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## **INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF UAB "NORDECUM"

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of UAB "Nordecum" (the Company), which comprise the balance sheet as at December 31, 2019, and the income statement, 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, the financial position of the Company as at December 31, 2019, 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 (IESBA Code) together with the requirements of the Law on Audit 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 IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matters**

Company's financial statements as at December 31, 2018, has been audited by another auditor, who expressed the unqualified opinion about the company's financial statements on 6 June, 2019.

#### **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 material misstatement, whether due to fraud or error, and to issue an auditor's report that





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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, 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.

Certified auditor

Darius Gliubicas

Auditor's certification No. 001445

13 May, 2020

40B A. Goštautas str., Vilnius

Grant Thornton Baltic UAB

Audit company's certification No. 001445

This is a free translation into English of the Statutory Auditors' report and Financial statements issued in Lithuanian language. The financial statements of UAB "Nordecum" originally issued in Lithuanian language have been audited.

**Auditas  
Apskaita  
Mokesčiai  
Teisinės paslaugos  
Finansinės konsultacijos**

# **UAB NORDECUM**

Annual report  
31 December 2019

**UAB NORDECUM**

**Annual report**

<b>Company name</b>	UAB NORDECUM
<b>Commercial Registry code</b>	302535232
<b>Address</b>	Naugarduko str. 97, Vilnius, Lithuania
<b>Telephone</b>	370 5 2740040
<b>E-mail</b>	info@smspinigai.lt

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## **Management report**

### **Personal**

The average list of employees was 26.

### **Risk of changes of exchange and interest rates**

The company assesses the risk of changes in interest rates and observes the precaution principle.

### **Purpose for the next year**

Expand the market share, increase the suggestion of loan products (for example mortgage loan), and improve the IT management system. Currently the size of loans, terms and interests are competitive, optimal and the most suitable with the company's expectations, there are no significant changes planned.

### **Main financial ratios**

2019 earned income of 3 313 thousand Eur. and compared with 2018 decreased by 23,9%. In 2019 the company earned 228 thousand Eur net profit (2018 year – 867 thousand Eur).

### **Influence of macroeconomics on activities**

In 2020 the major changes of consumer loan are not planned, as this is influenced by stricter legislative requirements and market situation.

### **Dividend policy**

In 2020 it is not planned to pay out dividends to shareholders.

## The annual accounts

### Statement of financial position

#### ASSETS

	31-12-2019	31-12-2018	Note
<b>Current assets</b>			
Cash	127 987	410 555	
Receivables and prepayments	5 152 829	4 817 186	1
<b>Total current assets</b>	<b>5 280 816</b>	<b>5 227 741</b>	
<b>Non-current assets</b>			
Financial investments			
Receivables and prepayments	5 924 844	5 665 115	1
Tangible fixed assets			
<b>Total non-current assets</b>	<b>5 924 844</b>	<b>5 665 115</b>	
<b>TOTAL ASSETS</b>	<b>11 205 660</b>	<b>10 892 856</b>	

#### LIABILITIES AND EQUITY

	31-12-2019	31-12-2018	
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loan liabilities	4 686 442	0	4
Payables and prepayments	645 006	858 976	5
<b>Total current liabilities</b>	<b>5 331 448</b>	<b>858 976</b>	
<b>Non-current liabilities</b>			
Loan liabilities	2 766 950	7 154 369	4
<b>Total non-current liabilities</b>	<b>2 766 950</b>	<b>7 154 369</b>	
<b>TOTAL LIABILITIES</b>	<b>8 098 398</b>	<b>8 013 345</b>	
<b>EQUITY</b>			
Issued capital	222 992	222 992	7
Statutory capital reserve	22 299	22 299	
Other reserves			
Retained earnings (loss)	2 634 220	1 767 561	
Annual period profit (loss)	227 751	866 659	
<b>Total equity</b>	<b>3 107 262</b>	<b>2 879 511</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11 205 660</b>	<b>10 892 856</b>	

**Income statements**

	2019	2018	Note
Interest revenue	3 015 861	3 086 080	8
Interest expenses	-802 514	-717 384	9
<b>Net interest profit (loss)</b>	<b>2 213 347</b>	<b>2 368 696</b>	
Other sales revenue	281 208	1 250 577	8
Other sales expenses	-186 524	-248 466	
<b>Net other sales profit (loss)</b>	<b>94 684</b>	<b>1 002 111</b>	
Other financial income and expenses	-12 500		
Other income	16 420	17 305	
Miscellaneous operating expense	-1 456 729	-1 827 982	10
Employment expense	-489 114	-449 814	11
Depreciation and impairment of fixed assets			
Other expense			
<b>Profit (loss) before tax</b>	<b>366 108</b>	<b>1 110 316</b>	
Income tax	-138 357	-243 657	
<b>Annual period profit (loss)</b>	<b>227 751</b>	<b>866 659</b>	



**Cash flow statements**

	2019	2018
<b>Cash flows from commercial activity</b>		
Operating profit	227 751	866 659
Adjustments:		
Other financial income and expenses	802 514	605 345
Change in receivables and prepayments of commercial activity	-595 372	-2 250 937
Change in liabilities and prepayments of commercial activity	6 889	268 751
Corporate income tax paid	-129 364	-46 387
<b>Total cash flows from commercial activity</b>	<b>312 418</b>	<b>-444 530</b>
<b>Cash flows from investing activity</b>		
Sale of other financial investments		
Loans given		
Repayments of loans given		
Received interests		
<b>Total cash flows from investing activity</b>	<b>0</b>	<b>0</b>
<b>Cash flows from financing activity</b>		
Received loans	5 21 124	2 630 455
Repayments of received loans	-5 511 071	-1 120 000
Interest paid	-750 039	-719 559
Paid dividends		-120 000
<b>Total cash flows from financing activity</b>	<b>-594 986</b>	<b>670 896</b>
<b>TOTAL CASH FLOWS</b>	<b>-282 568</b>	<b>226 366</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>410 555</b>	<b>184 189</b>
<b>Change in cash and cash equivalents</b>	<b>-282 568</b>	<b>226 366</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>127 987</b>	<b>410 555</b>

## Statement of changes in equity

	Share capital	Agio	Legal reserve	Retained profit	Total
<b>Balance 31-12-2017</b>	222 992		22 299	1 887 561	<b>2 132 852</b>
Effect of changes in accounting policies					
<b>Corrected balance</b>					
Net profit for the reporting period				866 659	<b>866 659</b>
Dividend declared				(120 000)	<b>(120 000)</b>
Increase in the reserve					
Expansion of capital stock by emission					
<b>Balance 31-12-2018</b>	222 992		22 299	2 634 220	<b>2 879 511</b>
Effect of changes in accounting policies					
Effect of adjustment of material error					
Revaluation of investment into capital asset					
Net profit of period of accounting				227 751	<b>227 751</b>
Dividend declared					
Increase in the reserve					
Expansion of capital stock by emission					
<b>Balance 31-12-2019</b>	222 992		22 299	2 861 971	<b>3 107 262</b>

**Note 1. Receivables and prepayments**

	31-12-2019	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Accounts receivable	0	0	0	0	
Accounts receivables					
Tax prepayments and receivables	39 589	39 589			2
Other receivables	11 019 895	5 095 051	5 679 036	245 808	
Loan receivables	10 600 458	4 675 614	5 679 036	245 808	
Interest receivables	133 597	133 597			
Accrued income	154 753	154 753			
Other receivables	131 087	131 087			
Prepayments	18 189	18 189			
Prepaid expenses					
Other prepayments	18 189	18 189			
<b>Total receivables and prepayments</b>	<b>11 077 673</b>	<b>5 152 829</b>	<b>5 679 036</b>	<b>245 808</b>	

	31-12-2018	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Accounts receivable	0	0	0	0	
Accounts receivables					
Tax prepayments and receivables	1 275	1 275			2
Other receivables	10 461 650	4 796 535	5 276 372	388 743	
Loan receivables	10 175 741	4 510 626	5 276 372	388 743	
Interest receivables	125 314	125 314			
Other receivables	160 595	160 595			
Prepayments	19 376	19 376	0	0	
Prepaid expenses					
Other prepayments	19 376	19 376			
<b>Total receivables and prepayments</b>	<b>10 482 301</b>	<b>4 817 186</b>	<b>5 276 372</b>	<b>388 743</b>	

**Note 2. Tax prepayments and liabilities**

Tax type	31-12-2019		31-12-2018	
	Prepayments	Liability	Prepayments	Liability
Value added tax		6 111		15 534
Social security tax and personal income tax		17 567		17 583
Unemployment security tax				
Profit tax				129 364
Other taxes	1 286		1 275	
Prepayment account balance	38 303			
<b>Total</b>	<b>39 589</b>	<b>23 678</b>	<b>1 275</b>	<b>162 481</b>

**Note 3. Changes in provisions**

	31-12-2019	31-12-2018
1. Non current receivables (personal credits):	5 924 844	5 665 115



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### 2. Current receivables (personal credits): *Incl. provisions*

4 906 664	4 824 714
(231 050)	(314 088)
<b>10 600 458</b>	<b>10 175 741</b>

<b>31-12-2019</b>	<b>31-12-2018</b>
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Provisions 31-12-2018  
Provisions changes in 2019  
Provisions 31-12-2019

314 088	421 187
(83 038)	(107 099)
<b>231 050</b>	<b>314 088</b>

### Note 4. Loan commitments

	31-12-2019	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans	4 686 442	4 686 442			9-11 %		2020
Non-current loans	2 766 950		2 766 950		9-11 %		2022
<b>Loan commitments total</b>	<b>7 453 392</b>	<b>4 686 442</b>	<b>2 766 950</b>				

	31-12-2018	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Non-current loans	7 154 369		7 154 369		9-11 %		2020
<b>Loan commitments total</b>	<b>7 154 369</b>		<b>7 154 369</b>				

### Note 5. Payables and prepayments

	31-12-2019	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Trade payables	38 450	38 450			13
Employee payables	63 851	63 851			6
Tax payables	23 768	23 768			2
Other payables	642 810	642 810			
Interest payables	395 463	395 463			
Dividend payables					
Other payables	123 474	123 474			
Prepayments received					
Prepaid income					
Other received prepayments					
<b>Total payables and prepayments</b>	<b>645 006</b>	<b>645 006</b>			

	31-12-2018	Allocation by remaining maturity			Note
		Within 12 months	1 - 5 years	Over 5 years	
Trade payables	123 120	123 120			13

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Tax payables	162 481	162 481			
Other payables					2
Interest payables	373 652	373 652			
Dividend payables					
Other payables	131 667	131 667			
Prepayments received					
Prepaid income					
Other received prepayments					
<b>Total payables and prepayments</b>	<b>858 976</b>	<b>858 976</b>			

### Note 6. Commitments to employees

	31-12-2019	31-12-2018
Vacation commitments	38 671	44 156
Salary commitments	25 180	23 900
<b>Total employment commitments</b>	<b>63 851</b>	<b>68 056</b>

### Note 7. Issued capital

	Number of shares	Par value of shares	Total value
Shares	7 700	28.96	222 992

All shares are fully paid.

### Note 8. Net sales

	31-12-2019	31-12-2018	Note
Net sales by geographical location			
Net sales in European Union			
Estonia			
Lithuania	3 297 069	4 336 657	
Poland			
<b>Total net sales in European Union</b>	<b>3 297 069</b>	<b>3 549 468</b>	
<b>Total net sales</b>	<b>3 297 069</b>	<b>4 336 657</b>	
Net sales by operating activities			
Interest income	3 015 861	3 086 080	
Other sales revenue	281 2018	1 250 577	12
<b>Total net sales</b>	<b>3 297 069</b>	<b>4 336 657</b>	

### Note 9. Interest expense

	31-12-2019	31-12-2018
Interest expenses	802 514	691 764
Fee expenses		25 620
<b>Total</b>	<b>802 514</b>	<b>717 384</b>



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## Note 10. Other expense

	31-12-2019	31-12-2018	Note
Loans sold losses	640 901	629 949	
Provisions for loans	(83 038)	(107 099)	3
Marketing	415 761	576 165	
System maintenance	141 000	378 950	
VAT from various annual purchasings	174 560	250 914	
Rent of premises	22 242	22 242	
Legal and consulting expenses	16 885		
Other	128 418	76 861	
<b>Total</b>	<b>1 456 729</b>	<b>1 827 982</b>	

## Note 11. Employment expenses

	31-12-2019	31-12-2018
Salaries	480 738	344 994
Social taxes	8 376	104 820
<b>Total employment expenses</b>	<b>489 114</b>	<b>449 814</b>
Average number of employees	26	24

## Note 12. Other sales revenue

	31-12-2019	31-12-2018
Paid services	255 560	1 218 709
Other	25 648	31 868
<b>Total</b>	<b>281 208</b>	<b>1 250 577</b>

## Note 13. Related parties

	31-12-2019		31-12-2018	
	Receivables	Liabilities	Receivables	Liabilities
PLACET GROUP OU		280 669		88 420
ITM Inkasso UAB	19 353		31 274	
Nordecum Sp. z o.o.	250		250	


2019	Given loans	Given loans repayment	Loans received	Loans received repayment	Interest rate	Base currencies	Due date
PLACET GROUP OU	-	100 000	(310 000)	-	9 %	EUR	2022

Director



Aušra Laričvienė

Chief accountant



Nijolė Leščauskienė