



NEO
Finance



NEO FINANCE, AB

2021 Interim Activity Report and Unaudited Financial Statements

Vilnius | 15 February 2022

Confirmation of company's responsible persons

15 February 2022

Vilnius

Hereby we confirm, that by our knowledge financial statements for the year 2021 prepared in accordance with accounting standards are true and fairly present assets, liabilities, financial position, profit or loss. As well we confirm that by our knowledge Annual report for the year 2021 includes a fair view of the development and performance of the business and the position of the Company in relation to the description of main risks and contingencies faced thereby.

NEO Finance, AB Head of administration

Paulius Tarbūnas

NEO Finance, AB acting CFO

Aivaras Bielskis



Basic information about Company

Company name	NEO Finance, AB
Legal form	Joint stock company
Registration date	January 21, 2014
Company code	303225546
Address	A. Vivulskio str. 7, Vilnius, Lithuania
Phone number	+370 700 80075
Email	info@neofinance.com
Website	www.neofinancegroup.com



Condensed balance sheet, EUR

	Note	Group		Company	
ASSETS		2021-12-31	2020-12-31	2021-12-31	2020-12-31
NON-CURRENT ASSETS		2 334 364	2 631 634	2 676 523	2 787 952
Intangible assets	1	880 370	5 64 530	725 622	564 530
Tangible assets	2	40 438	44 122	35 148	42 328
Financial assets	3	1 032 518	1 641 944	1 540 103	1 805 444
Other assets	4	381 038	381 038	375 650	375 650
CURRENT ASSETS		11 705 357	8 135 757	11 534 420	8 050 728
Inventories, prepayments and contracts In Progress		37 387	29 829	35 729	29 779
Amounts receivable within one year	5	438 343	783 772	441 391	783 692
Other currents assets		-	-	-	-
Cash and cash equivalents	6	11 229 627	7 322 156	11 057 300	7 237 257
DEFERRED CHARGES AND ACCRUED INCOME		4 789	1 202	4 306	939
TOTAL ASSETS:		14 044 510	10 768 593	14 215 249	10 839 619
EQUITY AND LIABILITIES	Pastaba	2021-12-31	2020-12-31	2021-12-31	2020-12-31
EQUITY		1 638 215	1 387 153	2 048 222	1 489 497
Capital	7	1 784 436	1 706 497	1 784 436	1 706 497
Share premium		1 653 415	1 286 748	1 653 415	1 286 748
Revaluation reserve (results)		-	-	-	-
Reserves		-	-	-	-
Retained earnings (losses)		(1 796 015)	(1 606 092)	(1 389 629)	(1 503 748)
MINORITY INTEREST		(3 621)	-	-	-
GRANTS AND SUBSIDIES		-	-	-	-
PROVISIONS	8	194 715	244 820	194 715	244 820
AMOUNTS PAYABLE AND LIABILITIES	9,10	12 195 140	9 112 810	11 957 133	9 086 688
Non-current amounts payable and liabilities		1 022 222	914 345	941 341	912 405
Current amounts payable and liabilities		11 172 918	8 198 465	11 015 792	8 174 283
ACCRUED EXPENSES AND DEFERRED INCOME		16 440	23 810	15 179	18 614
TOTAL EQUITY AND LIABILITIES:		14 044 510	10 768 593	14 215 249	10 839 619

*Group – NEO Finance, AB, FinoMark, UAB, NEO Finance B.V.



Profit and loss statement, EUR

Item	Note	Group		Company	
		2021	2020	2021	2020
Sales revenue	11	3 498 517	2 482 690	3 371 841	2 482 981
Cost of sales	12	(1 775 720)	(1 589 610)	(1 767 260)	(1 597 082)
GROSS PROFIT (LOSS)		1 722 797	893 080	1 604 581	885 899
General and administrative expenses	12	(1 922 867)	(1 058 058)	(1 483 284)	(922 928)
Other activities		(7 030)	(8 083)	(6 983)	(8 083)
Investment in the parent, subsidiaries and associated companies shares income		-	-	-	-
Other long-term investments and loan income		-	-	-	-
Other loans granted interest income			1 2391		12 380
Financial asset and short-term investment impairment costs		-	(32 000)	-	(32 000)
Interest expenses		(30 306)	(4 698)	(195)	(4 680)
PROFIT (LOSS) BEFORE TAX		(237 406)	(197 368)	114 119	(69 412)
Income tax			(52 484)		(52 484)
PROFIT (LOSS) BEFORE MINORITY INTEREST SEPARATION		(237 406)	(249 852)	114 119	(121 896)
MINORITY INTEREST		36 320	-	-	-
NET PROFIT (LOSS)		(201 086)	(249 852)	114 119	(121 896)

*Group – NEO Finance, AB, FinoMark, UAB, NEO Finance B.V.



Statement of changes in equity, EUR

	Note	Paid up authorized or primary capital	Share premium account	Retained profit (loss)	Minority interest	Total
1. Balance for the reporting (annual) period At the end of 2020		1 615 023	856 405	(1 351 700)		1 119 728
2. Result of changes in accounting policies						-
3. Result of correcting material errors						-
4. Recalculated balance for the reporting (annual) period At the end of 2020		1 615 023	856 405	(1 351 700)		1 119 728
5. Net profit (loss) of the reporting period				(254 392)		(254 392)
6. Increase (decrease) of other authorized or primary capital		91 474	430 343			521 817
7. Increase (decrease) of minority interest				11 162	(11 162)	-
8. Balance at the end of the previous reporting (yearly) period		1 706 497	1 286 748	(1 594 930)	(11 162)	1 387 153
9. Net profit (loss) of the reporting period				(201 086)		(201 086)
10. Profit (loss) not recognized in the profit (loss) account					43 862	43 862
11. Increase (decrease) of other authorized or primary capital		77 939	366 667			444 606
12. Increase (decrease) of minority interest					(36 320)	(36 320)
13. Balance at the end of the reporting period		1 784 436	1 653 415	(1 796 016)	(3 620)	1 638 215



Cash flow statement, EUR

	Note	2021	2020
Cash flows from operating activities			
Net profit (loss)		(201 086)	(254 392)
Depreciation and amortization expenses		285 950	181 114
Elimination of results of financing and investing activities		30 306	24 301
Elimination of results of other non-cash transactions		12 930	4 142
Decrease (increase) in other amounts receivable after one year		609 426	(16 917)
Decrease (increase) in assets of the deferred tax on profit		(5 388)	52 484
Decrease (increase) in stocks, except advance payments		-	-
Decrease (increase) in advance payments		(7 558)	(20 025)
Decrease (increase) in trade debtors		(67 854)	(31 432)
Decrease (increase) in other debtors		413 283	122 757
Decrease (increase) in prepayments and accrued income		(3 587)	4 281
Increase (decrease) in provisions		(50 105)	(3 850)
Increase (decrease) in trade of long-term creditors and prepayments received on account		(105 451)	58 515
Increase (decrease) in trade with short-term creditors and prepayments received on account		65 114	62 458
Increase (decrease) in liabilities of tax on profit		(16 090)	16 090
Increase (decrease) in liabilities related to employment relations		71 341	132 012
Increase (decrease) in other amounts payable and liabilities		3 852 020	3 333 444
Increase (decrease) in accruals and deferred income		(7 370)	4 609
Net cash flows from operating activities		4 875 881	3 669 591
Acquisition of fixed assets (excluding investments)		(600 349)	(457 319)
Disposal of fixed assets (excluding investments)		2 243	382
Acquisition of long-term investments		-	(195 500)
Disposal of long-term investments		-	-
Other increases in cash flows from investing activities		-	12 380
Net cash flows from investing activities		(598 106)	(640 057)
Cash flows related to entity's owners		444 606	521 816
Issue of shares		444 606	521 816
Cash flows related to other financing sources		(814 714)	(162 546)
Increase in financial debts		1 201 967	496 613
Loans received		951 967	496 613
Issue of bonds		250 000	-
Decrease in financial debts		(2 016 681)	(659 159)
Loans returned		(879 668)	(654 659)
Redemption of bonds		(1 100 000)	-
Interest paid		(37 013)	(4 500)
Net cash flows from financing activities		(370 108)	359 270
Adjustments due to exchange rates on the balance of cash and cash equivalents		(196)	(181)
Increase (decrease) of net's cash flows		3 907 471	3 388 623
Cash and cash equivalents at the beginning of the period		7 322 156	3 933 533
Cash and cash equivalents at the end of the period		11 229 627	7 322 156



EXPLANATORY NOTE

of 31 December 2021

1. Intangible fixed assets, EUR

Indexes	Software	In total
Acquisition cost		
2020-12-31	1 146 754	1 146 754
Acquired	416 235	416 235
Written-off		-
Reclassifications		-
2021-12-31	1 562 989	1 562 989
Amortization accrued		
2020-12-31	582 224	582 224
Estimated over the period	255 143	255 143
Written-off		-
Reclassifications		-
2021-12-31	837 367	837 367
Book value		
2020-12-31	564 530	564 530
2021-12-31	725 622	725 622

2. Tangible fixed assets.

Indexes	Other equipment, devices, and tools	In total
Acquisition cost		
2020-12-31	80 172	80 172
Acquired	10 649	10 649
Written-off	(2 242)	(2 242)
Reclassifications		-
2021-12-31	88 579	88 579
Depreciation accrued		
2020-12-31	37 844	37 844
Estimated over the period	15 774	15 774
Written-off (-)	(187)	(187)
2021-12-31	53 431	53 431
Book value		
2020-12-31	42 328	42 328
2021-12-31	35 148	35 148

3. Financial assets, EUR

Indexes	2021-12-31	2020-12-31
Investment activities debtors	1 126 203	1 740 153
Depreciation (-)	(92 738)	(98 209)
Investments in subsidiaries	506 638	163 500
Total:	1 540 103	1 805 444

4. Other fixed assets, EUR

Indexes	2021-12-31	2020-12-31
Deferred income tax assets	375 650	375 650
Other fixed assets	-	-
Total:	375 650	375 650

5. Accounts receivable within one year, EUR

Indexes	2021-12-31	2020-12-31
Buyers' debts	127 391	58 837
Investment activities debtors	347 853	747 138
Other receivables	4	12 392
Depreciation (-)	(33,857)	(34 675)
Total:	441 391	783 692

6. Cash, EUR

Indexes	2021-12-31	2020-12-31
Money in commercial bank accounts	599 345	530 714
Money at the Bank of Lithuania	10 270 762	6 640 413
Money in transition	187 193	66 130
Total:	11 057 300	7 237 257

7. Structure of the authorized capital, EUR

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	4 055 536	1 784 436
1.2. Preference shares		
1.3. Employees' shares		
1.4. Special shares		
1.5. Other shares		
Total:	4 055 536	1 784 436
2. State or municipal capital		
3. Own shares owned by the company		
4. Shares owned by subsidiaries		
5. Shares premium		1 653 415

As of 31 December 2021, all shares have been paid.

8. Provisions

The Company forms reimbursable suretyship provisions ("Provision Fund" service) intended to cover the liabilities under the reimbursable suretyship agreements. At the end of the financial year, provisions made up EUR 194 715. At the end of the last financial year, provisions made up EUR 244 820.

9. Financial debts, EUR

Indexes	2021-12-31	2020-12-31
Long-term debts (from 2 to 5 years)	941 341	912 405
Loans received from affiliated undertakings	691 341	806 954
Bonds	250 000	-
Financial security liabilities after one year	-	105 451
Short-term debts	56 917	1 109 722
Loans received from affiliated undertakings	52 170	-
Interest on loans received from affiliated undertakings	4 747	9 722
Bonds	-	1 100 000
Total:	998 258	2 022 127

10. Accounts payable within one year, EUR

Indexes	2021-12-31	2020-12-31
Advances received	3 462	606
Trade payables	145 664	162 871
Payroll liabilities	50 351	41 115
Vacation pay liabilities	50 070	33 221
Social security liabilities	80 676	23 871
Personal income tax liabilities	17 520	27 463
Income tax liabilities	-	16 090
Customer money held at NEO Finance accounts	10 550 060	6 714 806
Other tax liabilities	61 072	40 851
Other payables	-	3 666
Total:	10 958 875	7 064 560

11. Income, EUR

Indexes	2021-12-31	2020-12-31
Sales revenue	3 371 841	2 482 981
Revenue related to the issuance and processing of electronic money	901 671	476 241
Investment income	348 689	270 301
Revenue related to peer-to-peer lending	2 121 481	1 736 439

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 makes the monthly installment.

12. Expenses, EUR

Indexes	2021-12-31	2020-12-31
Cost of sales	1 767 260	1 597 082
Cost of services rendered	1 767 260	1 597 082
General and administrative expenses	1 483 284	922 928
Salaries and social security	791 302	374 104
Guarantee Fund accrual costs	(50 105)	3 850
Audit expenses	18 270	12 900
Depreciation	243 468	169 931
Other expenses	480 349	362 143
Other operating expenses	6 983	8 083
Membership fees	5 405	6 792
Other expenses	1 578	1 291

13. Relations with executives and other related persons

In 2021, the Head of Administration was paid a salary of EUR 83 472 (in 2019 – EUR 40 712). The Head of Administration has not received any other income, loan guarantees nor benefits.

14. Rights and liabilities of the Company not specified in the balance sheet

The company's liabilities under compensated suretyship agreements as of 30 June 2021 amounted to EUR 2 719 924. The company's liabilities under compensated suretyship agreements as of 31 December 2021 amounted to EUR 2 405 304. The Company signs compensated suretyship agreements with lenders who choose the Provision Fund service when investing. On the basis of these agreements, the Company guarantees to the lenders proper performance of the obligations arising from consumer credit agreements.

The Company is not a participant of legal proceedings whose outcome could have a significant effect on the Company's financial position and/or financial results.

15. Contingent liabilities

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

16. Post balance sheet events

There were no post balance sheet events in the Company.

17. Off-balance sheet liabilities

By 31 December 2021, 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 90 906 242. As of 31 December 2021, the remaining outstanding part of credit amounted to EUR 44 090 169.

