SIA "DelfinGroup"
Annual accounts for the year ended 31 December 2019 and Consolidated Annual accounts for the year ended 31 December 2019

(Unaudited)

prepared in accordance with the International Financial Reporting Standards as adopted by EU

Translation from Latvian

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Information on the Company

Name of the Company	DelfinGroup
Legal status of the Company	Limited liability company
Number, place and date of registration	40103252854 Commercial Registry Riga, 12 October 2009
Operations as classified by NACE classification code system	NACE2 64.92 Other credit granting NACE2 64.91 Financial leasing NACE2 47.79 Retail sale of second-hand goods in stores NACE 69.20 Accounting and auditing services, tax consultancy
Address	Raunas street 44 k-1, Riga, LV-1039 Latvia
Names and addresses of shareholders	Lombards24.lv, SIA (65.99% till 07.12.2018., 65.18% from 07.12.2018.), Raunas street 44k-1, Riga, Latvia AE Consulting, SIA (10.00%), Posma street 2, Riga, Latvia EC finance, SIA (21.51% till 07.12.2018., 21.32% from 07.12.2018.), Raunas street 44k-1, Riga, Latvia Private individuals (3.5%)
Ultimate parent company	EA investments, AS Reg. No. 40103896106 Raunas street 44k-1, Riga, Latvia
Names and positions of Board members	Agris Evertovskis – Chairman of the Board Kristaps Bergmanis – Member of the Board Didzis Ādmīdiņš – Member of the Board Ivars Lamberts – Member of the Board
Names and positions of Council members	Uldis Judinskis – Chairperson of the Council Ramona Miglāne – Deputy Chairman of the Council Anete Ozoliņa – Member of the Council
Responsible person for accounting	Inta Pudāne - Chief accountant
Financial year	1 January - 31 December 2019
Name and address of the auditor	SIA BDO ASSURANCE Certified Auditors’ Company license No. 182 Kaļķu street 15-3B, Riga, LV-1050 Latvia Responsible Certified Auditor: Modrīte Johansone Certificate No. 135

Information on the Subsidiaries

Subsidiary	**SIA ExpressInkasso** (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	22.10.2010.
Number, place and date of registration of the subsidiary	40103211998; Riga, 27 January 2009
Address of the subsidiary	Raunas Street 44 k-1, Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	66.19 Financial support services except insurance and pension accrual
Subsidiary	**SIA ViziaFinance** (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	23.02.2015.
Number, place and date of registration of the subsidiary	40003040217; Riga, 06 December 1991
Address of the subsidiary	Raunas Street 44 k-1, Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	64.92 Other financing services
Subsidiary	**SIA REFIN** (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	03.10.2018.
Number, place and date of registration of the subsidiary	40203172517; Riga, 03 October 2018
Address of the subsidiary	Raunas Street 44 k-1, Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	73.20 Market and public opinion research

Statement of management`s responsibility

The management of SIA „DelfinGroup" group is responsible for the preparation of the financial statements.

Based on the information available to the Board of the parent company of the Group, the financial statements are prepared on the basis of the relevant primary documents and statements in accordance with International Financial Reporting Standards as adopted by the European Union and present a true and fair view of the Group's assets, liabilities and financial position as at 31 December 2019 and its profit and cash flows for 2019.

The management of the parent company confirms that the accounting policies and management estimates have been applied consistently and appropriately. The management of the parent company confirms that the consolidated financial statements have been prepared on the basis of the principles of prudence and going concern.

The management of the parent company confirms that is responsible for maintaining proper accounting records and for monitoring, controlling and safeguarding the Group's assets. The management of the parent company is responsible for detecting and preventing errors, irregularities and/or deliberate data manipulation. The management of the parent company is responsible for ensuring that the Group operates in compliance with the laws of the Republic of Latvia.

The management report presents fairly the Group's business development and operational performance.

Agris Evertovskis Chairman of the Board	Didzis Ādmīdiņš Board Member	Kristaps Bergmanis Board Member	Ivars Lamberts Board Member

Riga, 25th February 2020

Management report

The Group's turnover in 12 months of 2019, compared to the same period of the previous year, has increased by 16% to EUR 21.8 million, while the company's loan portfolio amounted to EUR 31.6 miliion, which is an increase of 56% over the period.

In 2019, the Group's operations were affected by the changes in the Law on Consumer Rights that came into force on July 1, 2019. The unaudited results show that the company has been able to keep growing in size and in profitability under the new regulation. One reason for such track record is that 40% of DelfinGroup's revenues are generated by pawn shop operations (pawn loans, sale of goods etc.) which are not subject to the new regulation. Another reason is the company's overall efficiency achieved by the introduction of new value adding services and products and by closely monitoring the cost base. The company has further increased the maximum loan amount to EUR 5000. The Group continued to develop its youngest brand VIZIA reaching 75% annual growth in the net loan portfolio.

The company celebrated 10-year anniversary in October 2019 and marked the first completed business decade by defining a brand-new corporate identity, including the change of name from ExpressCredit to DelfinGroup in February 2020. DelfinGroup upgraded mission is to create and provide innovative and custom finance solutions to its clients.

In Q4 2019, DelfinGroup prepared for the new EUR 5 million bond issue. The preparation included setting up a new creditor structure whereby the bond holders of two existing notes issues (ISIN LV0000802213 and ISIN LV0000801322) and one new bond issue (ISIN LV0000802379), as well as Mintos platform became secured creditors of DelfinGroup. The aforementioned creditor claims are secured by a commercial pledge worth EUR 40.5 million. The subscription for the new bond issue was started on November 15, 2019 and by now ISIN LV0000802379 is subscribed by 54% or EUR 2.7 million.

By implementing business strategy and all planned activities the following financial results of the Group were achieved in year 2019 compared to year 2018:

Position	**EUR, million**	**Change, %**
Net loan portfolio	31.6	+56.4
Assets	38.32	+43.6
Net profit	3.96	-2.4

As to compliance with the Issue Terms of notes issue ISIN LV0000802213, ISIN LV0000802213, and ISIN LV0000802379 financial covenant computation are as follows:

Covenant	Value as of 31.12.2019.	Compliance
dividend amount including any interim dividends shall not exceed 40% of the last audited net profit	33%	yes
to maintain Net Debt/Net Equity indicator not exceeding 4 to 1	3.78	yes
total consolidated value of inventories and loans and receivables, plus cash, shall exceed at least 1.15 times the sum of total consolidated secured liabilities	1.28	yes
total consolidated loan amount to shareholders, management and other Related Persons shall not exceed EUR 1,400,000	1 307 504 EUR	yes

Branches
During the period from 1 January 2019 to 31 December 2019, the company continued to work on the branch network efficiency. As at 31 December 2018 the Group had 87 branches in 38 cities in Latvia (31.12.2018. - 86 branches in 39 cities).

Risk management
The Group is not exposed to significant foreign exchange rate risk because basic transaction currency is euro. Significant amount of funding of the Group consist of fixed coupon rate bonds, so that the Group is not significantly exposed to variable interest rate risk. Accurate application of the prudent strategies chosen has allowed the Group to successfully manage its financial risks, particularly the liquidity and credit risk.

Post balance sheet events
There are no subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as at 31 December 2019.

Future prospects
In 2019, the Company plans to grow faster than the industry by introducing new products, investing in IT development, improving the branch network, investing in brand and product visibility and enhancing customer service quality. It is planned that the Group's loan portfolio will increase, and profit dynamics will be in line with 2019 results.

Distribution of the profit proposed by the Group
The Parent Company's board recommends the profit of 2019 to pay out in dividends, respecting the restrictions applied to debt securities emissions.

Agris Evertovskis Chairman of the Board	Didzis Ādmīdiņš Board Member	Kristaps Bergmanis Board Member	Ivars Lamberts Board Member

Riga, 25th February 2020

Profit or loss account for the year ended 31 December 2019

	Parent company 2019 EUR	Group 2019 EUR	Parent company 2018 EUR	Group 2018 EUR
Net sales	5 403 464	5 403 464	4 186 422	4 186 422
Cost of sales	(3 603 607)	(3 603 607)	(2 658 754)	(2 658 754)
Interest income and similar income	14 968 334	16 382 466	13 793 021	14 663 755
Interest expenses and similar expenses	(3 856 979)	(4 352 226)	(2 679 091)	(2 792 480)
Gross profit	**12 911 212**	**13 830 097**	**12 641 598**	**13 398 943**
Selling expenses	(5 591 153)	(5 924 406)	(5 558 053)	(5 931 648)
Administrative expenses	(3 335 473)	(3 487 552)	(2 659 968)	(2 770 859)
Other operating income	113 712	94 932	93 244	80 184
Other operating expenses	(197 288)	(199 778)	(151 363)	(151 419)
Income from investments	-	-	490 000	-
Profit before corporate income tax	**3 901 010**	**4 313 293**	**4 855 458**	**4 625 201**
Income tax expense	(349 957)	(349 957)	(78 868)	(78 879)
Profit after corporate income tax	**3 551 053**	**3 963 336**	**4 776 590**	**4 546 322**
Interim dividend	-	-	(490 000)	(490 000)
Profit for the reporting year	**3 551 053**	**3 963 336**	**4 286 590**	**4 056 322**
Earnings per share	**2.37**	**2.64**	**3.18**	**3.03**
Diluted earnings per share	**2.37**	**2.64**	**3.18**	**3.03**

Comprehensive income statement for 2019

	2019 EUR	2019 EUR	2018 EUR	2018 EUR
Profit for the reporting year	**3 951 053**	**3 963 336**	**4 776 590**	**4 546 322**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income	**3 951 053**	**3 963 336**	**4 776 590**	**4 546 322**

Notes on pages from 13 to 29 are integral part of these financial statements.

Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020

Balance sheet as at 31 December 2019

Assets	**Notes**	**Parent company 31.12.2019. EUR**	**Group 31.12.2019. EUR**	**Parent company 31.12.2018. EUR**	**Group 31.12.2018. EUR**
Non-current assets:					
Intangible assets:					
Concessions, patents, licenses, trademarks and similar rights		184 201	184 201	204 024	204 024
Other intangible assets		16 005	35 733	22 777	43 204
Goodwill		-	127 616	-	127 616
Advances on intangible assets		6 748	6 748	-	-
Total intangible assets:	(1)	**206 954**	**354 298**	**226 801**	**374 844**
Property, plant and equipment:					
Investments in property, plant and equipment		54 515	54 515	34 525	34 525
Right-of-use assets		1 980 106	1 980 106	-	-
Other fixtures and fittings, tools and equipment		351 553	351 553	193 571	193 571
Total property, plants and equipment	(2;3)	**2 386 174**	**2 386 174**	**228 096**	**228 096**
Non-current financial assets:					
Investments in related companies	(4)	1 682 828	-	1 182 828	-
Loans to related companies		117 620	117 620	-	-
Loans and receivables	(6)	6 215 523	8 859 789	3 121 260	3 491 915
Loans to shareholders and management	(5)	1 022 423	1 022 423	1 073 823	1 072 274
Total long-term investments:		**9 038 394**	**9 999 832**	**5 377 911**	**4 564 189**
Total non-current assets:		**11 631 522**	**12 740 304**	**5 832 808**	**5 167 129**
Current assets:					
Inventories:					
Finished goods and goods for sale		1 155 352	1 155 352	848 111	848 111
Total inventories:		**1 155 352**	**1 155 352**	**848 111**	**848 111**
Receivables:					
Loans and receivables	(6)	16 163 461	22 737 085	14 886 732	16 658 940
Receivables from affiliated companies		165 112	165 112	518 695	204 335
Debt to related companies		5 325 734	2 349	-	-
Other debtors		183 065	275 751	218 449	230 989
Deferred expenses		93 988	108 539	52 085	66 945
Total receivables:		**21 931 360**	**23 288 836**	**15 675 961**	**17 161 209**
Cash and bank		812 301	1 135 644	3 368 567	3 489 176
Total current assets:		**23 899 013**	**25 479 832**	**19 892 639**	**21 498 496**
Total assets		**35 530 535**	**38 320 136**	**25 725 447**	**26 665 625**

Notes on pages from 13 to 29 are integral part of these financial statements

Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020

Balance sheet as at 31 December 2019		**Parent company**	**Group**	**Parent company**	**Group**
Liabilities	**Notes**	**31.12.2019.**	**31.12.2019.**	**31.12.2018.**	**31.12.2018.**
Shareholders' funds:		**EUR**	**EUR**	**EUR**	**EUR**
Share capital	(7)	1 500 000	1 500 000	1 500 000	1 500 000
Retained earnings		2 774 384	2 954 156	(12 206)	397 834
Profit for the reporting year		3 551 053	3 963 336	4 286 590	4 056 322
Total shareholders' funds:		**7 825 437**	**8 417 492**	**5 774 384**	**5 954 156**
Creditors:					
Long-term creditors:					
Bonds issued	(8)	6 059 853	6 059 853	6 192 631	6 192 631
Other borrowings	(9)	4 810 611	5 637 790	936 930	996 544
Lease liabilities for right-of-use assets	(3;10)	1 475 350	1 475 350	-	-
Total long-term creditors:		**12 345 814**	**13 172 993**	**7 129 561**	**7 189 175**
Short-term creditors:					
Bonds issued	(8)	1 764 767	1 764 767	1 722 136	1 722 136
Other borrowings	(9)	11 522 068	13 078 131	9 810 701	10 643 864
Lease liabilities for right-of-use assets	(3;10)	549 585	549 585	-	-
Trade payables		480 690	501 355	384 573	400 778
Accounts payable to affiliated companies		234 266	-	171 611	416
Taxes and social insurance		233 164	243 989	195 303	199 137
Accrued liabilities		574 744	591 824	537 178	555 963
Total short-term creditors:		**15 359 284**	**16 729 651**	**12 821 502**	**13 522 294**
Total creditors		**27 705 098**	**29 902 644**	**19 951 063**	**20 711 469**
Total liabilities and shareholders' funds		**35 530 535**	**38 320 136**	**25 725 447**	**26 665 625**

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Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020

Statement of changes in equity of the Parent Company's for the year ended 31 December 2019

	Share capital	Retained earnings	Profit for the reporting year	Total
	EUR	**EUR**	**EUR**	**EUR**
As at 31 December 2017	**1 500 000**	**-**	**1 739 714**	**3 239 714**
Dividends paid	-	(1 739 714)	(490 000)	(2 229 714)
Profit transfer	-	1 739 714	(1 739 714)	-
Decrease in retaind earnings*	-	(12 206)	-	(12 206)
Profit for the reporting year	-	-	4 776 590	4 776 590
As at 31 December 2018	**1 500 000**	**(12 206)**	**4 286 590**	**5 774 384**
Dividends paid	-	(1 500 000)	-	(1 500 000)
Profit transfer	-	4 286 590	(4 286 590)	-
Profit for the reporting year	-	-	3 551 053	3 551 053
As at 31 December 2019	**1 500 000**	**2 774 384**	**3 551 053**	**7 825 437**

***** IFRS 9 transitional provisions adjustment of the carrying amount of financial assets for 01.01.2018. is recognized in retained earnings of previous years.

Statement of changes in equity of the Group for the year ended 31 December 2019

	Share capital	Retained earnings	Profit for the reporting year	Total
	EUR	**EUR**	**EUR**	**EUR**
As at 31 December 2017	**1 500 000**	**232 708**	**1 956 770**	**3 689 478**
Dividends paid	-	(1 739 714)	(490 000)	(2 229 714)
Prior years' retained earnings of subsidiary sold	-	-	(3 343)	(3 343)
Profit transfer	-	1 953 427	(1 953 427)	-
Decrease in retained earnings*	-	(48 587)	-	(48 587)
Profit for the reporting year	-	-	4 546 322	4 546 322
As at 31 December 2018	**1 500 000**	**397 834**	**4 056 322**	**5 954 156**
Dividends paid	-	(1 500 000)	-	(1 500 000)
Profit transfer	-	4 056 322	(4 056 322)	-
Profit for the reporting year	-	-	3 963 336	3 963 336
As at 31 December 2019	**1 500 000**	**2 954 156**	**3 963 336**	**8 417 492**

***** IFRS 9 transitional provisions adjustment of the carrying amount of financial assets for 01.01.2018. is recognized in retained earnings of previous years.

Notes on pages from 13 to 29 are integral part of these financial statements.

Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020

Cash flow statement for the year ended 31 December 2019

	Parent company 2019 EUR	Group 2019 EUR	Parent company 2018 EUR	Group 2018 EUR
Cash flow from operating activities				
Profit before extraordinary items and taxes	**3 901 010**	**4 313 293**	**4 855 458**	**4 625 201**
Adjustments for:				
a) fixed assets and intangible assets depreciation	238 974	243 863	241 753	250 463
b) right-of-use assets depreciation	741 956	741 956	-	-
c) accruals and provisions (except for bad debts)	977 659	1 677 719	308 741	350 187
d) write-off of provisions	-	-	75 263	75 263
e) cessation results	1 169 308	1 499 243	440 273	494 170
f) interest income	(14 968 334)	(16 382 466)	(13 793 021)	(14 663 755)
g) interest and similar expense	2 687 671	2 852 983	2 238 818	2 298 310
h) impairment of non-current and current financial assets	(34 601)	(34 601)	(14 454)	(13 151)
i) other adjustments	15 527	15 527	-	(3 343)
Loss before adjustments of working capital and short-term liabilities	**(5 270 830)**	**(5 072 483)**	**(5 647 169)**	**(6 586 655)**
Adjustments for:				
a) increase in consumer loans issued (core business) and other debtors	(4 377 511)	(11 532 375)	(3 802 524)	(4 688 586)
b) stock (increase)/ decrease	(307 241)	(307 241)	(240 379)	(240 379)
c) trade creditors increase	1 096 901	1 106 658	228 441	239 400
Gross cash flow from operating activities	**(8 858 681)**	**(15 805 441)**	**(9 461 631)**	**(11 276 220)**
Corporate income tax payments	(78 868)	(78 879)	(338 863)	(367 824)
Interest income	14 968 334	16 382 466	13 667 153	14 521 911
Interest paid	(3 844 414)	(4 339 661)	(2 217 432)	(2 276 924)
Net cash flow from operating activities	**2 186 371**	**(3 841 515)**	**1 649 227**	**600 943**
Cash flow from investing activities				
Acquisition of affiliated, associated or other companies shares or parts	(500 000)	-	(300 000)	-
Earnings from the disposal of shares in subsidiaries	-	-	513 000	-
Acquisition of fixed assets and intangibles	(426 272)	(430 462)	(206 020)	(222 690)
Acquisition of right-of-use assets	(2 737 589)	(2 737 589)	-	-
Proceeds from sales of fixed assets and intangibles	63 774	63 774	15 369	19 226
Loans issued/repaid (other than core business of the Company) (net)	(5 038 371)	(30 895)	(287 067)	25 981
Net cash flow from investing activities	**(8 638 458)**	**(3 135 172)**	**(264 718)**	**(177 483)**

Cash flow statement for the year ended 31 December 2019 (continued)

<u>Cash flow from financing activities</u>				
Loans received and bonds issued (net)	11 462 075	14 279 871	8 204 777	8 559 898
Redemption/purchase of bonds	(1 750 000)	(1 750 000)	(1 106 000)	(1 106 000)
Loans repaid	(5 040 349)	(7 130 811)	(4 896 114)	(4 316 328)
Finance lease payments	(104 394)	(104 394)	(61 887)	(61 887)
Lease liabilities for right-of-use assets payments	828 489	828 489	-	-
Dividends paid	(1 500 000)	(1 500 000)	(2 229 714)	(2 229 714)
Net cash flow from financing activities	**3 895 821**	**4 623 155**	**(88 938)**	**845 969**
Net cash flow of the reporting year	**(2 556 266)**	**(2 353 532)**	**1 295 571**	**1 269 429**
Cash and cash equivalents at the beginning of the reporting year	**3 368 567**	**3 489 176**	**2 072 996**	**2 219 747**
Cash and cash equivalents at the end of reporting year	**812 301**	**1 135 644**	**3 368 567**	**3 489 176**

Notes on pages from 13 to 29 are integral part of these financial statements.

Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020

Notes

Accounting policies

(a) Basis of preparation

These financial statements have been prepared based on the accounting policies and measurement principles as set out below.

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements are prepared based on historic cost method. In cases when reclassification not affecting prior year profit and equity is made, the relevant explanations are provided in the notes to the financial statements.

The preparation of financial statements in accordance with IFRS requires the use of significant estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the information on contingent assets and liabilities at the balance sheet date and the revenues and costs for the reporting period. Although these estimates are based on the information available to the management regarding the current events and actions, the actual results may differ from the estimates used. Critical assumptions and judgements are described in the relevant sections of the Notes to the financial statements.

The Company have adopted the following new standards and amendments to standards that are published and adopted by the EU:
(i) Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

Effect of IFRS 16 adoption

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Group also applied the available practical expedients wherein it:
* Used a single discount rate to a portfolio of leases with reasonably similar characteristics
* Relied on its assessment of whether leases are onerous immediately before the date of initial application
* Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
* Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The Group chose to use exceptions to leases that are short term, and leases of value that is not material.
The Group has two main categories of right-of-use assets - lease of premises and lease of motor vechicles.

The off-balance sheet lease obligations as of 31 December 2018 are reconciled as fallows to the recognized lease liabilities as of 1 January 2019:

	01.01.2019.
	EUR
Off-balance sheet lease obligations as of 31 December, 2018.	2 484 108
Operating lease obligations as of January 1, 2019 (gross without discounting)	2 484 108
Operating lease obligations as of January 1, 2019 (net, discounted)	**2 007 825**
Residual value guarantees	-
Non-lease-components	-
Lease liabilities due to initial application of IFRS 16 as of January 1,2019	**2 007 825**

The quantitative impact of the first-time application of IFRS 16 on the consolidated balance sheet as of 31 December 2018 or 1 January 2019 is shown in the following table:

	31.12.2018 before application of new IFRS	**Adjutments IFRS 16**	**01.01.2019 after application of new IFRS**
	EUR	**EUR**	**EUR**
Right-of-use assets	-	2 010 644	2 010 644
Prepayments	-	(4 178)	(4 178)
Lease liabilities for right-of-use assets	-	(2 007 825)	(2 007 825)

Additional information on IFRS 16 adoption is disclosed in Note 3.

Notes (continued)
Accounting policies (continued)

(ii) As of 1 January 2018, the Company has adopted IFRS 9, Financial Instruments, which results in changes in the Company's accounting policies for the recognition, classification, measurement and impairment of financial assets. In accordance with the transitional provisions of IFRS 9, the Company has decided not to change comparative data. Any adjustments to the carrying amount of financial assets at the date of transition are recognized in retained earnings in previous year.

Key features of the new standard are:

- Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives).

In accordance with business model and SPPI requirements the Company measured financial assets at the amount recognized at initial recognition less principal repayments plus accrued interest and less any write-down for incurred impairment losses.

Introducing Value Reduction:

- Applying IFRS 9 "Financial instruments" not cause significant fluctuations to Company's financial results and recognised financial situation. Starting from 1 January 2017 the Company recognises general accounting provisions according to its debt portfolio. Company's created provisioning method for either general or individual provisions includes expected credit losses (ECL) approach.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

The expected credit loss is calculated as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD).

- For the PD calculation is determined the number of historically issued loans actually reaches the number of past due more than 90 days or have been ceded.
- LGD calculation is based on actually recovered funds for loans over 90 days. Recovered funds are discounted using the monthly effective interest rate.
- Expected credit losses are additionally adjusted for ceded loans. The management assesses the portfolio of overdue loans on a monthly basis and loans that are subject to a significant risk that they will not be repaid or will be assigned.

The IFRS 9 impairment model uses a three-stage approach depending on wheather the claim is performing or not and if the claim is performing, whether a significant increase in credit risk has occoured.

1. Stage 1 – 12-month ECL applies to all existing claims, which have no signs of material increase in risk.The ECL will be computed using 12-month PD that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 month, a PD is used that corresponds to remaining maturity.
2. Stage 2 – applies to claims, which have sign (s) of a material increase in risk and increase in default (delay days > 30 days but less than 90 days). The standard requires the computation of ECL based on liftime PD that represents the probability of default occurring over the remaining estimated life of tthe financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.
3. Stage 3 – Financial assets are recognized in Stage 3 when there is objective evidence that the loan is impaired (delay days > 90 days). Similar to Stage 2, the allowance for credit losses will continue to capture the liftime ECL.

Some of IFRS 9 main concepts, which have significant impact and need a high level of management evaluation are signs of a material increase in credit risk - may include, but are not limited to: (a) a repayment delay of 30 or more days; (b) refinancing of the claim into a new contract, which would not have occurred, if there had not been a solvency problem of the transaction party; (c) changes in contract conditions, which would not been implemented, if there had not been a solvency problem of the transaction party.

A settlement delay of 30 or more days are assessed based on their actual occurrence. The rest of the signs of increased risk and their impact have to be analysed case by case and the change in a customer`s risk level has to be made based on management`s judgement. This assessment is symmetrical in nature, allowing the credit risk of financial assets to move back to Stage 1 if the increase in credit risk has decreased since origination and is no longer deemed to be significant.

Default or the possibility of it occuring in the future and write-off of liabilities can be devided into the following events:

- Improbability of receiving payments. Based on objective evidence, it may be presumed that the client will be unable to settle all of the financial obligations and the situation cannot be solved satisfactorily.
- Payment delay. The contract is deemed to be non-performing if the client is no longer able or willing to fullfil payment obligations, e.g. upon any of the following events: (a) payments are past due for more than 90 days; (b) the client does not respond to the payment reminders and the desire to contact; (c) the client is bankrupt or deceased; (d) identity theft has been identified, i.e. misues of the credit receiver`s identity.

Notes (continued)
Accounting policies (continued)

(ii) **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

As the Company's main operations are related to lending services and realization of pledges in stores, and operating income is generated by interest income and sales income of pledges or second-hand goods in stores, the Company's management expects no significant impact to Company's financial results and financial situation adopting the IFRS 15 "Revenue from Contracts with Customers".

(b) Accounting principles applied

The items in the financial statements have been measured based on the following accounting principles:

a) It is assumed that the company will continue as a going concern;
b) The measurement methods applied in the previous reporting year have been used;
c) The measurement of the items has been performed prudently meeting the following criteria:
   - Only profits accruing up to the balance sheet date have been included in the report;
   - All possible contingencies and losses arising in the reporting year or the previous year have been recognised, even if they became known in the period between the balance sheet date and the issuance of the annual report;
   - All impairment and depreciation charges have been calculated and recognised irrespectively of whether the company has operated profitably or not during the reporting year;
d) All income and expenses relating to the accounting year irrespective of the date of the payments made or the dates of receipt or payment of invoices have been recognised. Revenues are matched with expenses in the reporting year.
e) Assets and liabilities are presented at their gross amounts;
f) The opening balances of the reporting period reconcile with the closing balances of the previous reporting period;
g) All items which may materially affect the assessment or decision-making of the users of the financial statements are presented, immaterial items have been aggregated and their breakdown is presented in the Notes;
h) Business transactions are presented based on their economic substance rather than their legal form.

Asset and liability recognition is performed on historical cost basis. All financial assets and liabilities are classified as held to maturity or loans and receivables.

(c) Consolidation principles

The consolidated financial statements have been prepared under the cost method. The companies included in the consolidation are the Group's parent company and the subsidiaries in which the Group's parent company holds, directly or indirectly, more than a half of the voting rights, or the right to control their financial and operating policies is acquired otherwise. Where the Group owns more than a half of the share capital of another company without controlling the company, the respective company is not consolidated. The subsidiaries of the Group are consolidated from the moment the Group has taken over control, and the consolidation is terminated when the control cease to exist. Where the date of the share purchase agreement or the date of the decision of shareholders on making further investments is fundamentally different from the date of on which share ownership changes or the registration date as recorded in the Register) of Enterprises, the date of agreement shall be considered the date of the share purchase or the date of the investment, unless the agreement provides otherwise. The Group's all inter-company transactions and balances and unrealised profit on transactions between group companies are eliminated; unrealised losses are eliminated as well, except for the cases when the expenses are not recoverable. Where necessary, the accounting and measurement methods applied by the Group's subsidiaries have been changed to bring them in compliance with the Group's accounting and measurement methods.
In these statements the minority interest in the share capital of the Group's consolidated subsidiaries and their income statement have been presented separately.

(d) Recognition of revenue and expenses

- ***Net sales***

Net revenue represents the total value of goods sold and services provided during the year net of value added tax.

- ***Interest income and similar income***

The Company presents interest income in the section of the Profit and loss account prior to calculation of gross profit, as this income is related to the basic activities of the Company – charging interest for loans issued in return to pledge held as security or loans issued on other conditions. Interest income is recognised using accruals principle. Interest income is not recognised from the moment the recoverability of principal is considered doubtful. Penalty interest is recognised on a cash basis.

- ***Other income***

Other income is recognised based on accruals principle.

- ***Penalties and similar income***

Of collection exists, is recognised based on cash principle.

- ***Expenses***

Expenses are recognised based on accruals principle in the period of origination, irrespective of the moment of payment. Expenses related to financing of loans is recognised in the period of liability origination and included in the profit and loss items „Interest and similar expenses".

Notes (continued)
Accounting policies (continued)

(e) Foreign currency translation

(e1) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statement items are denominated in euro (EUR), which is the Company's functional and presentation currency.

(e2) Transactions and balances
All transactions in foreign currencies are translated into the functional currency using the exchange rates at the date of the respective transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement of the respective period. At the balance sheet date the rates set by the Bank of Latvia were:

	31.12.2019.	**31.12.2018.**
	1 EUR	**1 EUR**
USD	1.12	1.15
RUB	69.96	79.72

(f) Financial instruments – key measurement terms
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values of financial assets or liabilities, including derivative financial instruments in active markets are based on quoted market prices. If the market for a financial asset or liability is not active (and for unlisted securities) the Group establishes fair value by using valuation techniques. These include the use of discounted cash flow analysis, option pricing models and recent comparative transactions as appropriate and may require the application of management's judgement and estimates.

Where, in the opinion of the Management, the fair values of financial assets and liabilities differ materially from their book values such fair values are separately disclosed in the notes to the accounts.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments plus accrued interest and for financial assets less any write-down for incurred impairment losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any) are not presented separately and are included in the carrying values of related items on the balance sheet.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(g) Offsetting of financial assets and liabilities
Financial assets and liabilities are offset and net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(h) Intangible assets (including goodwill) and fixed assets
All intangible assets and fixed assets are initially measured at cost. Intangible assets and fixed assets are recorded at historic cost net of depreciation and permanent diminution in value. Depreciation or amortisation is calculated on a straight-line basis to write down each asset to its estimated residual value over its estimated useful life as follows:

	years
Intangibles	3 – 5
Other fixed assets	3 – 5

The residual values, remaining useful lives and methods of depreciation are reviewed and, if required, adjusted annually. Fixed asset and intangibles recognition is terminated in case of its liquidation or when no future benefits are expected in connection with the utilisation of the respective asset. Any profit or loss connected with the termination of recognition (calculated as difference between the disposal gains and net book value as at the moment of derecognition), is recognised in the profit or loss account in the period when derecognition occurs. Leasehold improvements are written down on a straight-line basis over the shorter of the estimated useful life of the leasehold improvement and the term of the lease. Current repairs and maintenance costs are charged to profit and loss account in the period when the respective costs are incurred.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the net fair value of share of equity acquired. The recognised goodwill is reassessed at least on an annual basis to make sure no permanent diminution in value has occurred. In case such diminution in value is identified, the diminution in value is recognised in the income statement of the respective year.

Notes (continued)
Accounting policies (continued)

(i) Investments in the associated companies

In the financial statements the investments in associated companies are carried at equity method. Under this method the value of the investment at the balance sheet date comprises the value of the equity of the associated company corresponding to the share of investment and the book value of the positive goodwill arising at the acquisition of the investment.
At the year-end the amount of the reported item is increased or decreased by reference to the Company's share in the profit or loss of the associated company during the year (in the post-acquisition period), or other changes in equity, as well as by the reduction of the goodwill arising at acquisition to its recoverable amount. Unrealised profit on inter-company transactions is excluded. Profit distribution is presented in the year following the reporting year in which the shareholders adopt a decision on profit distribution.

(j) Impairment of assets

Intangible assets which are not put into operation or which do not have a useful life are not amortised; their value is reviewed annually. The value of the assets subject to depreciation or amortisation is reviewed whenever any events or circumstances support that their carrying value may not be recoverable. Impairment losses are recognised in the amount representing the difference between the carrying value of the asset and its recoverable value. Recoverable amount is the higher of the respective asset's fair value less the costs to sell and the value in use. In order to determine impairment, assets are grouped based on the smallest group of assets that independently generates cash flow (cash generating units).

(k) Segments

A geographical segment provides products or services within a particular economic environment that is subject to other economic environments characterized by different risks and benefits. A business segment is a share of assets and operations, providing products and services that are subject to other business segments of different risks and benefits.

(l) Inventories

Inventories are stated at the lower of cost or market price. Inventories are measured using the weighted FIFO method. The Company assesses at each balance sheet date whether there is objective evidence that inventories are impaired and makes provisions for slow-moving or damaged inventories. Inventories loss is recognised in the period such loss is identified, writing off the relevant inventory values to the period profit and loss account.

(m) Seized assets

Collateral is repossessed following the foreclosure on loans that are in default. Seized assets are measured at the lower of cost or net realisable value and reported within "Inventories".

(n) Trade and other receivables

Accounts receivable comprise loans and other receivables (other debtors, advances and deposits) that are non-derivative financial assets with fixed or determinable payments. Loans are carried at amortised cost where cost is defined as the fair value of cash consideration given to originate those loans. All loans and receivables are recognised when cash is advanced to borrowers and derecognised on repayments. The Company has granted consumer loans to customers throughout its market area. The economic condition of the market area may have an impact on the borrowers' ability to repay their debts. Restructured loans are no longer considered to be past due unless the loan is past due according to the renegotiated terms.

From October 2015 the Company has started issuance of pledged loans (except pledges in the form of golden and silver articles) with new lending conditions, that assume 10% commission in case of loan default and subsequent sale of the pledge, i.e., the revenues received by the Company from the sale of the pledge, decreased by the VAT portion. The pledges are made available for sale after 30 days of default however, they continue to hold the status of the pledge and the loan recipient has the rights to buy out the pledge before the sale. In the financial statements these pledges are classified as loans issued. In case a surplus originates upon a sale of the pledge and the related costs (loan issued, interest and penalties accrued, intermediary and holding commissions), the surplus is recognised as the liability of the company to the loan recipient. The liability expires, if the loan recipient does not claim the amount due within the 10 years term as defined in Article 1895 of the Civil Code. If the loan recipient has not claimed the surplus within the legally defined time limits, the Company recognises the income. Such income is outside VAT legislation and is not VAT taxable.

The Company assesses at each balance sheet date whether there is objective evidence that loans are impaired. If any such evidence exists, the amount of the allowances for loan impairment is assessed as the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from collateral discounted at the original effective interest rate. The assessment of the evidence for impairment and the determination of the amount of allowances for impairment or its reversal requires the application of management's judgement and estimates. Management's judgements and estimates consider relevant factors including but not limited to, the identification of non-performing loans (loan repayment schedule compliance), the estimated value of collateral (if taken) as well as other relevant factors affecting loan and recoverability and collateral values. These judgements and estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known. The Management of the Company have made their best estimates of losses based on objective evidence of impairment and believe those estimates presented in the financial statements are reasonable in light of available information.

When loans cannot be recovered they are written off and charged against allowances for loan impairment losses. They are not written off until all the necessary legal procedures have been completed and the amount of the loss is finally determined.

The provision in the allowance account is reversed if the estimated recovery value exceeds the carrying amount.

Provisions for interest income debts is made in accordance with the policies set by the management of the Company. In accordance with the provisioning policy the Company calculates the provision required based on prior experience of loan volumes that turn out to be doubtful and the statistics of recoverability of such debts. The provision for interest accrued is made in accordance with the provisioning policies set by the management making sure that cash flows from interest receivable are excluded from cash flows used as the basis for principal recoverability testing.

Notes (continued)
Accounting policies (continued)

The recoverability of other debtors, advances and deposits paid is valued on individual basis if there are any indications of net book value of the asset exceeding its recoverable amount.

(o) Finance lease
Where the property, plant and equipment are acquired under a finance lease arrangement and the Company/Group takes over the related risks and rewards, the property, plant and equipment items are measured at the value at which they could be purchased for an immediate payment. Leasing interest is charged to the profit and loss in the period in which it arises.

(p) Operating leases

Company is a lessor
The type of lease in which the lessor retains a significant part of the risks and rewards pertaining to ownership, is classified as operating lease. Lease payments and prepayments for a lease (net of any financial incentives received from the lessor) are charged to the profit and loss under a straight-line method over the lease term.

(q) Taxes
The corporate income tax expense is included in the financial statements based on the management's calculations made in accordance with the requirements of Latvian tax legislation.
As of 1 January 2018, Corporate Income Tax is paid on distributed and notionally distributed profits.
The distributed and conditionally distributed profit will be subject to a 20 percent gross tax or 20/80 of the net cost. Corporate income tax on dividend payments is recognized in the income statement.
Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period which are expected to apply to the period when the temporary differences are reversed or the tax loss carry forwards are utilised. Deferred tax balance is measured at a tax rate which is applicable for undistributed profits until decision of profits distribution is made. Therefore, any deferred tax liabilities or assets are recognised at tax rate applicable to undistributed profits.

(r) Provisions for unused annual leave
The amount of provision for unused annual leave is determined by multiplying the average daily pay of employees during the last 6 months by the number of accrued but unused annual leave days the end of the reporting year. The company separates the vacation provisions paid out till the date of annual report preparation and treats them as CIT deductible in the reporting period.

(s) Borrowings
Initially borrowings are recognised at the proceeds received net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost which is determined using the effective interest method. The difference between the proceeds received, net of transaction costs and the redemption value of the borrowing is gradually recognized in the profit and loss account over the term of the borrowing.

(t) Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, balances of current accounts with banks and short-term deposits with a maturity term of up to 90 days.

(u) Payment of dividends
Dividends due to the shareholders are recognized in the financial statements as a liability in the period in which the shareholders approve the disbursement of dividends.

(v) Financial risk management

(v1) Financial risk factors
The activities of the Company expose it to different financial risks:
(u1.1) foreign currency risk;
(u1.2) credit risk;
(u1.3) operational risk;
(u1.4) market risk;
(u1.5) liquidity risk;
(u1.6) cash flow and interest rate risk.
The Company's overall risk management is focused on the uncertainty of financial markets and aims to reduce its adverse effects on the Company's financial indicators. The Finance Director is responsible for risk management. The Finance Director identifies, assesses and seeks to find solutions to avoid financial risks acting in close cooperation with other structural units of the Company.

(v1.1) Foreign exchange risk
The Company operates mainly in the local market and its exposure to foreign exchange risk is low. With the current income-expense structure additional monitoring procedures for currency risk monitoring are not deemed necessary. No further risk prevention mechanisms are used on the account that the overall currency risk has been assessed as low.

(v1.2) Credit risk
The Company has a credit risk concentration based on its operational specifics – issuance of loans against pledge, as well as issuance of non-secured loans that is connected with an increased risk of asset recoverability. The risk may result in short-term liquidity problems and issues related to timely coverage of short-term liabilities. The Company's policies are developed in order to ensure maximum control procedures in the process of loan issuance, timely identification of bad and doubtful debts and adequate provisioning for potential loss.

Notes (continued)
Accounting policies (continued)

(v) Financial risk management (continued)

(v1.3) Operational risk
Operational risk is a loss risk due to external factors namely (natural disasters, crimes, etc.) or internal ones (IT system crash, fraud, violation of laws or internal regulations, insufficient internal control). Operation of the Company carries a certain operational risk which can be managed using several methods including methods to identify, analyse, report and reduce the operational risk. Also self-assessment of the operational risk is carried out as well as systematic approval of new products is provided to ensure the compliance of the products and processes with the risk environment of the activity.

(v1.4) Market risk
The Company is exposed to market risks, basically related to the fluctuations of interest rates between the loans granted and funding received, as well as demand for the Company's services fluctuations. The Company attempts to limit market risks, adequately planning the expected cash flows, diversifying the product range and fixing funding resource interest rates.

(v1.5) Liquidity risk
The Company complies with the prudence principle in the management of its liquidity risk and maintains sufficient funds. The management of the Company has an oversight responsibility of the liquidity reserves and make current forecasts based on anticipated cash flows. Most of the Company's liabilities are short-term liabilities. The management is of the opinion that the Company will be able to secure sufficient liquidity by its operating activities, however, if required, the management of the Company is certain of financial support to be available from the owners of the Company.

(v1.6) Cash flow interest rate risk
As the Company has borrowings and finance lease obligations, the Company's cash flows related to financing costs to some extent depend on the changes in market rates of interest. The Company's interest payment related cash flows depend on the current market rates of interest. The risk of fluctuating interest rates is partly averted by the fact that a number of loans received have fixed interest rates set. Additional risk minimization measures are not taken because the available bank products do not provide an effective control of risks.

(v2) Accounting for derivative financial instruments
The Company does not actively use derivative financial instruments in its operations. Derivative financial instruments are initially recognized at fair value on the date of the contract, and are thereafter measured at fair value at the balance sheet date. Derivative financial instruments are carried as assets if their fair value is positive and as liabilities if fair value is negative. Any gains or losses arising due to the changes in the fair value of the derivative financial instrument are not classified hedges and are recognized directly in the profit and loss.

(v3) Fair value
The carrying value of financial assets and liabilities approximates their fair value. See also note (f).

(v4) Management of the capital structure
In order to ensure the continuation of the Company's activities, while maximizing the return to stakeholders' capital management, optimization of the debt and equity balance is performed. The Company's capital structure consists of borrowings from related persons, third party loans and loans from credit institutions and finance lease liabilities, cash and equity, comprising issued share capital, retained earnings and share premium. At year-end the ratios were as follows:

	Parent company 31.12.2019. EUR	**Group 31.12.2019. EUR**	**Parent company 31.12.2018. EUR**	**Group 31.12.2018. EUR**
Loan and lease liabilities	24 391 565	26 540 541	18 834 009	19 555 591
Cash and bank	(812 301)	(1 135 644)	(3 368 567)	(3 489 176)
Net debts	**23 579 264**	**25 404 897**	**15 465 442**	**16 066 415**
Equity	7 825 437	8 417 492	5 774 384	5 954 156
Liabilities / equity ratio	**3.12**	**3.15**	**3.26**	**3.28**
Net liabilities / equity ratio	**3.01**	**3.02**	**2.68**	**2.70**

(w) Significant assumptions and estimates
The preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Latvian law requires the management to rely on estimates and assumptions that affect the reported amounts of assets and liabilities and off-balance sheet assets and liabilities at the date of financial statements, as well as the revenues and expenses reporting in the reporting period. Actual results may differ from these estimates.

The following judgements and key assumptions concerning the future are critical, and other causes of inaccuracies in the calculations as at the date of financial statements, with a significant risk of causing a material change in the balance sheet value of assets and liabilities within the next financial year:

- The Company review the useful lives of its fixed assets at the end of each reporting period. The management makes estimates and uses assumptions with respect to the useful lives of fixed assets. These assumptions may change and the calculations may therefore change.
- The Company review the value of its fixed assets and intangible assets whenever any events or circumstances support that the carrying value may not be recoverable. Impairment loss is recognised in the amount equalling the difference between the carrying value of the asset and its recoverable value. Recoverable amount is the higher of an asset's fair value less the costs to sell and the value in use. The Company is of the view that considering the anticipated volumes of services no material adjustments due to impairment are required the asset values.
- In measuring inventories the management relies on its expertise, past experience, background information, and potential assumptions and possible future circumstances. In assessing the impairment of the value of inventories consideration is given to the possibility to sell the item of inventories and the net realisable value.

Notes (continued)
Accounting policies (continued)

(w) Significant assumptions and estimates (continued)

- The Company's management, based on estimates, makes provisions for the impairment of the value of receivables. The Company's management is of the opinion that the provisions for receivables presented in the financial statements accurately reflect the expected cash flows from these receivables and that these estimates have been made based on the best available information.
- The Company is composed with caution savings potential future payment obligations in cases where disputes the validity of such legal obligation, or there are legal disputes about the amount of such liabilities.

(x) Related parties
Related parties include the shareholders, members of the Board of the parent company of the Company, their close family members and companies in which the said persons have control or significant influence. Term "Related parties" agrees to Commission Regulation (EC) 1126/2008 of 3 November 2018 which took in force various IAS according to European Parlament and Council Regulation (EC) 1606/2002 mentioned in Annex of IAS 24 "Related Party Disclosures".

(y) Subsequent events
Post-period-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

(z) Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

(aa) Earnings per share
Earnings per share (EPS) are calculated by dividing the net profit or loss for the year attributable to the shareholders with the weighted-average number of shares outstanding during the year. Diluted EPS is calculated as net income divided by the sum of average number of shares and other convertible instruments.

(ab) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker – the Company's Board, which allocates resources to and assesses the performance of the operating segments of the Group. The Company and the Group operates as a single segment – consumer lending to individuals in Latvia.

Notes (continued)

(1) Intangible of the Parent company

	Concessions, patents, trademarks and similar rights EUR	Other intangible assets EUR	Advances EUR	Total EUR
Cost				
31.12.2018.	307 363	39 504	-	346 867
Additions	47 555	4 844	6 748	59 147
Disposals	(145)	(12 500)	-	(12 645)
31.12.2019.	**354 773**	**31 848**	**6 748**	**393 369**
Depreciation				
31.12.2018.	103 339	16 727	-	120 066
Charge for 2019	67 378	11 616	-	78 994
Disposals	(145)	(12 500)	-	(12 645)
31.12.2019.	**170 572**	**15 843**	**-**	**186 415**
Net book value 31.12.2019.	**184 201**	**16 005**	**6 748**	**206 954**
Net book value 31.12.2018.	**204 024**	**22 777**	**-**	**226 801**

Intangible of the Group

	Concessions, patents, trademarks and similar rights EUR	Other intangible assets EUR	Advances EUR	Goodwill EUR	Total EUR
Cost					
31.12.2018.	307 363	64 288	-	127 616	499 267
Additions	47 555	9 034	6 748	-	63 337
Disposals	(145)	(12 500)	-	-	(12 645)
31.12.2019.	**354 773**	**60 822**	**6 748**	**127 616**	**549 959**
Depreciation					
31.12.2018.	103 339	21 084	-	-	124 423
Charge for 2019	67 378	16 505	-	-	83 883
Disposals	(145)	(12 500)	-	-	(12 645)
31.12.2019.	**170 572**	**25 089**	**-**	**-**	**195 661**
Net book value 31.12.2019.	**184 201**	**35 733**	**6 748**	**127 616**	**354 298**
Net book value 31.12.2018.	**204 024**	**43 204**	**-**	**127 616**	**374 844**

Notes (continued)

(2) Fixed assets of the Parent company

	Other fixed assets and inventory	Advances	Leasehold improvements	Right-of-use premises	Right-of-use vehicles	Right-of-use assets, total	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cost							
31.12.2018.	1 056 274	-	369 066	-	-	-	1 425 340
IFRS 16 adoption impact	-	-	-	1 991 044	19 600	2 010 644	2 010 644
Additions	309 413	4 770	52 942	362 795	17 240	380 035	747 160
Remeasurement	-	-	-	346 910	-	346 910	346 910
Disposals	(185 480)	-	-	(24 983)	-	(24 983)	(210 463)
Transferred to others	4 770	(4 770)	-	-	-	-	-
31.12.2019.	**1 184 977**	**-**	**422 008**	**2 675 766**	**36 840**	**2 712 606**	**4 319 591**
Depreciation							
31.12.2018.	862 703	-	334 541	-	-	-	1 197 244
Charge for 2019	127 028	-	32 952	732 163	9 793	741 956	901 936
Disposals	(156 307)	-	-	(9 456)	-	(9 456)	(165 763)
31.12.2019.	**833 424**	**-**	**367 493**	**722 707**	**9 793**	**732 500**	**1 933 417**
Net book value 31.12.2019.	**351 553**	**-**	**54 515**	**1 953 059**	**27 047**	**1 980 106**	**2 386 174**
Net book value 31.12.2018.	**193 571**	**-**	**34 525**	**-**	**-**	**-**	**228 096**

As at 31 December 2019 the residual value of the fixed assets acquired under the terms of financial lease was 68 675 *euro*. (31.12.2018.: 148 678 *euro*). The ownership of those fixed assets will be transferred to the Group only after settlement of all lease liabilities.

Fixed assets of the Group

	Other fixed assets and inventory	Advances	Leasehold improvements	Right-of-use premises	Right-of-use vehicles	Total, Right-of-use assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cost							
31.12.2018.	1 056 274	-	369 066	-	-	-	1 425 340
IFRS 16 adoption impact	-	-	-	1 991 044	19 600	2 010 644	2 010 644
Additions	309 413	4 770	52 942	362 795	17 240	380 035	747 160
Remeasurement	-	-	-	346 910	-	346 910	346 910
Disposals	(185 480)	-	-	(24 983)	-	(24 983)	(210 463)
Transferred to others	4 770	(4 770)	-	-	-	-	-
31.12.2019.	**1 184 977**	**-**	**422 008**	**2 675 766**	**36 840**	**2 712 606**	**4 319 591**
Depreciation							
31.12.2018.	862 703	-	334 541	-	-	-	1 197 244
Charge for 2019	127 028	-	32 952	732 163	9 793	741 956	901 936
Disposals	(156 307)	-	-	(9 456)	-	(9 456)	(165 763)
31.12.2019.	**833 424**	**-**	**367 493**	**722 707**	**9 793**	**732 500**	**1 933 417**
Net book value 31.12.2019.	**351 553**	**-**	**54 515**	**1 953 059**	**27 047**	**1 980 106**	**2 386 174**
Net book value 31.12.2018.	**193 571**	**-**	**34 525**	**-**	**-**	**-**	**228 096**

Notes (continued)

(3) Right-of-use assets and lease liabilities

The Group adopted IFRS 16 with an initial application date of 1 January 2019. The entity applied the modified retrospective transition method. The amounts disclosed in the extracts are expressed in euros. The entity provided quantitative disclosures in its consolidated financial statements in a tabular format based on the nature of the disclosure item (i.e., asset, equity and liability and income statement).
Right-of-use assets and other liabilities for rights to use assets are shown as follows in the consolidated statement of financial position and statement of comprehensive income:

	31.12.2019.	01.01.2019.
	EUR	EUR
Non-current assets		
Right-of-use assets - premises	1 953 059	1 991 044
Right-of-use assets - motor vehicles	27 047	19 600
Assets, total	**1 980 106**	**2 010 644**
Non-current liabilities		
Lease liabilities for right-of-use assets	1 475 350	1 370 927
Current liabilities		
Lease liabilities for right-of-use assets	549 585	636 898
Equity and Liabilities, total	**2 024 935**	**2 007 825**

	2019
	EUR
Selling expense	
Depreciation of right-of-use assets - premises	722 707
Depreciation of right-of-use assets - motor vehicles	9 793
Interest expenses and similar expenses	
Interest expense for right to use premises	133 137
Interest expense for right to use vehicles	1 347
Total cash outflow from leases	828 489
Leases in the statement of comprehensive income, total	**1 695 473**

In 2019 the Group incurred expenses for lease agreements wich did not qualify for recognition of Right-of-use assets in total amount of EUR 0. The weighted-average incremental borrowing rate for lease liabilities initially recognized as of 1 January 2019 was 6.33% per year. The average interest rate for motor vechicles as of January 1, 2019 is approximately 3.70% per year.
The cost relating to variable lease payments that do not depend on an index or a rate amounted to EUR nil for the year ended December 31, 2019. There were no lease with residual value of guarantees or leases not yet commenced to which the Group is committed.

(4) Parent Company's investments in subsidiaries

The Parent company is the sole shareholder of the subsidiary SIA "ExpressInkasso" (100%), of the subsidiary SIA "ViziaFinance" (100%), and implementet acquisition of (100%) shares of the subsidiary SIA "REFIN" in 2019.

a) participating interest in subsidiaries

Noame	Acquisition price of subsidiaries		Participating interest in share capital of subsidiaries	
	31.12.2019.	31.12.2018.	31.12.2019.	31.12.2018.
	EUR	EUR	%	%
SIA ExpressInkasso	2 828	2 828	100	100
SIA ViziaFinance	880 000	880 000	100	100
SIA REFIN no 03.10.2018.	800 000	300 000	100	100
	1 682 828	**1 182 828**		

Notes (continued)

b) information on subsidiaries

Name	Address	Shareholders' funds 31.12.2019. EUR	Shareholders' funds 31.12.2018. EUR	Profit/ (loss) for the period 2019 EUR	Profit/ (loss) for the period 2018 EUR
SIA ExpressInkasso	Raunas street 44k-1, LV-1039 Riga, Latvia	366 841	245 955	120 886	242 795

Basic operations of SIA ExpressInkasso are debt collection services.

SIA ViziaFinance	Raunas street 44k-1, LV-1039 Riga, Latvia	921 436	693 541	227 895	21 447

Basic operation of SIA ViziaFinance is providing consumer lending services.

SIA REFIN (from 03.10.2018.)	Raunas street 44k-1, LV-1039 Riga, Latvia	858 991	295 488	63 503	(4 512)

Basic operation of SIA REFIN is marker research and public opinion polling services.

(5) The Group's loans to shareholders and management

	Loans to members EUR
Cost	
31.12.2018.	1 072 274
Loans issued	371 000
Loans repaid	(450 435)
Interest of loans	29 584
31.12.2019.	**1 022 423**
Net book value as at 31.12.2019.	**1 022 423**
Net book value as at 31.12.2018.	**1 072 274**

Interest on borrowing is in range of 2.92% - 4% per annum. The loan maturity - 31 December 2024 (including the loan principal amount and accrued interest). The Company's management has assessed the recoverability of the loans and is convinced that a provision is not necessary. Loans are not secured. Loans are denominated in euro.

(6) Loans and receivables

	Parent company 31.12.2019. EUR	Group 31.12.2019. EUR	Parent company 31.12.2018 EUR	Group 31.12.2018 EUR
Long-term loans and receivables				
Debtors for loans issued against pledge	82 067	82 067	32 631	32 631
Debtors for loans issued without pledge	6 133 456	8 777 722	3 088 629	3 459 284
Long-term loans and receivables, total	**6 215 523**	**8 859 789**	**3 121 260**	**3 491 915**
Short-term loans and receivables				
Debtors for loans issued against pledge	2 410 406	2 410 406	2 010 735	2 010 735
Debtors for loans issued against pledge, for realization	873 750	873 750	853 160	853 160
Debtors for loans issued without pledge	14 367 295	21 741 070	12 877 096	14 782 462
Interest accrued	611 204	1 097 958	666 714	720 401
Provisions for bad and doubtful trade debtors	(2 099 194)	(3 386 099)	(1 520 973)	(1 707 818)
Short-term loans and receivables, total	**16 163 461**	**22 737 085**	**14 886 732**	**16 658 940**
Loans and receivables	**22 378 984**	**31 596 874**	**18 007 992**	**20 150 855**

All loans are issued in euro. Long term receivables for the loans issued don't exceed 5 years.

Parent company signed a contract with third party for the receivable amounts regular cession to assign debtors for loans issued which are outstanding for more than 90 days. The carrying value of the claim amount until 31 December 2019 in total – EUR 3 678 558, the amount of compensation – EUR 2 179 315. Losses from these transactions were recognised in the current year.

Losses from the above noted cessions are partly covered by provisions made for the loans issued in previous accounting period or are included in the current year's profit and loss account, if cession of loans issued in current year is performed.

The claims in amount of EUR 2 492 473 (31.12.2018: EUR 3 055 582) are secured by the value of the collateral. Claims against debtors for loans issued against pledge is secured by pledges, whose fair value is about EUR 4 162 430, which is 1.67 times higher than the carrying value, therefore provisions for overdue loans are not made. All pledges, for which loan payments are delayed, becomes the Group's property and are realized in the Group's stores.

Notes (continued)

Loans and receivables (continued)

a) Age analysis of claims against debtors for loans issued:

	Parent company 31.12.2019.	Group 31.12.2019.	Parent company 31.12.2018	Group 31.12.2018
	EUR	EUR	EUR	EUR
Receivables not yet due	20 799 577	30 599 448	16 406 829	18 304 695
Outstanding 1-30 days	1 631 700	1 975 902	1 144 514	1 277 681
Outstanding 31-90 days	780 027	957 883	599 622	666 441
Outstanding 91-180 days	418 184	482 098	408 491	456 618
Outstanding for 181-360 days	326 046	364 104	466 544	515 720
Outstanding for more than 360 days	522 644	603 538	502 965	637 518
Total claims against debtors for loans issued	**24 478 178**	**34 982 973**	**19 528 965**	**21 858 673**

b) Provisions for bad and doubtful trade and other receivables

	Parent company 2019	Group 2019	Parent company 2018	Group 2018
	EUR	EUR	EUR	EUR
Provisions for bad and doubtful receivables at the beginning of the year	**1 520 973**	**1 707 818**	**1 212 219**	**1 357 617**
Written-off	-	-	-	(9 016)
Additional provisions	578 221	1 678 281	308 754	359 217
Provisions for bad and doubtful receivables at the end of the year	**2 099 194**	**3 386 099**	**1 520 973**	**1 707 818**

(7) Share capital

The Parent Company's share capital is EUR 1 500 000 which consists of 1 500 000 ordinary shares, each of them with a nominal value of EUR 1.

(8) Bonds issued

	Parent company 31.12.2019. EUR	Group 31.12.2019. EUR	Parent company 31.12.2018. EUR	Group 31.12.2018. EUR
Bonds issued	6 100 000	6 100 000	6 201 500	6 201 500
Bonds commission	(40 147)	(40 147)	(8 869)	(8 869)
Total long-term part of bonds issued	**6 059 853**	**6 059 853**	**6 192 631**	**6 192 631**
Bonds issued	1 750 000	1 750 000	1 705 500	1 705 500
Bonds commission	(15)	(15)	(378)	(378)
Interest accrued	14 782	14 782	17 014	17 014
Total short-term part of bonds issued	**1 764 767**	**1 764 767**	**1 722 136**	**1 722 136**
Bonds issued, total	**7 850 000**	**7 850 000**	**7 907 000**	**7 907 000**
Interest accrued, total	14 782	14 782	17 014	17 014
Bonds commission, total	(40 162)	(40 162)	(9 247)	(9 247)
Bonds issued net	**7 824 620**	**7 824 620**	**7 914 767**	**7 914 767**

As at the date of signing of the annual report the Parent company of the Group has registered bonds (ISIN LV0000801322) with the Latvia Central Depository on the following terms – number of financial instruments 3 500 with the nominal value of 500 euro, with the total nominal value of 1 750 000 euro. Coupon rate - 15%, coupon is paid once a month on the 25th date. The principal amount is to be repaid once in a quarter in the amount of 125 euro per bond starting 25 March 2019. The maturity of the bonds – 25 December 2020. On 14 April 2014 the public quotation of the bonds with NASDAQ Baltic Bond List was started.

As at the date of signing of the annual report the Parent company of the Group has registered bonds (ISIN LV0000802213) with the Latvia Central Depository on the following terms –number of securities issued: 5 000, nominal value 1 000 euro per each with the total nominal value of 5 000 000 euro. Coupon rate - 14%, coupon is paid once a month on the 25th date. The principal amount (EUR 1000 per each bond) is to be repaid on 25 October 2021. The bond was publicly listed on NASDAQ Baltic First North Alternative market on 19 March 2018.

Notes (continued)

Bonds issued (continued)

As at the date of signing of the annual report the Parent company of the Group has registered bonds (ISIN LV0000802379) with the Latvia Central Depository on the following terms –amount of emissions recorded 5 000, amount of emissions recorded (on 31 December 2019) 1 100 with nominal value 1 000 euro per each with the total nominal value of 1 100 000 euro. Coupon rate - 14%, coupon is paid once a month on the 25th date. The principal amount (EUR 1000 per each bond) is to be repaid till 25 November 2022. The bond issue is not publicly traded. The bond issue launched on 15 November 2019.

(9) Other borrowings

	Parent company 31.12.2019. EUR	Group 31.12.2019. EUR	Parent company 31.12.2018. EUR	Group 31.12.2018. EUR
Long-term finance lease	61 411	61 411	98 234	98 234
Other long-term loans	4 749 200	5 576 379	838 696	898 310
Total other long-term loans	**4 810 611**	**5 637 790**	**936 930**	**996 544**
Short-term finance lease	40 946	40 946	50 444	50 444
Other short-term loans	11 481 122	13 037 185	9 760 257	10 593 420
Total other short-term loans	**11 522 068**	**13 078 131**	**9 810 701**	**10 643 864**
Total other loans	**16 332 679**	**18 715 921**	**10 747 631**	**11 640 408**

The Parent company has acquired fixed assets on finance lease. As at 31 December 2019 the interest rate was set as 6M Euribor + 2,15 – 3,7%.

The Parent company has received loans from private individuals and legal entities. The interest is charged from 2,92% to 14 % p.a. The loans are received without security granted.

(10) Lease liabilities for right-of-use assets

	Parent company 31.12.2019. EUR	Group 31.12.2019. EUR	Parent company 31.12.2018. EUR	Group 31.12.2018. EUR
Long term lease liabilities for right-of-use assets - premises	1 460 753	1 460 753	-	-
Long term lease liabilities for right-of-use assets - vehicles	14 597	14 597	-	-
Total long-term lease liabilities for right-of-use assets	**1 475 350**	**1 475 350**	**-**	**-**
Short term lease liabilities for right-of-use assets - premises	540 601	540 601	-	-
Short term lease liabilities for right-of-use assets - vehicles	8 984	8 984	-	-
Total short-term lease liabilities for right-of-use assets	**549 585**	**549 585**	**-**	**-**
Lease liabilities for right-of-use assets, total	**2 024 935**	**2 024 935**	**-**	**-**

Notes (continued)

(11) Related party transactions

In the annual report there are presented only those related parties with whom have been transactions the reporting year or in the comparative period.

Related party	Transactions in 2019	Transactions in 2018
Parent company's owners		
"Lombards24.lv", SIA, reg. No. 40103718685	-	-
"AE Consulting", SIA, reg. No. 40003870736	-	-
"EC finace", SIA, reg. No. 40103950614	-	-
Didzis Ādmīdiņš, p.c. 051084-11569	-	-
Kristaps Bergmanis, p.c. 040578-13052	-	-
Ivars Lamberts, p.c. 030481-10684	-	-
Companies and individuals under common control or significant influence		
Agris Evertovskis, p.c. 081084 -10631	-	-
EA investments, AS, reg.No. 40103896106	-	-
Subsidiary		
"ExpressInkasso", SIA, reg. No. 40103211998	-	-
"ViziaFinance", SIA, reg. No. 40003040217	-	-
"REFIN", SIA, reg. No. 40203172517	-	-
Cash Advance Bulgaria EOOD, reg. No. 204422780 till 21.05.2018.	N/A	N/A
Other related companies		
"Banknote" SIA, reg. No. 40103501494	-	-
"KALPAKS", SIA, reg.No. 40203037474	-	-
"EL Capital", SIA, reg.No. 40203035929	-	-
"EuroLombard Ltd"., reg. No. 382902595000	-	-
"OBDO Gin", SIA, reģ. Nr. 50103451231	-	N/A

	2019 EUR	2018 EUR
Parent company transactions with:		
Owners of the parent company		
Loans received	-	-
Loans repaid	-	-
Loans issued	371 760	203 381
Loan repayment received	59 660	188 000
Interest paid	2 525	2 988
Interest received	31 020	37 358
Dividends paid	1 500 000	2 229 714
Services received	1 326	1 602
Services delivered	394	1 788
Goods sold	-	2 080
Investment in shares	-	4 132
Bonds sold	-	-
Parent company's transactions with:		
Subsidiaries		
Cession of loans	-	-
Loans received	696 400	661 704
Loans repaid	696 400	969 920
Loans issued	6 640 900	443 396
Loan repayment received	1 238 000	135 796
Interest paid	5 341	16 061
Interest received	15 852	4 845
Services delivered	43 010	53 756
Services received	94 547	281 773
Goods sold	-	-
Fixed assets sold	-	-
Fixed asset additions	-	3 856
Investment in shares	500 000	300 000

Notes (continued)

Related party transactions (continued)

	2019 EUR	2018 EUR
Companies and individuals under common control or significant influence		
Loans received	-	-
Loans repaid	-	50 000
Loans issued	76 000	15 000
Loan repayment received	42 000	5 000
Interest paid	-	152
Interest received	572	35
Services delivered	1 875	60
Shares sold	-	-
Other related companies		
Loans issued	-	844 679
Loan repayment received	380 005	967 960
Interest received	40 528	62 729
Services received	20 900	21 239
Services delivered	14 014	4 042
Fixed assets sold	-	-
Group's transactions with:		
Owners of the parent company		
Loans received	-	-
Loans repaid	-	-
Loans issued	371 760	203 381
Loan repayment received	59 660	188 000
Interest paid	2 525	2 988
Interest received	31 020	37 358
Dividends paid	1 500 000	2 229 714
Services received	3 504	3 780
Services delivered	394	1 788
Goods sold	-	2 080
Fixed assets sold	-	4 132
Bonds sold	-	-
Companies and individuals under common control or significant influence		
Loans received	-	-
Loans repaid	-	50 000
Loans issued	76 000	15 000
Loan repayment received	42 000	5 000
Interest paid	-	152
Interest received	572	35
Services delivered	1 875	60
Shares sold	-	-
Other related companies		
Loans issued	-	844 679
Loan repayment received	380 005	967 960
Interest received	40 528	62 729
Services received	20 900	21 239
Services delivered	14 014	4 042
Fixed assets sold	-	-

Notes (continued)

(12) Guarantees issued, pledges

As at 31 December 2017 the Parent company has issued guarantees to other companies (only to legal entities) for the purchase of cars under the terms of financial lease. The total amount guaranteed as at 31.12.2019 - EUR 37 633. The guarantee is effective till 2021.

(13) Subsequent events

There are no subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as at 31 December 2019.

Agris Evertovskis	Kristaps Bergmanis	Didzis Ādmīdiņš	Ivars Lamberts	Inta Pudāne
Chairman of the Board	Board Member	Board Member	Board Member	Chief accountant

Riga, 25th February 2020