CONSOLIDATED ANNUAL REPORT

beginning of financial year: 01.01.2021
end of the financial year: 31.12.2021

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Management Report

General information

Placet Group is an international group offering financial services in Estonia, Lithuania and Poland.
The parent company – Placet Group OÜ, is located in Tallinn, Estonia.
The main activity of Placet Group is the issuance of loans, such as unsecured loan (term consumer loan), credit account with an open-ended agreement and business loan.

The structure of the group as at 31.12.2021:

Placet Group OÜ (Estonia) is a parent company of the group

Company	Country of registration	Investors participation	Main activity
Placet Group OÜ subsidiaries			
UAB Nordecum	Lithuania	100%	Issuance of consumer loans
Nordecum Sp. Z o.o.	Poland	100%	Issuance of consumer loans
Placet Smart Solutions	Estonia	100%	Financial entity
Moncera OÜ	Estonia	100%	Investing platform
Placet Smart Solutions OÜ subsidiaries			
Wallester AS	Estonia	100%	Payment institution
UAB Nordecum subsidiaries			
ITM Inkasso UAB	Lithuania	100%	Provision of collection services

In 2021, the Placet Group continued to develop an application for its Apple and Android phones. The application allows customers to conveniently manage their credit account – the company's most popular credit product. With the application, customers can conveniently transfer money into their bank account, view their account balance, and the amount due. Secure means of identification, including biometrics, are used to have access to the application. In 2021, credit card support was also added. One can now also manage his or her credit card in the application: check its balance, change one's card limits, view card transactions, order a new card, and activate and block a card.
Next to the white credit card, we launched a new loan product – the Black credit card. A customer with a black card can use the funds for up to 45 days on an interest-free monthly basis. The customer must return the used limit for the previous month by the 15th of the following month, in which case no interest will be calculated. In 2021, we also started Autolaen (Car rent) offering, with which the customer can buy a vehicle with only 15.9% annual interest. The customer receives the money into their account before the car is purchased.

In 2021, we started with the BNPL service (Buy Now – Pay Later) , which created a new modern and convenient self-service for partners, which is available on the website placet.ee. To increase service volumes, we created a sales team and a bonus program to include new partner relationships. Today we have a few hundred partners offering the Placet Group hire-purchase service, we have a plan to increase the number of times given. For partners, we also offer factoring service and bank link module free of charge.

In 2021, the Placet Group has acquired the Moncera private limited company, which owns the online investment platform. By means of the platform, it is possible to attract additional investments that are secured by the loan portfolio or a real estate guarantee. Investors on the platform have the possibility to create their own account, investors are offered a suitable investment option under the account, using the filters provided for this purpose, including the percentage, loan amount and period selection, and there is also a choice of loan type, either a loan secured by real estate or a consumer loan. In the case of consumer loans, there is an opportunity to terminate your investment at any moment at the touch of a button (1 click exit), after the completion of the investment, the investor will have the opportunity to immediately transfer his or her money into his or her own bank account, which will make the Placet Group's investment in loans completely safe and reliable.

At the beginning of 2022, the internal auditor Grant Thornton Placet Group OÜ performed an audit of the effectiveness of the money laundering and terrorist financing defense lines, which assessed the capabilities of the various levels of the entity and the organization of work in fulfilling the obligations arising from the Money Laundering Act, including the process of managing the risks of money laundering and terrorist financing. The audit concluded that Placet Group OÜ's internal control system related to the prevention of money laundering and terrorist financing operates at an excellent level.

Due to the events in Ukraine and the increase in the interest rate of the potentially coming Euribor, we implemented stronger measures regarding responsible lending, including the fact that we increased the free reserve rate according to the amount requested, increased the calculated minimum of household expenses and dependents, implemented strict rules related to the customer's loan burden. At the same time, we have also implemented new modules for our automatic and scoring system, which on the one hand has increased the speed and quality of loan issuance, but on the other hand more strictly controls the customer's payment behavior both in our system and in public data as well as on the basis of the information received from the customer.

Income/revenue, expenses and profit

Placet Group's sales profit for 2021 was 16 010 246 euros. The consolidated net profit in 2021 was 3 459 805 euros. Placet Group's interest revenue in 2021 amounted to 13 970 thousand euros, increasing by 4,8% compared to the previous year. Interest expenses amounted to 1 742 487 euros in 2021 compared to 1 806 973 euros in 2020. The loan portfolio increased by 10,6% compared to 2020.

Exchange rate and interest rate risk

The impact of the exchange rate of the subsidiary operating in Poland is minimal on the group's results. Everyone else in the group executes the transaction take place in euros, due to which there is no exchange rate risk. Lenders' long-term loan interest rates are fixed and undisclosed significant impact on the fluctuation of the company's interest costs.

Main events

• Applications for IOS / Android systems launch
• Optimization of the scoring system for more efficient issuance of loans
• Purchase of Moncera.ee
• Placet Group Black credit card presentation
• Improvement of the AML module.
• Car loan presentation
• Presentation of installment and factoring products.

Main financial ratios

	2021	2020
Revenue (thousand euros)	16 010	15 009
Profit rate, %	33,24%	32,74%
Coverage ratio for current liabilities (times)	1,10	1,78
ROA	6,58%	7,79%
ROE	13,43%	16,11%

Formulas used to calculate the ratios:

- Revenue = interest income + service fee income
- Net profit margin (%) = net profit / net sales * 100
- Current ratio (times) = current assets / current liabilities
- ROA (%) = net income / total assets * 100
- ROE (%) = net income/ equity * 100

Employees

As at 31.12.2021, the number of employees of the group was 92, including 73 in Estonia, 18 in Lithuania and 1 in Poland. Employment expenses including social taxes amounted to 3 250 thousand euros. In 2021, the Management Board was paid fees in the amount of 151 thousand euros.

Dividend policy

2021 Placet Group paid dividends to owners in the amount of 441 thousand. euros. Subsidiaries paid dividends in the amount of 120 thousand. euros, directing the rest of the profit earned from its markets to expand operations. The amount of dividends to be paid next year has not yet been determined at the time of closing the annual report.

Goals for the next financial year

The main goal for the next financial year is to increase the market share in the countries of operation by developing information technology and offering customers new solutions along with the expansion of the product range.

The group also continues to optimize the quality of the provision of financial services and increase credit quality. Expansion to new target markets is not planned for 2022.

The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	1 470 639	844 718	
Receivables and prepayments	16 789 457	15 595 709	2
Inventories	154 418	6 316	
Total current assets	**18 414 514**	**16 446 743**	
Non-current assets			
Financial investments	458 000	458 000	5
Receivables and prepayments	32 749 993	28 982 306	2
Property, plant and equipment	429 096	445 573	6
Intangible assets	532 098	686 806	7
Total non-current assets	**34 169 187**	**30 572 685**	
Total assets	**52 583 701**	**47 019 428**	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liablities	13 649 811	6 893 210	8
Payables and prepayments	3 003 330	2 358 263	9
Provisions	29 900	0	
Total current liabilities	**16 683 041**	**9 251 473**	
Non-current liabilities			
Loan liablities	10 140 861	15 029 421	8
Total non-current liabilities	**10 140 861**	**15 029 421**	
Total liabilities	**26 823 902**	**24 280 894**	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	5 700 000	5 700 000	11
Share premium	65 829	65 829	
Unrealised exchange rate	85 422	83 262	
Retained earnings (loss)	16 448 743	13 225 814	
Annual period profit (loss)	3 459 805	3 663 629	
Total equity held by shareholders and partners in parent company	**25 759 799**	**22 738 534**	
Total equity	**25 759 799**	**22 738 534**	
Total liabilities and equity	**52 583 701**	**47 019 428**	

Consolidated income statement

(In Euros)

	2021	2020	Note
Interest income	13 970 082	13 330 151	12
Interest expenses	-1 742 487	-1 806 973	
Net interest income	**12 227 595**	**11 523 178**	
Service fee income	2 040 164	1 679 263	12
Service fee expenses	-1 641 886	-1 112 884	
Net service fee income	**398 278**	**566 379**	
Other financial income and expense	58 421	724 808	16
Other income	225 282	209 521	13
Other operating expense	-5 682 081	-6 633 070	14
Employee expense	-3 249 607	-2 254 924	15
Depreciation and impairment loss (reversal)	-232 283	-273 265	6
Other expense	-17 511	-30 144	
Profit (loss) before tax	**3 728 094**	**3 832 483**	
Income tax expense	-268 289	-168 854	17
Annual period profit (loss)	**3 459 805**	**3 663 629**	
Profit (loss) from shareholders and partners in parent company	3 459 805	3 663 629	

Consolidated statement of cash flows
(In Euros)

	2021	2020	Note
Cash flows from operating activities			
Operating profit (loss)	5 321 214	4 914 648	
Adjustments			
Depreciation and impairment loss (reversal)	232 283	273 265	6, 7
Other adjustments	-13 941 773	-12 483 395	
Total adjustments	**-13 709 490**	**-12 210 130**	
Changes in receivables and prepayments related to operating activities	-4 774 880	-5 969 556	2
Changes in inventories	-148 102	-6 316	
Changes in payables and prepayments related to operating activities	566 988	789 862	9
Interest received	13 783 440	13 130 135	
Income tax refund (paid)	-196 695	-226 175	
Total cash flows from operating activities	**842 475**	**422 468**	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-61 098	-20 450	6, 7
Net cash flow from acquisition of subsidiaries and operating activities	58 243	0	
Other cash payments to acquire subsidiaries	-40 000	-614 824	4
Interest received	87	0	
Dividends received	31 694	32 892	5
Total cash flows from investing activities	**-11 074**	**-602 382**	
Cash flows from financing activities			
Loans received	41 989 328	30 598 208	
Repayments of loans received	-40 018 638	-28 281 734	
Interest paid	-1 737 629	-1 843 167	
Dividends paid	-440 700	-30 000	
Total cash flows from financing activities	**-207 639**	**443 307**	
Total cash flows	**623 762**	**263 393**	
Cash and cash equivalents at beginning of period	844 718	507 527	
Change in cash and cash equivalents	**623 762**	**263 393**	
Effect on exchange rate changes on cash and cash equivalents	2 159	73 798	
Cash and cash equivalents at end of period	1 470 639	844 718	

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company				Total
	Issued capital	Share premium	Unrealised exchange rate	Retained earnings (loss)	
31.12.2019	5 700 000	65 829	9 405	13 255 814	19 031 048
Annual period profit (loss)	0	0	0	3 663 629	3 663 629
Declared dividends	0	0	0	-30 000	-30 000
Other changes in equity	0	0	73 857	0	73 857
31.12.2020	5 700 000	65 829	83 262	16 889 443	22 738 534
Annual period profit (loss)	0	0	0	3 459 805	3 459 805
Declared dividends	0	0	0	-440 700	-440 700
Other changes in equity	0	0	2 160	0	2 160
31.12.2021	5 700 000	65 829	85 422	19 908 548	25 759 799

Notes

Note 1 Accounting policies

General information

The 2020 annual accounts of Placet Group OÜ have been prepared in compliance with the EFRS (Estonian Financial Reporting Standards). The basic requirements of the EFRS have been established in the Accounting Act of the Republic of Estonia and accompanied by the guidelines issued by the Accounting Standards Board.
The preparation of the annual accounts has been based on the acquisition cost principle, except when described otherwise in the accounting polices below.
The annual accounts have been compiled in euros.

Preparation of consolidated statements

The financial indicators of the subsidiaries have been consolidated line by line from the date of acquisition of control.
In the consolidated financial statements, the parent company and the subsidiary are treated as a combined entity. It has been eliminated on consolidation
receivables and liabilities arising from intra-group transactions, income and expenses, investments.
The companies belonging to the group have prepared their reports following the same accounting principles. If any of the subsidiaries to be consolidated are
prepared its report on the basis of any other principles, prior to consolidation in the financial statements of subsidiaries, necessary adjustments to bring them into line with the Group's accounting policies. Foreign subsidiaries for consolidation, their accounts are translated from foreign currency into euros. Assets (excluding the parent 's investment in subsidiaries and liability items are translated at the exchange rate at the reporting date and income and expenses and other changes in equity are converted on the basis of the weighted average rate for the period. Minority interests are recognized in the consolidated balance sheet as equity separately from the equity attributable to owners of the parent, and in the consolidated income statement as a separate item before the net profit of the group.

Financial assets

Financial assets include cash, short-term financial investments, trade and other receivables.
Financial assets are initially recognized at cost, which is the fair value of the consideration given or received for the financial asset.
value. Initial acquisition cost includes all transaction costs directly related to the financial asset.
A financial asset is derecognised when the entity loses the right to receive cash flows from the financial asset or cash flows to the counterparty from the asset and most of the risks and rewards of the financial asset.
Purchases and sales of financial assets are recognized on a straight-line basis over the estimated useful lives of the financial assets ownership of the financial assets sold.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances on current (settlement) bank accounts, deposit withdrawable on demand, and short-term revocable bank deposits with an original maturity of up to one year.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

Foreign currency transactions have been recorded using the official exchange rates of the European Central Bank on the day of transaction. Financial assets and liabilities and non-monetary financial assets and liabilities, which are recorded in a foreign currency using the fair value method, are re-valued on the date of the balance sheet in euros using the official exchange rates of the European Central Bank. Profits from foreign currency transactions are recorded on the income statement as revenue and expenses of the period.

Financial investments

Long-term investments in other equity instruments are carried at cost as they are not actively traded and there are no alternative methods for reliably estimating their value.

Shares of subsidiaries and associates

Shares in associates and other securities acquired for a period longer than one year are recognized in the balance sheet as long-term financial investments.
A subsidiary is a company over which the parent company has control. A subsidiary is considered to be controlled if it is a parent owns, directly or through subsidiaries, more than 50% of the voting stock or share capital of a subsidiary, if the parent controls the financial and operating policies of the subsidiary under a contract or agreement, or when the parent has the power to appoint or remove majority of the members of the executive and senior management bodies.

Investments in subsidiaries and associates are accounted for in the separate balance sheet using the cost method. Acquired holding
the acquisition cost is the fair value of the consideration paid for the acquisition and the costs directly attributable to the acquisition.
In the consolidated financial statements, subsidiaries are reported on a line-by-line basis.
At each reporting date, the Company's management assesses whether there is any indication that an investment may be impaired. In case of doubt, that
the carrying amount of the investment is tested, the test of the asset’s recoverable amount is performed in a manner similar to fixed assets. If it becomes apparent that the recoverable amount of an asset is lower than its carrying amount, the investment is written down recoverable amount.
In the consolidated financial statements, subsidiaries are accounted for line by line using the consolidation method.

Business combination
Business combination is an economic transaction, as a result of which:
(a) an entity gains control over another company (i.e. by acquisition of a sufficient number of shares of another entity) provided that the acquired entity comprises one or more business activities; or
(b) one entity acquires the assets or liabilities or the net assets or their part of another entity or business and takes over the business related to these assets or liabilities or net assets
The purchase method of accounting is used to account for business combinations.
The concept of business combination shall be applied in accounting for subsidiaries in a group's consolidated financial statements. Although acquisition of significant influence in another entity (associate) does not meet the definition of the business combination, similar accounting policies as for business combination shall be applied to the acquisition of associates accounted for using the equity method.
Shares of acquired subsidiaries and associates shall be accounted for in the parent entity's separate financial statements based on purchase method.
Applying the purchase method involves the following steps:
(a) identifying an acquirer and acquisition date;
(b) measuring the cost of the business combination; and
(c) allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and provisions for contingent liabilities assumed (i.e. acquired net assets).
Acquirer is deemed to be an entity who acquires control over the acquiree or the operating activity.
The date of acquisition is the date at which substantive control over the acquiree or its operating activities is transferred to the acquirer. Because control is the power to influence the financial or operating policies of another entity or operating activities so as to obtain economic benefits from it, it is not necessary for a transaction to be finalised at law in order to obtain control.
From the date of acquisition, the acquirer shall recognise its ownership interest in the assets, liabilities and contingent liabilities and the resulting goodwill of the acquiree in its consolidated balance sheet and its interest in income and expenses of the acquiree in its consolidated income statement.

Receivables and prepayments

Loan receivables arising in the ordinary course of business are recognized as receivables from customers. Receivables from customers are recognized at amortized cost (i.e. nominal value less repayments and discounts, if any).
Impairment losses on receivables are recognized when there is objective evidence that not all amounts due will be collected in accordance with the requirements.
initial contract terms. Circumstances that indicate a possible impairment of receivables are the bankruptcy of the debtor or significant financial difficulties and non-compliance with payment deadlines. Impairment of individually significant receivables (ie need for write-downs) is valued separately for each purchaser based on the present value of the amounts expected to be received in the future. For claims that do not are not individually significant and are not explicitly known to be impaired, an impairment loss is assessed as a whole, taking into account the experience of previous years with outstanding claims.
The amount of the allowance for doubtful receivables is the difference between the carrying amount of the receivable and its future cash flows, using historical receivables statistics and the resulting receipts rates.
The carrying amount of receivables is reduced by the amount of the allowance for doubtful receivables and the impairment loss is recognized. in the income statement as miscellaneous operating expenses. If a receivable is deemed to be uncollectible or sold, the receivable and its discount are removed from the balance sheet.
The consideration received for the sold receivable is recognized by deducting the cost of doubtful receivables.
Receivables from previously written-down doubtful receivables are recognized as a reduction of the cost of doubtful receivables.

Plant, property and equipment and intangible assets

When recognizing property, plant and equipment in the balance sheet, accumulated depreciation and the value of assets are deducted from their acquisition cost
discounts due to decline.
Based on the materiality principle, those assets whose acquisition cost exceeds 5,000 euros and whose useful life is
over one year. Assets with a lower acquisition cost or a shorter useful life are expensed as they are taken into use and their
off-balance sheet accounts are kept.
If an item of property, plant and equipment consists of distinguishable significant components that have different useful lives,
these components are accounted for as separate assets, with separate depreciation rates being determined accordingly
useful life of the components.
If the construction of an item of property, plant and equipment takes a longer period of time and is financed by a loan, borrowing costs are included.
the acquisition cost of the object. The cost of the asset is capitalized as borrowing costs calculated from the date of the asset
from the moment of commencement of production until the completion of the property.
The Group uses the straight-line and combined method of depreciating property, plant and equipment. Tangible fixed assets for groups are generally
the following useful lives have been determined:

Group of property, plant and equipment	Useful life
Buildings and facilities	10 - 50 years

Due to the specifics of an item of property, plant and equipment, its useful life may differ from that of other similar groups. In this case, it will be reviewed
separately and be assigned an appropriate depreciation period.
The depreciation rates applied to property, plant and equipment are reviewed when circumstances have arisen that could significantly
change the value of the property, plant and equipment.
the useful life of the asset group. The effect of changes in estimates is reflected in the reporting period and subsequent periods.
If the residual value of an asset exceeds its carrying amount, the asset is depreciated; depreciation is restarted from the moment the residual value of the asset has fallen below its carrying amount.

If an item of property, plant and equipment has incurred costs that meet the definition of property, plant and equipment, those costs are added to the acquisition cost of the fixed asset. Expenses related to current maintenance and repairs are recognized as expenses in the reporting period.
When a significant component of an item of property, plant and equipment is replaced, the cost of the new component is added the cost of the item, provided that it meets the definition of property, plant and equipment. The replacement component is written off the balance sheet.
If the cost of the component to be replaced is not known, the cost of the replacement is estimated at the time of replacement cost less estimated depreciation.

Intangible assets are initially recognized at their acquisition cost, which consists of the purchase price and expenses directly related to the acquisition. Intangible assets are recorded in the balance sheet at acquisition cost less accumulated depreciation and any possible impairment losses.
Depreciation is calculated using the straight-line method. The depreciation rate is determined separately for each item of intangible asset, depending on its useful life.

Minimal acquisition cost 5000

Financial liabilities

All financial liabilities (trade payables, borrowings, accrued liabilities, issued bonds and other current and non-current liabilities) debt instruments) are initially recognized at cost, which includes all costs directly attributable to the acquisition.
Subsequent recognition is based on the amortized cost method (except for financial liabilities acquired for resale and fair value derivatives that are carried at fair value).
The adjusted cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recognized in the balance sheet at the amount due. Adjusted cost of long - term financial liabilities they are initially recognized at the fair value of the consideration received (net of transaction costs), interest expense on liabilities using the effective interest method.
A financial liability is classified as current if it is due to be settled within twelve months after the reporting date; or the group does not have unconditional right to defer settlement of the liability for more than 12 months after the reporting date. Loans with a maturity of 12 but refinanced as non-current after the balance sheet date but before the annual accounts are authorized for short-term

Provisions and contingent liabilities

A provision is recognized in the balance sheet if the entity has a legal or constructive obligation as a result of an obligating event that occurred before the reporting date.
a liability that is probable of realization and the amount of which can be measured reliably. Provisions are being assessed based on the estimates, experience and, where appropriate, the estimates of independent experts, and shall be are necessary to meet the

commitments relating to the provision as at the reporting date.

Revenue recognition

Interest income from operating activities
Interest income is calculated over the life of the contract based on the effective interest rate and the outstanding principal balance; and is recognized in the income statement under operating income in the line "interest income". Interest income is recognized in the income statement for all receivables that are carried at amortized cost using the effective interest method. The internal interest rate is as follows the interest rate at which discounting the cash flows of the financial asset or financial liability results in a financial asset or financial liability; current carrying amount. The calculation of the effective interest rate includes all payments made or receivable in respect of a given financial asset or financial liability transaction costs, premiums and discounts.

Other income
Revenue from the sale of services is recognized when the service is provided.
Revenue from fines, contract fees and other service fees is recognized when the cash is received.

Taxation

According to the Income Tax Act in force in Estonia, the company's profit for the financial year is not taxed in Estonia. Income tax is paid dividends, special benefits, gifts, donations, entertainment expenses, non-business payments and transfer pricing adjustments. Corporate income tax associated with the payment of dividends is recognized as a liability and in the income statement as an income tax expense in the same period as the dividends are declared, regardless of the period for which they are declared or when they are actually paid out.
As of 01.01.2019, 1/3 of the previous year's dividend is taxed in the amount of a private individual - the dividend paid to the owner is taxed at the rate of 14/86.
Income tax expense and liabilities of subsidiaries located abroad (Lithuania, Poland) are reported in the financial statements of these subsidiaries in accordance with the laws of that country tax legislation.
The maximum possible amount of income tax liability that could result from the payment of dividends is disclosed in the notes to the annual report.

Related parties

The following parties have been considered related parties:
* owners (persons controlling or having significant influence over the company);
* executive and senior management;
* close family members of the persons listed above and companies controlled or significantly influenced by them

Events after the reporting date

The spread of the coronavirus COVID-19 in early 2020 has now spread worldwide, causing business disruption and economic activity. A spread of coronavirus is considered as non-corrective event.

Note 2 Receivables and prepayments
(In Euros)

	31.12.2021	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Accounts receivable	97 492	60 212	37 280	0	
Accounts receivables	97 492	60 212	37 280	0	
Tax prepayments and receivables	69 811	69 811	0	0	3
Loan receivables	48 620 561	16 147 242	28 626 733	3 846 586	
Other receivables	3 224 046	2 984 652	239 394	0	
Interest receivables	1 061 240	1 061 240	0	0	
Accrued income	2 162 806	1 923 412	239 394	0	
Prepayments	163 880	163 880	0	0	
Deferred expenses	120 681	120 681	0	0	
Other paid prepayments	43 199	43 199	0	0	
Provision for bad or doubtful receivables	-2 636 340	-2 636 340	0	0	
Total receivables and prepayments	**49 539 450**	**16 789 457**	**28 903 407**	**3 846 586**	

	31.12.2020	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Accounts receivable	64 339	21 063	43 276	0	
Accounts receivables	64 339	21 063	43 276	0	
Tax prepayments and receivables	115 867	115 867	0	0	3
Loan receivables	43 957 481	15 018 495	28 543 654	395 332	
Other receivables	3 241 826	3 241 782	44	0	
Interest receivables	871 996	871 996	0	0	
Accrued income	2 369 830	2 369 786	44	0	
Prepayments	49 762	49 762	0	0	
Deferred expenses	33 581	33 581	0	0	
Other paid prepayments	16 181	16 181	0	0	
Provision for bad or doubtful receivables	-2 851 260	-2 851 260	0	0	
Total receivables and prepayments	**44 578 015**	**15 595 709**	**28 586 974**	**395 332**	

Note 3 Tax prepayments and liabilities

(In Euros)

	31.12.2021		31.12.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	33 848	79 388	65 115	7 794
Value added tax	0	37 517	0	92 815
Personal income tax	0	63 405	0	34 099
Fringe benefit income tax	0	420	0	385
Social tax	3 834	89 584	2 778	49 402
Contributions to mandatory funded pension	0	2 407	0	1 975
Unemployment insurance tax	0	8 046	0	2 743
Other tax prepayments and liabilities	3 073	0	1 851	695
Prepayment account balance	29 056		46 123	
Total tax prepayments and liabilities	**69 811**	**280 767**	**115 867**	**189 908**

Note 4 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	**Name of subsidiary**	**Country of incorporation**	**Principal activity**	**Ownership interest (%)**	
				31.12.2020	**31.12.2021**
302535232	Nordecum UAB	Lithuania		100	100
302604899	UAB ITM Inkasso	Lithuania		100	100
361270895	Nordecum Sp. z. o.o.	Poland		100	100
14983839	Placet Smart Solutions OÜ	Estonia		100	100
11812882	Wallester AS	Estonia		100	100
14866045	Moncera OU	Estonia		0	100

Shares of subsidiaries, detaild information				
Name of subsidiary	**31.12.2020**	**Acquisition**	**Other changes**	**31.12.2021**
UAB Nordecum	222 992	0	102 808	325 800
UAB ITM Inkasso	0	0	0	0
Nordecum Sp. z. o.o.	0	0	0	0
Placet Smart Solutions OÜ	1 117 500	0	500 000	1 617 500
Wallester AS	1 114 824	0	500 000	1 614 824
Moncera OÜ	0	40 000	110 000	150 000
Total shares of subsidiaries, at end of previous period	**2 455 316**	**40 000**	**1 212 808**	**3 708 124**

Acquired ownership interests			
Name of subsidiary	**Acquired ownership interest %**	**Acquisition date**	**Cost of acquired ownership interest**
Moncera OÜ	100	09.08.2021	40 000

Note 5 Long-term financial investments

(In Euros)

		Total
	Shares	
31.12.2019	458 000	458 000
31.12.2020	**458 000**	**458 000**
		Total
	Shares	
31.12.2020	458 000	458 000
31.12.2021	**458 000**	**458 000**

Note 6 Property, plant and equipment

(In Euros)

			Total
	Buildings	**Other property, plant and equipment**	
31.12.2019			
Carried at cost	485 000		485 000
Accumulated depreciation	-43 632		-43 632
Residual cost	441 368		441 368
Acquisitions and additions		18 684	18 684
Other acquistions and additions		18 684	18 684
Depreciation	-9 696	-4 783	-14 479
31.12.2020			
Carried at cost	485 000	35 858	520 858
Accumulated depreciation	-53 328	-21 957	-75 285
Residual cost	431 672	13 901	445 573
Depreciation	-9 696	-6 781	-16 477
31.12.2021			
Carried at cost	485 000	35 858	520 858
Accumulated depreciation	-63 024	-28 738	-91 762
Residual cost	421 976	7 120	429 096

Note 7 Intangible assets

(In Euros)

	Other intangible assets	Total
31.12.2019		
Carried at cost	0	0
Accumulated depreciation	0	0
Residual cost	0	0
Additions via business combinations	945 592	945 592
Depreciation	-258 786	-258 786
31.12.2020		
Carried at cost	1 045 387	1 045 387
Accumulated depreciation	-358 581	-358 581
Residual cost	686 806	686 806
Acquisitions and additions	61 098	61 098
Depreciation	-215 806	-215 806
31.12.2021		
Carried at cost	1 106 485	1 106 485
Accumulated depreciation	-574 387	-574 387
Residual cost	532 098	532 098

The Management Board on the regular basis (at least annually) assesses the intangible assets recognized on the balance sheet for the presence of impairment signs. In particular as the company is currently being in the growth stage, generating net losses for several periods, the Management performed the assessment of the future net cash-flows to be generated from its main activities, in the provision of which intangible are used. The recoverable amounts of intangible assets were determined based on value in use calculation by using discounted cash-flow model. The valuation uses cash-flow projections, which are based on financial estimates covering maximum of five-year period.

The estimation of future cash-flows and selection of discount rate require the use of judgements and estimates from management.

The results of the impairment test performed in 2021 have showed that no impairment should be recognized in the financial statements.

Note 8 Loan commitments

(In Euros)

	31.12.2021	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Overdfart	9 991 822	9 991 822			7%	EUR	2022
Loans	3 657 989	3 657 989			8% - 11%	EUR	2022
Current loans total	13 649 811	13 649 811					
Non-current loans							
Loans	10 140 861		10 140 861		8% - 12%	EUR	2023
Non-current loans total	10 140 861		10 140 861				
Loan commitments total	**23 790 672**	**13 649 811**	**10 140 861**				

	31.12.2020	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Loans	6 893 210	6 893 210			8% - 11%	EUR	2021
Current loans total	6 893 210	6 893 210					
Non-current loans							
Overdraft	7 956 909	0	7 956 909		7%	EUR	2022
Loans	7 072 512	0	7 072 512		8% - 12%	EUR	2022 - 2023
Non-current loans total	15 029 421		15 029 421				
Loan commitments total	**21 922 631**	**6 893 210**	**15 029 421**				

The item Loans also includes the amount of loans received from related parties as of 31/12/2021 is 1,200,000 euros (31/12/2020 - 2,575,000 euros), loans have been obtained with an interest rate of 8% (Appendix 18).
The overdraft is secured by a pledge of claim rights.

Note 9 Payables and prepayments
(In Euros)

	31.12.2021	Within 12 months	Note
Trade payables	296 877	296 877	
Employee payables	424 069	424 069	10
Tax payables	280 767	280 767	3
Other payables	1 690 346	1 690 346	
Interest payables	429 768	429 768	
Other accrued expenses	1 260 578	1 260 578	
Prepayments received	311 271	311 271	
Other received prepayments	311 271	311 271	
Total payables and prepayments	**3 003 330**	**3 003 330**	
	31.12.2020	**Within 12 months**	**Note**
Trade payables	290 646	290 646	
Employee payables	282 037	282 037	10
Tax payables	189 908	189 908	3
Other payables	1 421 563	1 421 563	
Interest payables	423 283	423 283	
Other accrued expenses	998 280	998 280	
Prepayments received	174 109	174 109	
Deferred income	11 550	11 550	
Other received prepayments	162 559	162 559	
Total payables and prepayments	**2 358 263**	**2 358 263**	

Note 10 Employee payables
(In Euros)

	31.12.2021	31.12.2020
Remuneration liability	264 596	190 744
Vacation pay liability	159 473	91 293
Total employee payables	**424 069**	**282 037**

Note 11 Share capital
(In Euros)

	31.12.2021	31.12.2020
Share capital	5 700 000	5 700 000
Number of shares (pcs)	2	2

Note 12 Net sales

(In Euros)

	2021	2020
Net sales by geographical location		
Net sales in European Union		
Estonia	11 613 511	10 932 442
Lithuania	4 194 215	3 723 911
Poland	0	353 061
Bulgaria	8 050	0
Czech Republic	306	0
Cyprus	6 501	0
Denmark	36 058	0
Germany	20 000	0
Spain	10 000	0
Latvia	18 882	0
Luxembourg	14	0
Malta	10	0
Total net sales in European Union	**15 907 547**	**15 009 414**
Net sales outside of European Union		
Switzerland	11 000	0
United Kingdom	91 699	0
Total net sales outside of European Union	**102 699**	**0**
Total net sales	**16 010 246**	**15 009 414**
Net sales by operating activities		
Ineterest income	13 970 082	13 330 151
Service fee income	2 040 164	1 679 263
Total net sales	**16 010 246**	**15 009 414**

Note 13 Other operating income

(In Euros)

	2021	2020
Profit from exchange rate differences	26	33
Fines, penalties and compensations	104 120	81 973
Lease income	1 200	1 200
IT services	44 000	87 760
Other	75 936	38 555
Total other operating income	**225 282**	**209 521**

Note 14 Miscellaneous operating expenses
(In Euros)

	2021	2020
Leases	67 093	24 942
Miscellaneous office expenses	1 096 639	1 309 434
Travel expense	18 038	695
State and local taxes	2 581	550
Allowance for doubtful receivables	2 370 294	3 522 990
Advertising expenses	2 040 059	1 609 246
Legal and consulting expenses	87 377	165 213
Total miscellaneous operating expenses	**5 682 081**	**6 633 070**

Note 15 Labor expense
(In Euros)

	2021	2020
Wage and salary expense	2 579 957	1 831 233
Social security taxes	669 650	423 691
Total labor expense	**3 249 607**	**2 254 924**
Average number of employees in full time equivalent units	92	74
Average number of employees by types of employment:		
Person employed under employment contract	88	74
Member of management or controlling body of legal person	4	0

Note 16 Other financial income and expense
(In Euros)

	2021	2020	Note
Profit (loss) from exchange rate differences	6 428	-1 386	
Interest income	82	48	
Received dividends	31 694	32 846	5
Badwill	22 656	693 300	4
Other financial expense	-2 439	0	
Total other financial income and expense	**58 421**	**724 808**	

Note 17 Income tax

(In Euros)

Income tax expense components	2021		2020	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	320 700	79 303	37 500	7 500
Estonia	320 700	79 303	37 500	7 500
Income tax on profit for the financial year	1 244 939	188 986	1 540 926	161 354
Other countries	1 244 939	188 986	1 540 926	161 354
Total	1 565 639	268 289	1 578 426	168 854

In countries other than Estonian, income tax expense is calculated on the profits of companies in the countries where the subsidiaries are located. In Lithuania, the income tax rate is 15%, in Poland - 19%.
The company's retained earnings as of 31.12.2021 amounted to 19,908,548 euros. The maximum possible amount of income tax liability that may result from the payment of all retained earnings as dividends is EUR 3,981,710.
The calculation of the maximum possible income tax liability is based on the assumption that the dividends to be distributed and the the total income tax expense may not exceed the distributable profit as of 31.12.2021.
Income tax liabilities may be reduced by dividends received by subsidiaries.

Note 18 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2021	31.12.2020
Receivables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	43 271
Total receivables and prepayments	**0**	**43 271**

LONG TERM	31.12.2021	31.12.2020
Receivables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	93 308	69 018
Total receivables and prepayments	**93 308**	**69 018**
Loan commitments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	1 200 000	2 575 000
Total loan commitments	**1 200 000**	**2 575 000**

LOAN COMMITMENTS	31.12.2019	Loans received	Loans received repayments	31.12.2020	Interest accrued for period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	830 000	5 620 000	3 875 000	2 575 000	131 577
Total loan commitments	**830 000**	**5 620 000**	**3 875 000**	**2 575 000**	**131 577**

LOAN COMMITMENTS	31.12.2020	Loans received	Loans received repayments	31.12.2021	Interest accrued for period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 575 000	2 000 000	3 375 000	1 200 000	247 807
Total loan commitments	**2 575 000**	**2 000 000**	**3 375 000**	**1 200 000**	**247 807**

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2021	**2020**
Remuneration	150 937	154 643

Note 19 Events after the reporting date

The company's management is convinced that the company can successfully overcome the crisis situation resulting from the coronavirus pandemic, considering including the fact that the services offered by the company are equally necessary in a crisis situation.
We have carefully assessed all information available to us, including the potential impact of the coronavirus pandemic on the company's operations and we are convinced that the going concern principle is fully applicable in the financial statements.
n February 2022 the EU and rest of the world, including global financial institutions, imposed wide-ranging set of restrictive measures against Russian Federation, which is updated and expanded on a regular basis. Until the date of authorization of these financial statements, the restrictive measures imposed had no significant impact on the Company’s performance, no operations had been suspended and no significant direct losses related to the restrictive measures had been incurred as at the date of authorization of the financial statements.

Note 20 Non consolidated statement of financial position

(In Euros)

	31.12.2021	31.12.2020
Assets		
Current assets		
Cash and cash equivalents	793 773	480 234
Receivables and prepayments	10 567 090	9 349 981
Total current assets	**11 360 863**	**9 830 215**
Non-current assets		
Investments in subsidiaries and associates	2 093 300	1 340 492
Financial investments	458 000	458 000
Receivables and prepayments	23 962 248	21 448 915
Property, plant and equipment	421 976	431 672
Total non-current assets	**26 935 524**	**23 679 079**
Total assets	**38 296 387**	**33 509 294**
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liablities	10 438 653	242 886
Payables and prepayments	760 975	664 272
Provisions	29 900	0
Total current liabilities	**11 229 528**	**907 158**
Non-current liabilities		
Loan liablities	3 421 668	12 038 771
Total non-current liabilities	**3 421 668**	**12 038 771**
Total liabilities	**14 651 196**	**12 945 929**
Equity		
Issued capital	5 700 000	5 700 000
Share premium	65 829	65 829
Retained earnings (loss)	14 356 836	11 969 163
Annual period profit (loss)	3 522 526	2 828 373
Total equity	**23 645 191**	**20 563 365**
Total liabilities and equity	**38 296 387**	**33 509 294**

Note 21 Non consolidated income statement

(In Euros)

	2021	2020
Interest income	10 716 110	10 171 479
Interest expenses	-853 082	-770 221
Net interest income	**9 863 028**	**9 401 258**
Service fee income	655 310	671 464
Service fee expenses	-642 550	-409 874
Net service fee income	**12 760**	**261 590**
Other financial income and expense	151 744	-967 166
Other income	133 607	171 541
Other operating expense	-4 680 876	-4 426 034
Employee expense	-1 852 917	-1 579 838
Depreciation and impairment loss (reversal)	-9 696	-9 696
Other expense	-15 821	-15 782
Profit (loss) before tax	**3 601 829**	**2 835 873**
Income tax expense	-79 303	-7 500
Annual period profit (loss)	**3 522 526**	**2 828 373**

Note 22 Non consolidated statement of cash flows

(In Euros)

	2021	2020
Cash flows from operating activities		
Operating profit (loss)	4 580 521	4 532 600
Adjustments		
Depreciation and impairment loss (reversal)	9 696	9 696
Other adjustments	-10 530 989	-10 130 818
Total adjustments	**-10 521 293**	**-10 121 122**
Changes in receivables and prepayments related to operating activities	-1 755 728	-4 184 645
Changes in payables and prepayments related to operating activities	79 681	49 136
Interest received	10 366 427	9 969 581
Total cash flows from operating activities	**2 749 608**	**245 550**
Cash flows from investing activities		
Other cash payments to acquire subsidiaries	-752 808	-1 117 500
Loans given	-2 270 000	-1 671 900
Repayments of loans given	60 000	460 000
Interest received	122 543	41 575
Dividends received	151 694	32 846
Total cash flows from investing activities	**-2 688 571**	**-2 254 979**
Cash flows from financing activities		
Loans received	20 925 987	21 813 218
Repayments of loans received	-19 347 324	-18 782 302
Interest paid	-838 658	-793 795
Dividends paid	-440 700	-30 000
Income tax refund (paid)	-46 803	0
Total cash flows from financing activities	**252 502**	**2 207 121**
Total cash flows	**313 539**	**197 692**
Cash and cash equivalents at beginning of period	480 234	282 601
Change in cash and cash equivalents	**313 539**	**197 692**
Effect on exchange rate changes on cash and cash equivalents	0	-59
Cash and cash equivalents at end of period	793 773	480 234

Note 23 Non consolidated statement of changes in equity

(In Euros)

				Total
	Issued capital	Share premium	Retained earnings (loss)	
31.12.2019	5 700 000	65 829	11 999 163	17 764 992
Annual period profit (loss)	0	0	2 828 373	2 828 373
Declared dividends	0	0	-30 000	-30 000
31.12.2020	5 700 000	65 829	14 797 536	20 563 365
Governing and material influence ownership interest value of financial position	0	0	-1 340 492	-1 340 492
Governing and material influence on the value Of holdings under the e quity method	0	0	670 201	670 201
Restated non consolidated equity 31.12.2020	**5 700 000**	**65 829**	**14 127 245**	**19 893 074**
Annual period profit (loss)	0	0	3 522 526	3 522 526
Declared dividends	0	0	-440 700	-440 700
31.12.2021	5 700 000	65 829	17 879 362	23 645 191
Governing and material influence ownership interest value of financial position	0	0	-2 093 300	-2 093 300
Governing and material influence on the value Of holdings under the e quity method	0	0	5 353 368	5 353 368
Restated non consolidated equity 31.12.2021	**5 700 000**	**65 829**	**21 139 430**	**26 905 259**

The carrying amount of the controlling and significant influence includes the share capital of the subsidiaries in the parent company's balance sheet.

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Translation of the Estonian Original

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PLACET GROUP OÜ

Opinion

We have audited the consolidated financial statements of PLACET GROUP OÜ and its subsidiaries (the Group), which comprise of consolidated balance sheet as at 31 December 2021, and the consolidated income statement, consolidated statement of cash flows, consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Estonian Financial Reporting Standard.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Estonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. Other information consists of Management report, but does not consist of the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Management report, we also performed the procedures required by the Auditors Activities Act of the Republic of Estonia. Those procedures include considering whether the Management report is consistent, in all material respects, with the consolidated financial statements and is prepared in accordance with the requirements of the Accounting Act of the Republic of Estonia.

Based on the work performed during our audit, in our opinion:

- the Management Report is consistent, in all material respects, with the consolidated financial statements;
- the Management Report has been prepared in accordance with the applicable requirements of the Accounting Act of the Republic of Estonia.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Estonian Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing (Estonia) 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 consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated 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, 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Tallinn, 6 July 2022

/signed digitally/

Olesia Abramova
Authorised Auditor's number 561
Ernst & Young Baltic AS
Audit Company's Registration number 58