customers will not be very different between these two solutions, but we see it as an advantage to be able to launch as a bank and have therefore budgeted for this.

The development cost is difficult to estimate, but in general the development cost of NEO banks is much lower than for banks as the licensing partner is responsible for the banking platform. Our task is to build what the customers see and interact with, the data is then transferred to the banking platform through an API. We will however be fully responsible for the rental platform, and for connecting the different modules, it could well be that our estimate for development is in the low end of what to expect, but we believe the cost can be kept under control by doing much of the work in Spain and Poland. We will also build the rental platform around an open source platform.

Marketing

Bueno will work with real estate agents to onboard customers. We are targeting people who rent or own a property, they will all have a relationship with a real estate agent. To get agents to join us we will pay a commission on the revenue customers they bring us generate (10 to 20%).

We will do targeted advertising online using Google, where we can set parameters such as showing an add solely for a British which are currently in Spain, or are searching for a property in Spain.

We have also received offer from an agency for advertising on print, covering British, Dutch and Scandinavian newspapers and magazines in Spain, half pages. Combined with English radio advertising, this will cost close to €20 000 per months. They recommend a minimum of 3 months.

Bueno compared with Spanish banks

Spanish banks are expensive. It is not unnormal for their customers to pay several hundred euro per year for an account with very limited transaction volume, we have heard of examples up towards €500 for one year of banking. The pricing is also often complicated, there is not 'one price for all services. Products add-ons such as insurance can be difficult to cancel, but this is a general situation in Spain, you can order a product, like a phone line, in 2 minutes, cancelling it can take 2 months.

On the other had some Spanish banks offer free banking if you meet a minimum transaction volume per months, for example €1000. In our experience there will still be hidden fees.

While Bueno will save most people money, we believe that our main advantage is our modern platform enabling our customers to easily manage their day to day banking. Price is important, but the fact that we give people banking they understand could be even more important. The Spanish banking sector is one of the most outdated ones in Europe, this is reflected in their platforms.

Bueno compared with other NEO banks

The challenge for most NEO banks is that many of their customers does not generate any income. Revolut is the largest NEO bank in Europe with 10 million customers. But far from all of these customers created income for the bank in 2019. The average income per customer for 2019 was €10 for the overall English NEO bank market, Revolut reported an average income of €26. Traditional banks had an average income of €300.

Becoming the biggest NEO bank requires a huge investment, and you end up with a lot of customers who probably will never create any income for the bank. For the time being investors look mainly at customer growth, but this is changing, if you want to run a business, even a bank, you need to be profitable at some stage, and preferably within 3-5 years.

Bueno has a completely different vision than the big NEO banks, we only want customers who generate income. We have no goal of having millions of inactive customers, there is no business in this. We run a bank because we want to create added value for our shareholders, at the same time as we can offer a unique banking service to satisfied and loyal customers.

In 2023, we will have a turnover per customer of around €150 per year. If we include rentals, we are close to €300 per customer. Our estimates are not based on maximum revenue per customer, we expect that we will generate even more income per customer over time - but perhaps even more importantly, we expect more customers than what we have budgeted for. In the Spanish market alone, there are over 1 million foreigners who own property (some reports estimate 2 million), plus several million Spaniards who have one holiday home. In 2019, 60,000 foreigners bought a property in Spain.

NEO banking marked and pricing

The NEO bank market is characterized by large investments and high valuations. The reason is simple, those who succeed in taking a position in the market will generate significant long-term returns, and it is also expected that some banks will eventually be acquired. Banking has always been a good investment, no one expects this to change.

We have collected investment data from a selection of the European NEO banks:

Revolut, launched July 2015 (UK)

Through crowdfunding, Revolut raised 1 million GBP in 2016, with a pricing of 58 million dollars. They also raised 8.7 million dollars from professional investors. They have had a number of fund raisings after this, as of today the company is valued at 5.5 billion dollars.

N26, launched February 2013 (Germany)

The company raised 10 million euros in 2015, when they had only 8,500 customers. It is not known what value the company had at this time. Today, the company is valued at 3.5 billion dollars.

PIXPAY, registered January 2019, launched January 2020 (France)

Raised 3.1 million euros in May 2019, and another 8 million euros in March 2020. Estimated valued at somewhere between 32-48 million euros.

Bnext, launched early 2018 (Spain)

Raised 300,000 euros via crowdfunding in 2017. In October 2019, they raised an additional 2.5 million euros via crowdfunding and 20 million euros from professional investors. The company is valued at approximately 70 million euros.

BCN10, launched September 2019 (Spain)

Raised 1.1 million euros from 50 investors in December 2019. Valued at around 5 million euros.

Bueno company pricing

In Bueno, we have set a starting value of 5 million euros. This is based on the general pricing of start-up companies in the NEO banking market. We believe this is a correct valuation, which is confirmed through Seedrs online valuation tool, this gave Bueno a theoretical value of 7-11 million pounds. We have a unique concept, we have a good team in place, and we know the Spanish market. The moment we are live and are onboarding customers, we will be able to put a value of around 25 million euros for our next investment round.

Bueno will quickly pass all NEO banks when it comes to earnings per customer. We start with earnings of 10-15 times what is the normal for the industry. We are a unique investment case.

We also have the advantage that we operate in 3 main segments, banking, insurance and short-term rental. Each of these segments has significant potential to create additional value for our shareholders. We believe that in today's NEO banking market, Bueno can grow into a company that is quickly valued at several hundred million euros, making Bueno a very profitable investment for our early investors. It is not unlikely that one of our platforms, for example rentals, could be taken over by someone. Airbnb have for example made several acquisitions, in 2019 they took over HotelTonight and paid around \$400 million for the company.

Break even estimates

Our goal has been to build and launch a banking platform which will break no later than the end of 2021. There are some factors we don't know 100%, but our estimates are kept in the lower end for the income side and we believe the expense side is realistic.

Banking sub-license setup

We expect to reach 9000 clients by end of August 2021, at this point we are covering all cost related to the banking platform from the monthly subscription (no other expenses, such as staff and offices).

When we include income from currency exchange and short-term rental, as these generate a significant volume, **we will break even for all cost around July-September**. And we should be able to generate a positive result of close to €300 000. We will have a small negative balance based on the setup cost and development accounted for in 2020, for the year 2020-2021.

EMI (e-money) agent-license setup

We only have received one pricing proposal so far, based on this we will be covering all cost related to the banking platform from the monthly subscription as early as 2500 customers, April 2021.

While this license has a much lower setup fee and cost less to run per month, cost to staff and offices remain the same, unless we need to scale down to cut cost. Based on the same ambitions **we will break even around June-August 2021**. But our result will be greatly improved by the lower banking cost, and should generate a positive result of close to €700 000. We will then be cash positive for 2020-2021.

Why a second funding round in 2021?

Bueno could probably operate through 2021 without further financing if we go for the e-money license. But it would not be an ideal way to build the business, it makes sense to raise money and secure the funding for all of 2021, maybe even for 2022 if the funding round goes well. We can then expand into other countries and onboard many more customers.

We also have the risk factor that income from currency exchange and/or rentals does not reach the estimated volumes, and these are critical at the early stage. If we have to rely solely on the subscription fee we will not break even before June 2022 with a full banking setup, and by the end of 2021 with an e-money license setup combined with a lower staff cost.

Bueno investment offer

Bueno will raise €500 000 in early seed funding to build and launch our banking and rental platform. Investors will receive 10% of the company, with a total valuation of €5 million.

Minimum investment goal: €100 000 (2% ownership)

Maximum investment: €500 000 (10% ownership)

The funding round closes on October first, 2020, or sooner if fully subscribed.

In 2021, after the launch, Bueno will do a second funding round, to secure capital to grow from a start-up to a profitable banking business. We plan to raise €2.5 million at a €25 million valuation. We will target venture funds and institutional investors but will also consider crowdfunding for a limited percentage. This sale will not affect the ownership from the initial funding round, in the event of issuance of new shares we will compensate the initial shareholders.

Risk factors

Any investment carry risk. Potential investors should therefore consider the risk factors included below, in addition to information included elsewhere in this document, before making a decision to subscribe for shares in Bueno. Should any of the risk factors below materialize, it could have a negative effect on the Company, its business, results, liquidity, financial position and / or future prospects, in addition to the fact that the value of the shares may be reduced and investors may therefore risk losing all or part of their investment. You should not invest if you cannot afford to lose the entire investment. All of the risk factors presented below must be considered important and are not described in order of priority.

Shares

Pricing of the company's shares can fluctuate significantly due to the following factors:

- i. Expectations for future market conditions for the Company's business area as well as competing activities
- ii. Changes in operating profit
- iii. Changes in valuation of similar companies
- iv. Involvement in lawsuits / disputes
- v. Arrivals or departures of key persons
- vi. Changes in general economic conditions
- vii. Liquidity in the company's shares

Financial risk

The company is in a start-up company with associated risk. The company cannot guarantee that the company will have success and be able to develop values that cover invested capital, or that sufficient capital can be raised to run the business. Every investor must consider for themselves the risks involved in investing in Bueno as a start-up company.

Technological risk

Bueno is a tech company, we develop technical solutions for mobile and web that make it easy to use our banking services, as well as other services on our platform. Technology is changing incredibly fast, we believe that this is to our advantage, but it is also a risk as you always have to keep developing and update your platform and systems.

Market risk

There is always a risk that others may develop competitive technology and outcompete our platform and brand. We also do not know whether the willingness to pay is sufficient for us to reach our sales targets, but we know that we will create significant savings for our customers and that this should lead to a high willingness to pay, as well as loyalty to us as a bank.

Sale/trading of the shares

As of today, no listing of Bueno's shares is planned on a marketplace, which means that buying and selling the shares can be challenging. Any sales must also be approved by the company's board until we open for normal sales. This is a long-term investment. But our goal is for the Bueno shares to be traded, and as a bank we could have a unique opportunity to facilitate trading of the shares on our own bank platform.

Company details

BUENO EUROPE LTD
Reg #12724177
Kemp House 160 City Road
London EC1V 2NX
UK

Directors: John A. Hegrenes / Felix Hughes

Bueno will consist of a number of companies, these will be owned by one holding company in which our investors will hold their ownership:

Bank license - Germany (possible e-money license, company in England)

Operation / Support – Spain

Development - Spain / Poland

Insurance - not set

Rental - not set

We have not made a final decision on where to setup the holding company, we are in a process to consider how to best structure this to plan for future profits and dividends. For the time being all business and investment are carried out through the UK entity.

Our team

John A. Hegrenes – Founder

Background from several start-up companies dating back to the late 1990s.

Trond Michelsen

10 years of experience in the Spanish banking sector

Founder of Bank in Spain, an innovative loan intermediation service in Spain

Bjørn Nese

20+ years of experience in data development

founder of Unified Analytics AS, which deliver security tracking solutions

Chris Redhead

25 years of experience as a financial advisor in the European market

Ørjan Kvalvik

Founder of Universal Sound AS / Nr14, over 20 years of experience in media, TV and film in Norway

Felix Hughes

Extensive experience in sales and marketing, has built up several brands in Europe

Santiago Moreno

Consultant, analyst and full stack developer. Certified multi-platform developer

Bueno investment - register your investment

You can invest from 500 euros to 100,000 euros in this seed financing round.

Upon full subscription, 500,000 euros, the investors will be granted a total of 10% ownership in the company Bueno Europe Ltd, reg #12724177, UK. Being an early funding round there could be changes to the corporate structure before the second funding round, in this event the ownership will be transferred to the new entity and reflect the same shareholding as with this investment offer.

Name / Company

ID number / Company ID

Address

Post number and city

Email

Phone

Use block/capital letters

Country

Investment amount: € _____

Sign the order form, scan / take a mobile picture, and send to contact@getbueno.com

We also need copy of your passport, and if the investment is made through a company we need a copy of the certificate of incorporation and a document providing information on the director(s) and the person in significant control – unless there is a public record where we can obtain this information (for example companies house database for UK companies).

To secure your investment please transfer your payment as soon as possible. We will not accept further investments for the seed funding round after reaching €500 000.

Bueno Europe Ltd
BE73 9671 5158 1660
TRWIBEB1XXX

The funds must be sent from an account held in your name (or company name).

I have reviewed the information in this document and agree with the terms and risks associated with participating in Bueno's seed financing round:

.....
Date

.....
Signature

.....
Name in block/capital letters

I own or rent a property in Spain