

**NEO Finance, AB**

**FINANCIAL STATEMENTS for the period that ended on  
31 December 2020**

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## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NEO FINANCE, AB

### Opinion

We have audited the financial statements of NEO Finance, AB (the Company), which comprise the balance sheet as at December 31, 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Company as at December 31, 2020, and its financial performance for the year then ended in accordance with the Law of the Republic of Lithuania on accounting and financial reporting, and Business Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the requirements of the Law on Audit of the Republic of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Law of the Republic of Lithuania on accounting and financial reporting and Business Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Auditor, director  
Genadij Makušev  
Auditor's certification No. 000162*

*26 March, 2021  
Upės str. 21, Vilnius*

*Grant Thornton Baltic UAB  
Audit company's certification No. 001502*



**NEO Finance, AB**  
 Business identifier code: 303225546 Address: Vivulskio g. 7, Vilnius.  
**Financial Statements for the period that ended on 31 December 2020.**  
 (all the sums are indicated in Euro, unless provided for otherwise)

Approved at the General Meeting of Shareholders  
 by Protocol no. \_\_\_\_ from \_\_\_\_\_ 2021

**CONDENSED BALANCE SHEET**

	ASSETS	Note no.	Reporting period	Previous reporting period
<b>A.</b>	<b>FIXED ASSETS</b>		<b>2 787 952</b>	<b>2 826 595</b>
1.	Intangible assets	1	564 530	319 177
2.	Tangible assets	2	42 328	12 676
3.	Financial assets	3	1 805 444	2 078 560
4.	Other fixed assets	15	375 650	416 182
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>8 050 728</b>	<b>4 297 701</b>
1.	Reserves		29 779	26 159
2.	Accounts receivable within one year	4	783 692	338 009
3.	Short-term investments			
4.	Cash and cash equivalents	5	7 237 257	3 933 533
<b>C.</b>	<b>EXPENSES OF FUTURE PERIODS AND ACCRUED INCOME</b>		<b>939</b>	<b>5 220</b>
	<b>ASSETS TOTAL:</b>		<b>10 839 619</b>	<b>7 129 516</b>
	EQUITY AND LIABILITIES	Note no.	Reporting period	Previous reporting period
<b>D.</b>	<b>EQUITY</b>		<b>1 489 497</b>	<b>1 089 576</b>
1.	Capital	6	1 706 497	1 615 023
2.	Share premium		1 286 748	856 405
3.	Revaluation reserve			
4.	Reserves			
5.	Retained earnings/loss	7	(1 503 748)	(1 381 852)
<b>E.</b>	<b>GRANTS AND SUBSIDIES</b>			
<b>F.</b>	<b>PROVISIONS</b>	8	<b>244 820</b>	<b>248 670</b>
<b>G.</b>	<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		<b>9 086 688</b>	<b>5 785 232</b>
1.	Accounts payable after one year and other long-term liabilities	9	912 405	1 620 971
2.	Accounts payable within one year and other short-term liabilities	9, 10	8 174 283	4 164 261
<b>H.</b>	<b>EXPENSES ACCRUED AND EXPENSES OF FUTURE PERIODS</b>		<b>18 614</b>	<b>6 038</b>
	<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>10 839 619</b>	<b>7 129 516</b>

Head of Administration \_\_\_\_\_

Aleksejus Loskutovas

Accounting Officer \_\_\_\_\_  
 Director of UAB "Finance United"

Sigitas Ertmanas

Date of Financial Statements  
 26 March 2021

Approved at the General Meeting of Shareholders  
 by Protocol no. \_\_\_\_ from \_\_\_\_\_ 2021

### PROFIT AND LOSS STATEMENT

No.	Items	Note no.	Reporting period	Previous reporting period
1.	SALES REVENUE	11	2 482 981	1 723 506
2.	COST OF SALES	12	(1 597 082)	(1 531 910)
3.	BIOLOGICAL ASSETS FAIR VALUE CHANGE			
4.	GROSS PROFIT/LOSS		<b>885 899</b>	<b>191 596</b>
5.	Sales expenses			
6.	General and administrative expenses	12	(922 928)	(1 001 886)
7.	Other operative expenses		(8 083)	(5 407)
8.	Income from investments in shares of the parent company, subsidiaries and affiliated undertakings			
9.	Income from other long-term investment and loans			
10.	Other income from interest and other income	13	12 380	
11.	Impairment of financial assets and short-term investments	13	(32 000)	(65 000)
12.	Interest and similar expenses	13	(4 680)	(249)
13.	PROFIT/LOSS BEFORE TAX		<b>(69 412)</b>	<b>(880 946)</b>
14.	Income tax	14	(52 484)	39 753
15.	NET PROFIT/LOSS		<b>(121 896)</b>	<b>(841 193)</b>

Head of Administration \_\_\_\_\_

Aleksejus Loskutovas

Accounting Officer \_\_\_\_\_  
 Director of UAB "Finance United"

Sigitas Ertmanas

Date of Financial Statements  
 26 March 2021

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by Protocol no. \_\_\_\_ from \_\_\_\_\_ 2021

## EXPLANATORY NOTE of 31 December 2020

### I. GENERAL INFORMATION

NEO Finance, AB (hereinafter referred to as the "Company") was registered at the State Enterprise Centre of Registers on 21 January 2014. Company address: Vivulskio g. 7, Vilnius, business identifier code: 303225546.

The authorized capital of the Company is 1,706,497 EUR, which is made up of 3,878,402 EUR of ordinary registered shares with a nominal value of 0.44 EUR. Shareholders of the Company as of 31 December 2020: 71.65% – UAB "ERA CAPITAL", 9.79% – Russian citizen GRIGORY GUREVICH, 3.65% - UAB "Value Capital", 2.57% ASIAN PACIFIC GREEN ENERGY PTE. LTD, 12.34% – minority shareholders.

The main activities of the Company: provision of financial services. (Company is licensed as an electronic money institution starting from January 5<sup>th</sup>, 2017. The license is provided by Bank of Lithuania).

The company owns 100 % shares of the company Neo Finance B.V (business identifier code: 859887984, company address: Vlamingsstraat 4, 2712BZ Zoetermeer, The Netherlands).

The Company has no branches and/or representative offices.

In 2020, there were 30 employees at the Company, and in 2019 – 20.

### II. ACCOUNTING POLICY

#### (a) Basis of accounting

The financial statements of the Company have been prepared in accordance with the legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania, as well as the provisions of the Business Accounting Standards.

In accounting and when preparing financial statements, the Company follows the general accounting principles: of the Company, business continuity, periodicity, stability, monetary measure, accrual, comparison, prudence, neutrality, and content importance.

The financial statements have been prepared based on the assumption that the Company has no intention or need to liquidate itself or to significantly reduce its operating scope.

#### (b) Intangible assets

Intangible non-current assets: identifiable non-material non-cash assets, which are expected to bring direct and/or indirect economic benefit to the Company during more than one year of use, and whose acquisition (production) cost is not less than EUR 100.

In accounting, intangible assets are recorded at the acquisition (production) cost. The acquisition cost of intangible assets is made up of the sum of money paid or to be paid for purchase of the assets, including customs duties and other non-recoverable taxes. The acquisition cost of assets also includes other direct costs of preparing the assets for the intended use. Costs of renewal and improvement of intangible assets incurred after the acquisition or creation

of the assets are recognized as expenses during the reporting period in which they are incurred.

In the balance sheet, intangible assets are shown at their residual value, i.e. the acquisition/production cost minus the accrued depreciation and impairment.

Amortisation of intangible assets is calculated on a direct proportion (linear) basis over the entire useful life of the assets:

Software	3 years
Other intangible assets	4 years

(c) **Tangible fixed assets**

Tangible fixed assets of the Company are assets that provide direct and/or indirect economic benefit when used for more than one year and whose acquisition/production cost is not less than EUR 100, while the risks related to tangible assets are transferred to the Company.

In accounting, tangible fixed assets are recorded at the acquisition/production cost, which includes the sum of money paid or to be paid for purchase of the assets, the cost of delivery, paid non-recoverable taxes, costs for design, installation and other costs associated with the acquisition and preparation of these assets. The acquisition cost of tangible fixed assets does not include the non-refundable value added tax. It is recognized as operating expenses for the period, during which the assets were acquired.

The costs of reconstruction and repair of tangible fixed assets is recognized as expenses during the reporting period, when they were incurred.

Tangible fixed assets provided in the financial statements are estimated at the actual acquisition/production cost of the assets, minus the accrued depreciation and impairment.

The Company uses a directly proportional (linear) method of calculating the depreciation of tangible fixed assets. For different groups of tangible fixed assets, different depreciation norms are approved:

<b>Groups of assets</b>	<b>Average useful life (in years)</b>
Machinery and equipment	4 - 6
Vehicles	6 - 10
Other equipment, tools and devices	3 - 6
Other tangible assets	4

Depreciation of tangible fixed assets is calculated from the first day of the month following the month in which the assets were first used. Asset depreciation is not calculated from the first day of the month following its write-down, disposal or another type of transfer. The depreciated value of the assets is calculated by deducting from the acquisition/production cost of the assets the liquidation value, which equals EUR 1 for all items of tangible fixed assets.

Financial lease is a lease when, under the terms of the lease, all risks and benefits related to the ownership of the assets are basically transferred to the Company. The accounting of leased assets does not differ from the accounting of own assets. Interest and other borrowing-related costs are recognized as financial expenses during the period, in which they were incurred.

Profit and loss arising from the disposal of the tangible fixed assets are calculated by comparing the income received with the book value of the assets. The result of the transaction is recognized in item of revenue and expenditure of another activity in the profit and loss statement.



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The depreciated assets not used at the Company are written off. In the balance sheet, the tangible fixed assets that are no longer used for the company's operations and that are held for sale, are included in the reserve item.

At the end of each reporting year, the Company performs an inventory of its tangible fixed assets. The residual value of each individual asset is revised in order to determine its depreciation. If depreciation is observed, the recoverable amount of that asset is calculated. The recoverable amount is calculated as the higher of the two values: the net realizable value or the value in use of the asset. Loss due to asset impairment is accounted for, when the book value of the asset unit exceeds the recoverable amount. Impairment losses are accounted for in the profit and loss statement.

**(d) Financial assets**

Financial assets include cash and cash equivalents, receivables, loans granted and investments available for sale.

Financial assets are accounted for, when the Company receives or has the right to receive cash or other financial assets under an existing contract. Receivables are measured at acquisition cost minus the impairment losses. Cash and cash equivalents are measured at acquisition cost. Loans granted are initially accounted for at acquisition cost, and subsequently measured at amortised cost.

Investments available for sale are investments that the Company has acquired with a purpose of selling or in order to receive profit from short-term fluctuations in investment prices. Investments available for sale are measured at acquisition cost at the time of acquisition, and subsequently at fair value when preparing the financial statements.

If it is probable that the Company will not be able to recover its receivables, an impairment loss is recognised, which is calculated as the difference between the asset value and the current value of future cash flows discounted at the effective interest rate.

**(e) Receivables**

Receivables are recognised as such at the acquisition cost. Subsequently, short-term receivables are accounted for having assessed their impairment. A debt, whose due date has expired more than four months before the recovery procedure takes place, is considered doubtful. Impairment losses of doubtful debts accrued during the reporting period are recognised as operating costs. When redeeming previously recognised doubtful debts, the costs incurred during the reporting period are reduced.

A transaction on transfer of receivables/debts (factoring without a right of recourse) is considered as a sale of debts, and debts are written off immediately. If the debt transfer transaction does not involve the transfer risk, and the buyer may cancel the transaction, the transaction is registered as a loan secured by a collateral.

**(f) Cash and cash equivalents**

Cash consists of money in bank accounts. Cash equivalents are liquid investments that are readily convertible to known amounts of cash. The term of such investments generally does not exceed three months, and the risk of changes in value is very insignificant.

**(g) Expenses of future periods**

Expenses of future periods arise, when, during the reporting period and prior reporting periods, the Company has paid for the services of a continuous nature to be provided during the future periods, for which the amounts paid will be recognised as expenses in the subsequent reporting periods, when incurred.

(h) Equity and reserves

The Company's equity consists of paid-up part of the share capital, share premium, legal reserve, revaluation reserve and retained earnings/loss.

Ordinary registered shares are accounted for at their nominal value. The sum received for shares sold, higher than the nominal value of these shares, is accounted for as share premium. The costs associated with issue of new shares reduce the share premium. Profit and loss statement shall not include profit or loss received from sale, issue or cancellation of own shares.

According to the Law on Companies of the Republic of Lithuania, the legal reserve must make up 1/10 of the value of the authorised capital. Until the established size of the legal reserve is reached, the Company's deductions shall be at least 1/20 of the net profit. The part of the legal reserve exceeding the established size may be redistributed by dividing the Company's profit. The legal reserve, used to cover the losses of the Company, must be redrafted.

The item of retained earnings/loss shall include the earnings earned during the reporting period and earlier periods, but not yet retained, or uncovered loss.

Profit distribution in the Company's accounting is recorded, when the owners take a decision to distribute the profit, i.e. on the day of the shareholders' meeting, regardless of when it was earned.

(i) Financial liabilities

Financial liabilities are recorded in the accounting, when the Company assumes the obligation to pay in cash or to settle financial liabilities using other financial assets. Accounts payable for goods and services are measured at acquisition cost, i.e. at the value of the assets or services received. At the beginning, the loans are accounted for at the acquisition cost, and, subsequently, at amortised cost. Accrued interest is accounted for in the item of other payables.

Financial liabilities include accounts payable for goods and services received, loans and financial lease liabilities, as well as bonds.

Short-term liabilities are liabilities that must be settled within one year from the day when the balance sheet was drafted.

(-) Provision Accounting Policy

Provisions in the Company are formed for liabilities under reimbursable suretyship agreements. Reimbursable suretyship agreements are such agreements, whereby the guarantor is required to pay a specific loss incurred by the guarantee, resulting from the debtor's delayed and unpaid liabilities set out in the default conditions of the description of debt instruments. Such financial guarantees are provided to creditors.

On the day of granting the suretyship, the amount of expected loss due to the debtor's delayed and unpaid liabilities set out in the default conditions of the description of debt instruments is included in the accounting. The estimation of expected losses is based on the accrued historical information on similar transactions, the amount of losses incurred, and also taking into account the management's estimates.

(-) Doubtful Debt Recognition Policy

Doubtful debts are a part of the investment, whose consumer credit agreements with consumers have been terminated. Consumer credit agreements are terminated under the grounds set out in Article 19 of the Law on Consumer Credit of the Republic of Lithuania. The value of such investments is determined at the lowest of these values: the price paid at the time of the loan purchase; or 60% of the value of the investment. The difference between

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the value of the investment and the price paid at the time of purchase, or 60% of the investment value, is recognised as an impairment loss.

**(j) Sales revenue**

Interest income and expenditure for all interest-bearing instruments are accounted for on the accrual basis.

Intermediary fee income and other types of income are accounted for at the time, when the transaction is performed, i.e. based on the cash basis.

Other operating income include profits from the disposal of used fixed assets, as well as other income that is not related to the typical activities of the Company, but that are received from third parties, with the exception of financial operating income and extraordinary profit.

Financial income is the positive result of change in the exchange rate, interest received, fines and penalties paid by buyers, dividends received, reversal of impairment of investment value.

**(k) Expenses**

In the accounting, expenses are recognised based on the accrual and comparison principles during the reporting period, when related income is earned, irrespective of the time the money is spent. Expenses that are not related to earnings during the reporting period, but are intended to generate earnings in future periods, are accounted for and recorded in the financial statements as assets.

Cost of sales refers to the expenses incurred by the Company during the reporting period for services rendered during the reporting period. This item only includes the part of the costs related to the services sold during the reporting period.

General and administrative expenses reflect the expenses incurred during the reporting period that are related to the typical activity of the Company and that enable generation of earnings during the reporting period, but independent of the volume of sales of production output, goods and services. These costs are recognized, recorded in the accounting and presented in the financial statements for the same reporting period when they are incurred.

Other operating expenses include loss of sales of used fixed assets, as well as other expenses that are not related to the typical activity of the Company, but are incurred when earning other income.

Financial operating expenses are the negative result of the change in the exchange rate, the fines and interest paid, interest and liability charges related to financial debts, as well as the impairment of investments.

**(l) Income tax and deferred income tax**

The calculation of the income tax is based on the requirements of the Law on Corporate Income Tax of the Republic of Lithuania. In 2017, the tax rate applied to the Company was 15%.

Deferred income tax is accounted for using the liability method and is derived from the temporary differences between the book value of the assets or liabilities in the balance sheet and the tax base of those assets or liabilities included in the Company's financial statements. Deferred income tax is calculated on the basis of tax rates (and laws) that were approved or actually valid on the day of balance sheet drafting, and are expected to be effective when the deferred tax assets are realised or when the deferred tax liability is covered.

**(m) Foreign currencies**

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All currency items in the balance sheet are presented in euro applying the exchange rate valid on the day of the balance sheet drafting. The assets purchased in foreign currencies accounted for at the acquisition cost, in the balance sheet, are measured in euro applying the exchange rate valid on the day of acquisition. Transactions in foreign currencies are measured in euros, at the exchange rate valid on the transaction day. The differences that arise when the amounts recorded in the currency items are paid at a different exchange rate are recognised as profit or loss of the reporting period.

(n) Accounting Estimates in Preparing Financial Statements

When preparing financial statements, the management shall make certain assumptions and estimates that affect the reported sums of assets, liabilities, income and expenses, as well as disclosure of uncertainties.

Future events may change the assumptions used in evaluations. The result of such changes in evaluations shall be accounted for in the financial statements as soon as it arises.

(o) Error Correction and Reclassification

The Company deems that an essential error is such error that accounts for more than 5% of the net profit of the reporting period.

If the information presented during the accounting year is otherwise classified, then the comparative year is also reclassified in order to render the figures comparable.

(p) Contingent Liabilities and Assets

Contingent liabilities are future liabilities that may arise from past events and which can be confirmed or denied by uncontrolled uncertain future events of the Company or existing liabilities arising from past events. They are not reflected on the balance sheet because the amount of such liabilities cannot be reliably determined and/or it is unlikely that these liabilities shall be met. Information about them is provided in the explanatory note.

Contingent Assets refer to assets that, due to uncontrolled events of the Company, may in the future be part of the Company and bring economic benefits to the Company. Information about the expected assets is provided in the explanatory note.

(q) Post Balance Sheet Events

Post Balance Sheet Events are those events that occur between the balance sheet drafting date and the date, when the financial statements are prepared, signed by the Head of the Company and submitted for approval.

Post balance sheet events that provide additional information about the Company's position on the day when the balance sheet is drafted (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are described in the notes, if significant.

### III. NOTES

#### 1. Intangible fixed assets

Indexes	Software	In total
<b>Acquisition cost</b>		
<b>31 December 2018</b>	566 866	566 866
Acquired	164 378	164 378
Written-off		---
Reclassifications		---
<b>31 December 2019</b>	731 244	731 244
Acquired	415 510	415 510
Written-off		---
Reclassifications		---
<b>31 December 2020</b>	1 146 754	1 146 754
<b>Amortisation accrued</b>		
<b>31 December 2018</b>	251 864	251 864
Estimated over the period	160 203	160 203
Written-off		---
Reclassifications		---
<b>31 December 2019</b>	412 067	412 067
Estimated over the period	170 157	170 157
Written-off		---
Reclassifications		---
<b>31 December 2020</b>	582 224	582 224
<b>Balansinė vertė</b>		
<b>31 December 2019</b>	315 002	315 002
<b>31 December 2019</b>	319 177	319 177
<b>31 December 2020</b>	564 530	564 530

No signs of impairment of intangible fixed assets have been determined.



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**2. Tangible fixed assets**

Indexes	Other equipment, devices and tools	In total
<b>Acquisition cost</b>		
<b>31 December 2018</b>	31 398	31 398
Acquired	8 404	8 404
Written-off		---
Reclassifications		---
<b>31 December 2019</b>	39 802	39 802
Acquired	41 809	41 809
Written-off	(1 439)	(1 439)
Reclassifications		---
<b>31 December 2020</b>	80 172	80 172
<b>Revaluation / depreciation</b>		
<b>31 December 2018</b>		---
Revaluated (+) depreciated (-)		---
Depreciated over the period		---
<b>31 December 2019</b>	---	---
Revaluated (+) depreciated (-)		---
Depreciated over the period		---
<b>31 December 2020</b>	---	---
<b>Depreciation accrued</b>		
<b>31 December 2018</b>	19 241	19 241
Estimated over the period	7 885	7 885
Written-off (-)		---
From item to another item		---
<b>31 December 2019</b>	27 126	27 126
Estimated over the period	10 753	10 753
Written-off (-)	(35)	(35)
Reclassifications		---
<b>31 December 2020</b>	37 844	37 844
<b>Book value</b>		
<b>31 December 2018</b>	12 157	12 157
<b>31 December 2019</b>	12 676	12 676
<b>31 December 2020</b>	42 328	42 328

No signs of impairment of tangible fixed assets have been determined.

### 3. Financial assets

	2020-12-31	2019-12-31
Investments in subsidiaries	163 500	
Investment activities debtors	1 740 153	2 282 563
Impairment (-)	(98 209)	(204 003)
<b>TOTAL:</b>	<b>1 805 444</b>	<b>2 078 560</b>

During the financial year the Company acquired a subsidiary (Finomark, UAB, K. 305538582).

### 4. Accounts receivable within one year

	2020-12-31	2019-12-31
Buyers' debts	58 837	27 429
Investment activities debtors	747 138	341 073
Other receivables	12 392	---
Impairment (-)	(34 675)	(30 493)
<b>TOTAL:</b>	<b>783 692</b>	<b>338 009</b>

### 5. Cash

	2020-12-31	2019-12-31
<b>Clients cash</b>	<b>6 738 659</b>	<b>3 534 227</b>
Money in commercial bank accounts	78 446	104 564
Money at the Bank of Lithuania	6 594 083	3 384 463
Money in transition	66 130	45 200
<b>Company cash</b>	<b>498 598</b>	<b>399 306</b>
Money in commercial bank accounts	452 268	396 736
Money at the Bank of Lithuania	46 330	2 570
<b>TOTAL:</b>	<b>7 237 257</b>	<b>3 933 533</b>

### 6. Structure of the authorized capital

Indexed	Number of shares	Amount
Structure of the share capital at the end of the financial year		
1. According to the types of shares		
1.1. Ordinary shares	3 878 402	1 706 497
1.2. Preference shares		
1.3. Employees' shares		
1.4. Special shares		
1.5. Other shares		
<b>TOTAL:</b>	<b>3 878 402</b>	<b>1 706 497</b>
2. State or municipal capital		
3. Own shares owned by the company		
4. Shares owned by subsidiaries		

As of 31 December 2020, all shares have been paid.

## 7. Profit distribution project

Items	Year	Sum
Retained result – profit/loss	2019-12-31	(1 381 852)
Net result for the financial year – profit/loss		(121 896)
Retained result – profit/loss	2020-12-31	(1 503 748)
Shareholders' contributions to cover losses		
Transfers from reserves		
Distributed profit		(1 503 748)
Profit distribution:		
to legal reserves		
to other reserves		
dividends		
other		
Undistributed result – profit/loss		(1 503 748)

## 8. Provisions

The Company forms reimbursable suretyship provisions ("Guarantee Fund" service) intended to cover the liabilities under the reimbursable suretyship agreements. At the end of the financial year, provisions made up EUR 244,820. At the end of the last financial year, provisions made up EUR 248,670.

## 9. Financial debts

	2020-12-31	2019-12-31
<b>Long-term debts (from 2 to 5 years)</b>	<b>912 405</b>	<b>1 620 971</b>
Loans received from affiliated undertakings	806 954	520 971
Bonds		1 100 000
Social security liabilities after one year	105 451	
<b>Short-term debts</b>	<b>1 109 722</b>	<b>453 235</b>
Loans received from affiliated undertakings	---	445 000
Interest on loans received from affiliated undertakings	9 722	8 235
Bonds	1 100 000	
<b>TOTAL:</b>	<b>2 022 127</b>	<b>2 074 206</b>

Financial assets worth EUR 1,430,000 are pledged as collateral for the bonds.

**10. Accounts payable within one year**

	2020-12-31	2019-12-31
Advances received	606	403
Trade payables	162 871	104 026
Payroll liabilities	41 115	25 061
Vacation pay liabilities	33 221	26 563
Social security liabilities	23 871	10 527
Personal income tax liabilities	27 463	8 919
Income tax liabilities	16 090	
Customer money held at NEO Finance accounts	6 714 806	3 489 227
Customer money held at NEO Finance accounts – cash in transit		45 000
Owners' contributions to authorised capital		
Other tax liabilities	40 851	
Other payables	3 666	1 300
<b>TOTAL:</b>	<b>7 064 560</b>	<b>3 711 026</b>

**11. Income**

	2020	2019
<b>Sales revenue</b>	<b>2 482 981</b>	<b>1 723 506</b>
Revenue related to the issuance and processing of electronic money	476 241	178 283
Investment income	270 301	258 553
Revenue related to peer-to-peer lending	1 736 439	1 286 670

Most of the revenue related to peer-to-peer lending are distributed throughout the loan period, and these revenues are received only when the borrower actually makes the monthly installment. As of 31 December 2020, receivable intermediary fee generated by loans, issued till 31 December 2020 amounted to 5,945,158 EUR. As of 31 December 2019, receivable intermediary fee generated by loans, issued till 31 December 2019 amounted to 4,576,812 EUR.

**12. Expenses**

	2020	2019
<b>Cost of Sales</b>	<b>1 597 082</b>	<b>1 531 910</b>
Cost of services rendered	1 597 082	1 531 910
<b>General and administrative expenses</b>	<b>922 928</b>	<b>1 001 886</b>
Salaries and social security	374 104	362 171
Guarantee Fund accrual costs	3 850	89 555
Audit expenses	12 900	7 022
Depreciation	169 931	168 088
Other expenses	362 143	375 050

**NEO Finance, AB**

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**Financial Statements for the period that ended on 31 December 2020.**

(all the sums are indicated in Euro, unless provided for otherwise)

**13. Financial and investment activities**

<b>Income</b>	<b>12 380</b>	
Positive effect of exchange rates		
Other income from financial investment activities	12 380	
<b>Expenses</b>	<b>36 680</b>	<b>65 249</b>
Interest		
Impairment of shares in subsidiaries	32 000	65 000
Negative effect of exchange rates	180	99
Delay fee	4 500	150
<b>TOTAL:</b>	<b>(24 300)</b>	<b>(65 249)</b>

**14. Income tax expenses**

	<b>2020</b>	<b>2019</b>
Profit before taxes	(69 413)	(880 946)
Income tax rate	15%	15%
Amount of increase in profit before tax	532 295	705 942
Amount of reduction in profit before tax	105 326	12 379
Deductions for promotion		
Deducted operating loss amount (with inherited loss)	250 289	
Amount of taxable profit reduction on investment		
Declared income tax payable to the budget	16 090	---
Change in taxable temporary differences between tax and financial statements	(242 626)	265 020
Deferred income tax expenses/income	36 394	(39 753)
Adjusted amount of profit tax returns of the previous year		
Income tax expenses/income	52 484	(39 753)
Effective income tax rate	---	---

**15. Other fixed assets**

	<b>2020 m.</b>	<b>2019 m.</b>
Deferred income tax assets	375 650	412 044
Other fixed assets		4 138
<b>Total</b>	<b>375 650</b>	<b>416 182</b>

**16. Relations with executives and other related persons**

In 2020, the Head of Administration was paid a salary of EUR 40,712 (in 2019: EUR 37,504). The Head of Administration has not received any other income, loan guarantees nor benefits.



## 17. Related parties

Related parties	Accounts payable		Accounts receivable	
	2020-12-31	2019-12-31	2020-12-31	2019-12-31
Shareholders with a significant number of votes		200 938		
Parent company	1 091	243 472		
Subsidiaries				
Other affiliated persons	758 712	541 222	2 972	186
<b>Total</b>	<b>759 803</b>	<b>985 632</b>	<b>2 972</b>	<b>186</b>
Related parties	Income received		Purchases	
	2020	2019	2020	2019
Shareholders with a significant number of votes				12 500
Parent company			31 100	43 168
Subsidiaries				
Other affiliated persons	4 470	5 712	172 400	185 921
<b>Total</b>	<b>4 470</b>	<b>5 712</b>	<b>203 500</b>	<b>241 589</b>

## 18. Change in accounting policy

No changes to accounting policy made during 2020.

## 19. Rights and liabilities of the Company that are not specified in the balance sheet

Liabilities of the Company under the reimbursable suretyship agreement, as of 31 December 2020, amounted to EUR 3,080,478. The Company signs reimbursable suretyship agreements with the lenders who choose the "Guarantee Fund" service. On the basis of these agreements, the Company guarantees the lenders for proper performance of the obligations arising from consumer credit agreements.

The Company does not participate in legal proceedings, whose outcome could have a significant effect on the Company's financial position and/or financial results.

## 20. Contingent Liabilities

At the end of the reporting year, the Company had no contingent liabilities.

## 21. Post Balance Sheet Events

In March 2021, the Company received a total of 75 thousand euros loan from company UAB "Era Capital".

On February 19, 2021, Aleksėjus Loskutovas took over the position of Head of Administration and replaced Aiva Remeikienė, who had held the position of Head of Administration until then.

Due to risk of COVID-19 virus Lithuanian government implemented mandatory mass quarantine which continues on the date that the reports are signed. The Company's operations are not directly affected and the Company continues its activities.

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**22. Off-balance sheet liabilities**

By 31 December 2020, the Company, having acted as an operator of a Peer-to-Peer Lending Platform, and a consumer credit provided, has disbursed consumer credit funds for a total amount of EUR 63,495,120. As of 31 December 2020, the remaining outstanding part of credit amounted to EUR 34,210,707.

Head of Administration

\_\_\_\_\_

Aleksejus Loskutovas

Accounting Officer

Director of UAB "Finance United"

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Sigitas Ertmanas

Date of Financial Statements

26 March 2021