

CONSOLIDATED ANNUAL REPORT OF ADVOKAADIBÜROO SORAINEN AS

31 December 2021



SORAINEN

sorainen.com

CONSOLIDATED ANNUAL REPORT

Beginning of financial year: 01.01.2021

End of the financial year: 31.12.2021

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MANAGEMENT REPORT

Diverse team, one purpose

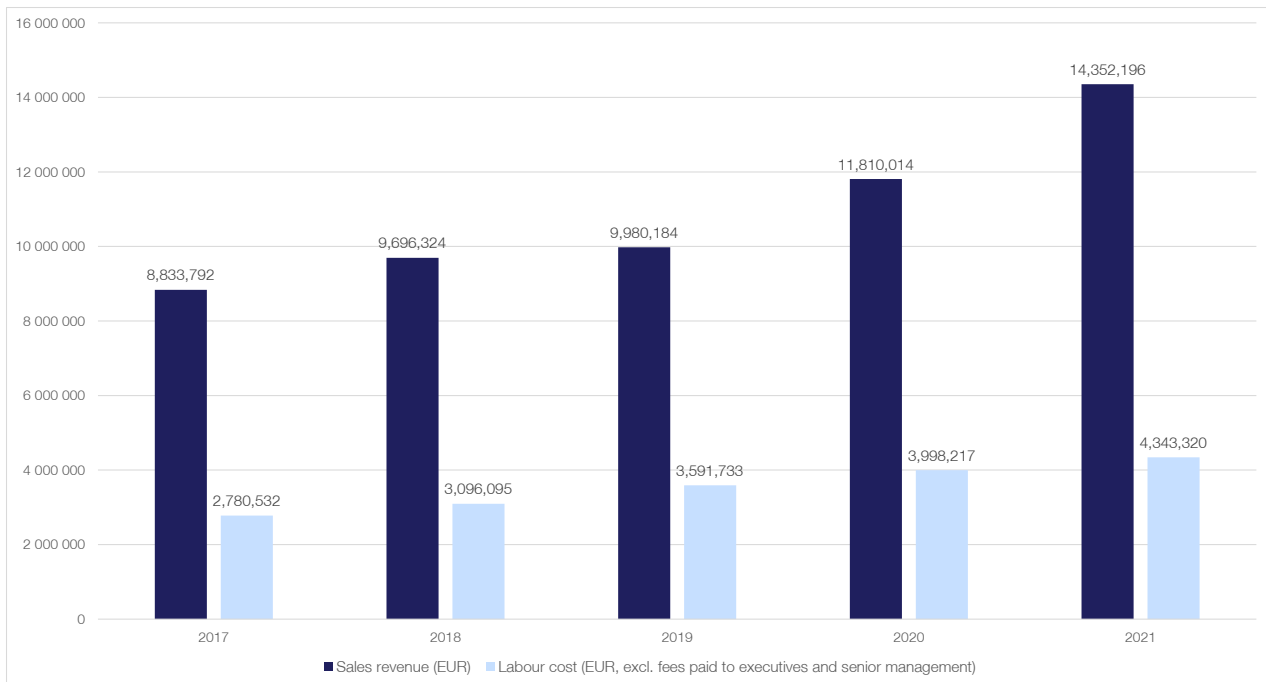
We are an international business law firm working as one integrated team towards a single goal: helping clients succeed in business.

15,000+ clients, one approach

We combine our legal skills with business knowledge to be a strong partner for local and international businesses.



PROUD MOMENTS IN 2021



- Constant growth.** We have been growing organically since the firm was founded in 1995. In 2021, the revenue of Sorainen Estonia grew by 21.5% compared to 2020. We are the largest employer in the sector by employee count.
- Kaupo Lepasepp becomes country managing partner.** Kaupo Lepasepp, who had been leading the Sorainen Competition & Regulatory team in Estonia, became country managing partner of the Sorainen Estonian office on 1 April 2021. Kaupo has been with the company since 2006.
- Circle of partners widens.** Every year Sorainen promotes deserving lawyers to become shareholders in the company. At the beginning of 2021, Norman Aas, head of the Risk Management, Corporate Crime Investigations & Defence team in Estonia became a partner. On 1 January 2022, Kätlin Krisak, head of our Finance & Insurance team in Estonia; and Kaido Künnapas, head of our Tax team in Estonia, were promoted to partners. Sorainen Estonia, which employs 109 people, is now led by 12 partners, while Sorainen has 44 partners in the firm as a whole as of spring 2022.





- **Modern office in the heart of the Rotermann Quarter.** In December 2021, we moved into brand-new office premises located in the heart of the city of Tallinn – a building called Ajamaja (“Time House” in English) in the Rotermann Quarter. The Ajamaja building was awarded the title of the Building of the Year 2021 at the annual construction conference “Ehitus 2022+: E-horisont”.
- **The most attractive employer in the sector.** Law students chose Sorainen as the most attractive private-sector employer in the legal field in Estonia. In a survey conducted by the Instar employer branding agency, the three most attractive employers (out of a total 242) for law students in 2021 were the Estonian Ministry of Justice, the Estonian Supreme Court and Sorainen.





- Sorainen Student Academy celebrates its 10th season.** In autumn 2021, the Sorainen Student Academy launched its 10th season, lasting from October to April, with Sorainen lawyers from four offices giving lectures to law students. A total of 70 law students graduated from the programme in April. Of the 20 students who graduated in Estonia, eight students continued as trainees in the Estonian office, of whom four were given a permanent position at the company.
- Employee wellbeing in focus.** In order to support our employees' physical and mental health, we introduced the improved Sorainen wellbeing package. The package includes an annual performance bonus, a sabbatical every five years, additional holidays (loyalty holidays, time off for exams, free birthday afternoons, health days, shorter working Fridays in the summer, annual days off for volunteering), health and sports compensation, parking options, mobile phone compensation, benefits related to events of personal significance, trainings and educational programmes, flexible work arrangements, etc.
- Sorainen Business Talks launched.** We started with the Sorainen Business Talks virtual event series in the autumn of 2021 to promote good leadership and organisational culture practices. Our first guest speaker was Pim de Morree, co-founder of the Dutch initiative "Corporate Rebels", who spoke about making work more fun. The first event attracted about 700 viewers from all around the world as well as all of the Sorainen team.
- Best law firm in Estonia according to clients – Prospera No. 1.** According to the Kantar Sifo Prospera customer satisfaction survey, Sorainen has kept its top position for the third year in a row. Our biggest strength is legal competence: Sorainen was evaluated as the best law firm in 12 legal fields out of 14. Sorainen also has the best-known brand of all law firms in Estonia.



- **New services launched.** To provide our clients with comprehensive legal advice, we launched the following new services in 2021: Compliance, Lead Counsel, Private Clients, as well as INTERPOL and EUROPOL
- **Valued partner for startups.** We support startups in their endeavours, doing our best to improve the business environment in which they operate. The year 2021 was a record-breaking one for Baltic startups. They attracted considerable investments and completed a significant number of M&A transactions. We were a key player in many of these transactions. Among others, we advised Bolt in the largest fundraising deal in Baltic history, and assisted Veriff in the fundraising round that made a unicorn of the company.
 - o Toomas Prangli, Kaido Künnapas, Karin Madisson, Mirell Prosa, Lauri Liivat and Pirkko-Liis Harkmaa work tightly together with Estonian Founders Society and Startup Estonia to map out legal bottlenecks and propose changes to public agencies, ministries and the prime minister's startup roundtable, with the goal of creating the best possible business environment for startups.
 - o We offer mentoring for start-ups and cooperate with accelerators, angel investors and venture capital foundations, as well as connecting founders and investors.
 - o We are a long-time sponsor and partner of sTARTUp Day.
 - o Our lawyers advise startups free of charge at the "Legal Clinic for Startups: Start Up Smart".



- **Among the most innovative law firms in Europe.** The Financial Times has named Sorainen among the 30 most innovative law firms in Europe. We were shortlisted for the "Most Innovative Law Firm in Europe (outside the UK)", the first Baltic law firm to have received such a high accolade for innovation in legal services. Additionally, we were nominated in the "Innovation in Social Justice" category for our Shared Mission *pro bono* programme. The Financial Times picked us for our cutting-edge legal technology and automation solutions such as the Green Meadow Document Drafter, a contract automation tool – the first automated complex share purchase agreement in the region was drawn up with its help; xLaw, a knowledge management system; Nuix, a data analysis tool; Jarvis, an in-house practice management system; and other tools.



- **2021 Friend of Culture for museums.** The Estonian Ministry of Culture recognised Sorainen Estonia with the title of Friend of Culture of the Year for museums. With this title, the ministry shows appreciation to companies and private individuals who have supported the arts, either financially or through their actions. We have our long-time partner the Estonian Art Museum to thank for the title. Since 2016 we have used the occasion of our annual client event to take our guests and employees to visit the art museum's exhibitions and other exciting projects.
- **IFLR: Best law firm in the Baltics.** International Financial Law Review (IFLR) has once again named Sorainen the Baltic Firm of the Year. IFLR recognised our strong track record in advising on innovative international finance transactions. It is the eighth time we have received this award.



- **CEE M&A Legal Adviser of the Year.** Sorainen became the first Baltic law firm to win the title of Central and Eastern Europe M&A Legal Adviser of the Year at the prestigious Mergermarket Europe M&A Awards, while also obtaining the title of the Baltics M&A Legal Adviser of the Year.



- **Influential women.** Our partners Karin Madisson and Piret Jesse have been recognised in the IFLR1000 “Women Leaders Guide” list as being among the world’s 1000 most influential female lawyers.

- **Finalist of the Estonian Marketing Awards.** Our Marketing & Communication team shot to the finals of the annual Estonian Marketing Awards (Aasta Turundustegu, organised by the business media outlet Äripäev) alongside four other well-known companies, representing our Covid-19 Solutions service campaign. The campaign introduced free-of-charge weekly webinars that reached thousands of companies and individuals who urgently needed legal advice, and we also used many other channels for the same purpose.



- **Shared Mission: free legal advice to the value of EUR 100,000.** We received 51 applications and supported 22 projects with *pro bono* legal and tax advice, focussing on health and innovation. In total, there were applications from 11 projects from Estonia, four initiatives from Latvia and Lithuania each, and three from Belarus. We support the selected organisations on a wide range of legal issues, such as regulations matters, contracts, competition law, data protection, employment matters, etc.





- **Member of the Green Tiger (Rohetiiger).** In January 2021 Sorainen Estonia joined the Green Tiger (Rohetiiger), a collaboration platform for Estonian companies which is designed to boost environmental awareness and create a basis for a green economy.



- **Aku Sorainen: honorary consul of Malta in Estonia.** In January 2021, Aku Sorainen was awarded with the medal of service by the Estonian Ministry of Foreign Affairs for showing a continuous and outstanding contribution to ensuring Estonia's independence and working on promoting the nation's interests abroad. In December, the new premises of the Honorary Consulate of Malta were opened at Sorainen's new office. Our senior partner Aku Sorainen has served as the honorary consul of Malta in Estonia for almost 20 years, helping to develop close relations between the two countries.

OUR PEOPLE

As of 31 December 2021, there were 109 employees working at the Sorainen Estonian office. 23 employees joined the company in 2021, 20 of them lawyers.

Lawyers who joined in 2021:



Triin Ploomipuu
Senior Associate



Verner Silm
Senior Associate



Marcus Niin
Associate



Rety Estorn
Associate



Jaanika Alevi
Assistant Lawyer



Karl Oskar Pungas
Assistant Lawyer



Anu Liinsoo
Assistant Lawyer



Jelizaveta Lazonen
Assistant Lawyer



Katrina Külm
Assistant Lawyer



Kristi Tammiku
Assistant Lawyer



Mirjam Metsik
Assistant Lawyer



Steven Andrekson
Assistant Lawyer



Maarika Maripuu
Assistant Lawyer



Stella Victoria Ojala
Assistant Lawyer



Aleksandr Šapovalov
Assistant Lawyer



Joosep Kuusk
Assistant Lawyer



Kristella Kukk
Assistant Lawyer



Georg Hiiesalu
Assistant Lawyer



Maria Plahhotnikova
Assistant Lawyer



Stenver Pärn
Assistant Lawyer



Celebrations

In 2021 the company celebrated its 26th anniversary.

5 employees celebrated 5 years at the company (19 employees have been at the company for more than 5 years).

2 employees celebrated 10 years at the company (10 employees have been at the company for 10+ years).

3 employees celebrated 15 years at the company (6 employees have been at the company for 15+ years).

1 employee celebrated 25 years at the company (5 employees have been at the company for 20+ years, including 2 employees for 25+ years).

The average employee tenure at Sorainen Estonia is 6 years and 1 month.

The average age is 33.

11 of our lawyers successfully passed their bar examination.

5 of our associates became senior associates.

We value our people and involve the younger generation

Flexible work arrangements. The options to work on a project basis with Estonian clients as well as from abroad, or simply to relocate temporarily while working remotely are used increasingly often by our employees. We also see a rising trend of combining working with a vacation abroad (workation). When the global pandemic hit, all employees were given the option of working remotely, and that option remains.

Additional flexibility is offered to our younger colleagues who are still studying: they can choose a workload that enables them to continue their studies.

To stabilise our employees' workload, we co-operate with counsels who can offer us short-term services. Our employees who wish to have more flexible working arrangements can also switch to working as counsel.

Equality and clarity. Our salary survey shows that Sorainen offers equal salaries for men and women for the same level positions. Promotion processes are transparent and clear, based on objective measures known to all.

Wellbeing and satisfaction. In addition to our annual satisfaction and motivation survey, we started "pulse studies" to understand how our people are doing during these challenging times and what the company could do to help. As supportive measures, we have furnished home offices, allowed our people to temporarily decrease their workload and offered half of Friday afternoons off during the summer months. Every employee is also able to choose their preferred sports and health services from our wellbeing package.

Supporting development. In 2021 we further improved our e-learning platform iKnow, creating an intro programme for new employees and those who have been on a longer leave. The platform includes a rich pool of both internal and external training materials. All the employees have personal "training paths" that can be followed as convenient. Our employees regularly participate in trainings in Estonia and abroad to increase their professional competence. International strategy days are organised for teams to share experience and keep up the team spirit.

Mentoring. We support both new employees, and our people who are returning after a longer period of leave with a six-month mentor programme. The mentors are our most experienced employees. In 2021 there were 19 mentoring pairs in the Estonian office.

Think Tank. Young people working and interning at Sorainen are brought together at the Sorainen Think Tank, which gives them a chance to organise their work on their own terms.

INNOVATION

Our new IT-solutions and innovations in 2021 were:

- Certified. We received an ISO/IEC 27001 certificate proving adherence to the best practices of information security. Our IT is now ISO certified.
 - o Jarvis. We continued to develop our inhouse client and project management software Jarvis by adding an automated CV generator and post-project debriefing forms.
 - o Innovation month. We celebrated international innovation day with a full month of April dedicated to innovation – eg we held a competition for the most innovative home office and organised several web seminars to introduce new IT tools and creative thinking techniques. We also interviewed team leaders, who shared best innovation practices.
 - o Qlik Sense. We started migration to the new business analysis software Qlik Sense, which offers more accurate and flexible data analysis and reports.
 - o Jira. We launched the Jira platform to manage IT customer support requests and feedback more efficiently across our international IT team.
 - o Definely. After a successful pilot we started using Definely software. Definely is an additional module of Microsoft Word that makes it easier to compose accurate contracts.
 - o Joan. When we moved to our new premises in Tallinn, we started using Joan application and devices for booking meeting rooms and workstations.
 - o Hybrid meetings. Our new office is well-equipped with the latest technical solutions and devices needed for holding high-quality hybrid meetings.
 - o iManage Work 10. We started using the document management system iManage Work's new web version. This enables access to the system with mobile devices as well.
 - o xLaw. In collaboration with ExtendLaw, we began using a database of contract clauses, which allows our legal assistants and lawyers to work faster.
 - o Green Meadow Document Drafter. We continued to use the software for automating documents to help our lawyers work more efficiently. We automated the documents connected to shareholders meeting and legal opinion on financing transactions.

OUR CONTRIBUTION TO A BETTER SOCIETY

Initiating discussions. Many of our lawyers are opinion leaders and spokespersons in their fields. We speak to the media to stand up for our values and give our input on improving the legal and economic environment. Many discussions on topics of the day are held on our monthly podcast *Soraineni sagedus* (“Sorainen frequency”).



Entrepreneur-friendly legislation. Sorainen lawyers fight for a legal environment that is entrepreneur-friendly and less bureaucratic, and contribute to designing laws:

- o Public Procurement Act (Kadri Härginen and Mario Sõrm)
- o Building Code, Planning Act with related acts and Foreign Investments Regulation (Sandra Mikli)
- o Gender Equality Act, Equal Treatment Act, Nature Conservation Act, Whistleblower Protection Act (Norman Aas)
- o Feedback on Copyright Act amendments (Olivia Kranich and Allar Jõks)
- o Competition Act amendments (Piibe Lehtsaar via Competition Law Committee of the Estonian Bar Association)
- o Income Tax Act amendments aiming to improve options regulations (Kaido Künnapas)
- o Money Laundering and Terrorist Financing Prevention Act, draft Crowdfunding and Other Investment Instruments and Virtual Currencies Act (Krista Ševerev)
- o Commercial Code and Accounting Act amendments; draft Natural Person Insolvency Act; draft Legal Privilege Act, draft Commercial Register Act; State Fees Act; amendments to the Code of Administrative Court Procedure, the Code of Civil Procedure and the Code of Enforcement Procedure (Piret Jesse and Karin Madisson via the Commercial Law Committee of the Estonian Bar Association)
- o Partner Allar Jõks heads the jury for the Good Lawmaking Competition. At the competition every year, to highlight the importance of quality lawmaking, one law is selected as the best and one as the worst. The selection committee includes

representatives from the Estonian Service Industry Association, the Estonian Employers' Confederation, the School of Law at the University of Tartu and the newspaper *Postimees*.

We actively participate in the work of the Estonian Bar Association:

Triin Toom – member of the board of the Estonian Bar Association

Allar Jõks – member of the Fundamental Rights Committee

Karin Madisson – member of the Commercial Law Committee (and the Estonian Employers' Confederation's Labour Force working group)

Karl Kask – member of the Professional Suitability Assessment Committee

Kaupo Lepasepp – member of the Administrative Law Committee

Kätlin Krisak – member of the Finance Committee

Maria Pihlak – member of the Ethics and Methodology Committee

Mihkel Miidla – member of the IP and IT Law Committee

Piibe Lehtsaar – member of the Competition Law Committee

Pirkko-Liis Harkmaa – member of the Employment Law Committee, as well as the Ethics and Methodology Committee

Piret Jesse – chairman of the Commercial Law Committee (and expert of the Corporate Law Audit Commission with the Ministry of Justice)

Education is important. Sorainen supports the reform plan seeking to modernise Estonian legal education.

Many Sorainen employees supervise students' research, and master's and doctoral theses; give lectures in universities; and support foreign students in international research.

University of Tartu



Carri Ginter



Gerli Helene
Gritsenko



Kaido Künnapas



Maarika Maripuu



Marcus Niin



Mihkel Miidla



Sandra Mikli



Steven Andrekson



Triin Toom



Elina Mizerova

University of Tallinn

Isabel Kärtner



Norman Aas

Estonian Academy of Security Sciences

Sirle Orav-Hinno

TTK University of Applied Sciences

Sandra Mikli

TalTech

Britta Retel



Kaido Künnapas

Additionally:

- o Each year, we give a Youth for Understanding (YFU) scholarship to a high school student to support a year's study abroad.
- o We support young people from ELSA (European Law Students' Association), the Estonian Moot Court Society, the Estonian Law Students' Union and the Estonian Young Lawyers' Association.
- o We support Salzburg summer university, which enables law students to attend international summer courses.
- o We welcome ninth-grade and older high school students for job-shadowing days throughout the year, enabling them to get a closer look at jobs they find appealing.
- o Our lawyers visit high schools to introduce future college students to the legal professions and work in a law firm.

We contribute with passion

- o We have a long-standing co-operation with the Bethel's Centre of Pastoral Care, which helps children and families at risk.
- o We participate in the project "Annetame aega" ("Donate time"). Sorainen allows all employees to have one day off work to volunteer on this project.
- o At the initiative of our people, we organised an auction prior to relocating our office and donated the funds received to medical workers through the PAI project. We also gave Christmas gifts to the kids at children's homes in Rakvere, Tudulinna and Viljandi through Naerata Ometi MTÜ.
- o Our environment-friendly initiatives have been recognised with the Gold Mark by the Responsible Business Forum of Estonia.
- o We have been supporting culture and sports for years. We advise the Estonian Biathlon Federation pro bono; and we co-operate with the Estonian Art Museum, the Estonian Artists' Association, the Docphoto Center, the Kai Art Center and the Estonian Composers' Union. Sorainen partner Toomas Prangli is a member of the supervisory board of the Estonian National Symphony Orchestra.



SOME NOTABLE TRANSACTIONS WE ADVISED IN 2021

We advised Bolt, a leading European mobility platform, in raising EUR 1,3 billion through three funding rounds (including in early 2022).

We advised Apollo Global Management, a global alternative investment firm, on acquiring a majority stake in Estonian-based Graanul Invest, the largest producer of sustainable wood pellets in Europe and one of the largest producers globally.

We advised the book-runners of the IPO with the largest number of subscribers in the history of the Baltics, Enefit Green, on the successful offering and listing of the shares on the main list of the Nasdaq Tallinn Stock Exchange.

We advised Fortum, a European energy company with activities in more than 40 countries on the sale of its district heating business in the Baltics to Partners Group. With a total consideration of EUR 800 million on a debt- and cash-free basis, this was the biggest M&A transaction in the Baltics in 2021.

We assisted asset management group Invalda INVL in acquiring Mandatum Life's Baltic insurance business.

We advised Tallinn-based art gallery Temnikova & Kasela with the opening of the first NFT project in Estonia.

We represented audit firm KPMG in their pioneering dispute with the Estonian Auditing Activities Oversight Board (AJN) in district court.

We are representing a legal person before the European Court of Human Rights in proceedings against the Republic of Estonia.

We are representing the Estonian Ministry of Environment in a court dispute with Estonian construction company Merko Ehitus Eesti.

We are representing Lux Express and other Estonian bus operators in a dispute with the Republic of Estonia related to the obligation imposed by the Public Transport Act to carry preschoolers and people with disabilities free of charge on commercial routes without any compensation from the state.

We helped to establish the Green Tiger Foundation, a collaboration platform designed to boost environmental awareness and create a basis for a green economy.

We advised the Estonian Ministry of Economic Affairs and Communications on the digitisation of the construction industry.

STRUCTURE AND DIVIDEND POLICY OF THE REGIONAL GROUP

As of 31 December 2021, the Group consists of the parent company and the following entities:

- ASLO Konsultatsioonid OÜ (registered in Estonia, ownership: 100%)
- UAB SLOV SERVICES (registered in Lithuania, ownership: 100%)
- SIA SLOR (registered in Latvia, ownership: 100%)
- SLOH OY (registered in Finland, ownership: 100%)
- IOOO SORAINEN i Partnery (registered in Belarus, owned by SLOH OY (70%), UAB SLOV SERVICES (10%), Alexey Anischenko (10%) and Maksim Salahub (10%)).

The Group was also made up of the same entities on 31 December 2020.

IOOO SORAINEN i Partnery is engaged in the provision of legal services in Belarus. UAB SLOV SERVICES, SIA SLOR and ASLO Konsultatsioonid OÜ specialise in the provision of rental and administration services. SLOH OY has no active business activity.

The Group has not declared a dividend at a maximum rate from the consolidated profits of the year. The exact dividend amount depends on the Group results for the year ended, its liquidity position and its shareholders' decisions.

Key financial indicators of Advokaadibüroo SORAINEN AS (parent company)

Key non-consolidated financial results of the parent company Advokaadibüroo SORAINEN AS in the current financial year, as compared to the 2020 results:

	Growth (%)	2021	2020
Sales revenue	21.5%	14,352,196	11,810,014
Operating profit (EBIT)	25.1%	5,962,636	4,767,793
Debt ratio (total liabilities/assets)	-21.2%	16.7 %	21.2%
Liquidity ratio (total current assets/total current liabilities)	20.4%	5.9	4.9

Labour cost and number of personnel of Advokaadibüroo SORAINEN AS:

	2021	2020
Labour cost (in EUR, excl. fees paid to executive and senior management)	4,343,320	3,998,217
Average number of personnel (excl. executive and senior management)	77	73

At the time of the preparation of the annual report, the Management Board of the parent company had 12 members and the Supervisory Council had three members.

The sales revenue of the Group increased by 18.4% compared to 2020 (2021: EUR 18,067,539; 2020: EUR 15,264,787). The operating profit of the Group increased by 33.3% (2021: EUR: 6,211,601; 2020: EUR 4,661,458).

The business of Group entities is not seasonal. The management believes that it has taken all necessary measures to ensure the Group's sustainability and growth, under the current conditions and in the coming years as well.

In 2022, the Company plans to continue its core activities.

SORAINEN

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The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	5 808 348	3 670 388	2
Financial investments	7 500	5 000	
Receivables and prepayments	5 226 062	4 473 323	3,4
Total current assets	11 041 910	8 148 711	
Non-current assets			
Property, plant and equipment	1 646 527	1 266 159	6
Intangible assets	343 613	341 708	7
Total non-current assets	1 990 140	1 607 867	
Total assets	13 032 050	9 756 578	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	172 556	428 512	9
Payables and prepayments	2 168 159	2 235 091	4,8
Provisions	49 670	42 135	10
Total current liabilities	2 390 385	2 705 738	
Non-current liabilities			
Loan liabilities	0	25 556	9
Provisions	158 413	188 597	10
Total non-current liabilities	158 413	214 153	
Total liabilities	2 548 798	2 919 891	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	25 358	25 358	12
Statutory reserve capital	2 556	2 556	
Unrealised exchange rate	-1 816	-5 697	
Retained earnings (loss)	4 625 326	2 673 533	
Annual period profit (loss)	5 505 941	4 140 937	
Total equity held by shareholders and partners in parent company	10 157 365	6 836 687	
Minority interests	325 887	0	
Total equity	10 483 252	6 836 687	
Total liabilities and equity	13 032 050	9 756 578	

Consolidated income statement

(In Euros)

	2021	2020	Note
Revenue	18 067 539	15 264 787	13
Other income	59 977	30 370	14
Raw materials and consumables used	-1 789 741	-1 506 813	15
Other operating expense	-3 094 154	-2 586 446	16
Employee expense	-6 569 011	-6 176 967	18
Depreciation and impairment loss (reversal)	-441 746	-326 891	6,7
Other expense	-21 263	-36 582	
Operating profit (loss)	6 211 601	4 661 458	
Interest income	494	273	
Interest expenses	-10 110	-14 346	
Other financial income and expense	-10 070	72 143	19
Profit (loss) before tax	6 191 915	4 719 528	
Income tax expense	-685 974	-578 591	20
Annual period profit (loss)	5 505 941	4 140 937	
Profit (loss) from shareholders and partners in parent company	5 505 941	4 140 937	

Consolidated statement of cash flows

(In Euros)

	2021	2020	Note
Cash flows from operating activities			
Operating profit (loss)	6 211 601	4 661 458	
Adjustments			
Depreciation and impairment loss (reversal)	441 746	326 891	6,7
Other adjustments	-181	16 924	
Total adjustments	441 565	343 815	
Changes in receivables and prepayments related to operating activities	-782 995	-959 756	
Changes in payables and prepayments related to operating activities	-35 835	390 157	
Other cash flows from operating activities	1 215 902	0	
Total cash flows from operating activities	7 050 238	4 435 674	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-845 099	-444 881	6,7
Other cash payments to acquire other financial investments	-15 000	-15 000	
Other cash receipts from sales of other financial investments	12 500	15 000	
Total cash flows from investing activities	-847 599	-444 881	
Cash flows from financing activities			
Loans received	128 356	31 566	9
Repayments of loans received	-79 490	-96 286	9
Interest paid	-10 109	-14 346	9
Dividends paid	-3 417 462	-2 738 995	20
Income tax refund (paid)	-685 974	-578 591	20
Total cash flows from financing activities	-4 064 679	-3 396 652	
Total cash flows	2 137 960	594 141	
Cash and cash equivalents at beginning of period	3 670 388	3 076 247	2
Change in cash and cash equivalents	2 137 960	594 141	
Cash and cash equivalents at end of period	5 808 348	3 670 388	2

Consolidated statement of comprehensive income

(In Euros)

	2021	2020
Annual period profit (loss)	5 505 941	4 140 937
Other comprehensive income (expense):		
Effect on unrealised exchange rate changes	-1 820	-3 663
Total other comprehensive income (expense)	-1 820	-3 663
Annual period comprehensive income (expense)	5 504 121	4 137 274
Comprehensive profit (loss) from shareholders and partners in parent company	5 504 121	4 137 274

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company					Minority interests	Total
	Issued capital	Statutory reserve capital	Unrealised exchange rate	Retained earnings (loss)			
	31.12.2019	25 358	2 556	-8 511	5 419 006		
Annual period profit (loss)	0	0	-3 664	4 140 937		4 137 273	
Changes through other distributions to owners	0	0	0	-2 738 995		-2 738 995	
Other changes in equity	0	0	6 478	-6 478		0	
31.12.2020	25 358	2 556	-5 697	6 814 470		6 836 687	
Annual period profit (loss)	0	0	-1 820	5 505 941	0	5 504 121	
Changes through other contributions of owners	0	0	0	1 228 318	325 887	1 554 205	
Declared dividends	0	0	0	-3 417 462	0	-3 417 462	
Other changes in equity	0	0	5 701	0	0	5 701	
31.12.2021	25 358	2 556	-1 816	10 131 267	325 887	10 483 252	

Notes

Note 1 Accounting policies

General information

The financial statements have been prepared under Estonian financial reporting standards. Estonian financial reporting standard is internationally accepted accounting and reporting principles-based accounting, whose basic requirements are established by the Estonian Accounting Act and supplemented by the guidelines issued by the Accounting Standards Board.

The financial statements have been prepared under the historical cost convention, except for the cases which are described in the accounting policies below.

The financial statements are prepared in euros.

The 2021 consolidated financial statements reflect the financial indicators of Advokaadibüroo SORAINEN AS (the parent company) and its subsidiaries ASLO Konsultatsioonid OÜ, SLOH OY, UAB SLOV Services, SIA SLOR and IOOO SORAINEN i Partnery. Percentages of holdings in subsidiaries and areas of activities are discussed in more detail in the management report.

The main accounting policies used in preparing these financial statements are set out below.

Preparation of consolidated statements

The consolidated financial statements address the parent company and subsidiaries as a single economic entity. Financial indicators of parent companies and subsidiaries (items in the balance sheet, income statement and cash flow statements, as well as financial indicators published in notes and other sections of the report) are aggregated on a line-by-line basis (revenues and expenses of the subsidiary arising before the acquisition date and cash flows are not included in the consolidated income statement and cash flow statement). All intra-group receivables and liabilities, transactions between group entities and unrealized gains and losses are eliminated. If necessary, accounting policies of subsidiaries are adjusted so that they comply with the Group's accounting policies.

Subsidiaries are entities controlled by the parent company. Control is presumed when the parent company owns more than 50% of the voting rights in the subsidiary or the parent company is otherwise able to control the financial and operating policies of the subsidiary. The subsidiary of the company is recognized in the Group report since the acquisition of control until it is assigned.

Group entities use the currency of the primary economic environment - euro (EUR) in Estonia, Latvia, Lithuania and Finland, and ruble (BYN) in Belarus. In the consolidated annual financial statements the currency of presentation is the euro. All financial statements and the notes are presented in euros.

Assets and liabilities of subsidiaries located in foreign countries are converted into euros on the basis of exchange rates in force at the end of the reporting period. Income and expenses are converted to euros at exchange rates valid at the transaction date or, if the exchange rate between the euro and the currency has been stable, at an average exchange rate for the reporting period.

Exchange rate differences used in the revaluation by using exchange rates of different dates are recognized in the income statement line item "Unrealised exchange rate differences" and unrealised exchange rate differences arising in revaluation of indicators of subsidiaries are included in the parent company's consolidated equity report under "Unrealised exchange rate differences".

Recognition of subsidiaries in unconsolidated financial statements of the parent company

In the unconsolidated financial statements of the parent company which are presented in notes to the consolidated financial statements, investments in subsidiaries are carried at cost and investments in subsidiaries that are under common control are recognized in the balance sheet at net asset value (ie, as the acquired assets and liabilities were recognized in the balance sheet of the acquired company). The difference between the acquisition cost and the carrying amount of net assets acquired is recognized as a decrease or increase of the acquirer's equity.

Financial assets

Financial assets include cash, a contractual right to receive cash or other financial assets (e.g. accounts receivable) from the counterparty, equity instruments of other undertakings and contractual right to exchange financial assets with a counterparty under potentially favourable conditions.

Financial assets are initially recognized at cost, being the fair value of the payment made or received for the financial asset. The initial

acquisition cost includes all transaction costs that are directly related to the financial asset.

When the adjusted historical cost method is used, the financial asset is recognized in the balance sheet in its initial acquisition cost discounted with an internal rate of interest less repayments of the principal and possible impairment caused from loss of value or unlikelihood of collection.

A financial asset is derecognized if the company loses the right to receive cash flows arising from the given financial asset or transfers to a third party cash flows arising from this financial asset and most risks and benefits related to this financial asset.

Cash and cash equivalents

The balance sheet item "Cash" includes cash, bank accounts and short term deposits.

Cash flows from operating activities are prepared by using the indirect method. Cash flows from investing and financing activities are recorded as gross receipts and disbursements of the reporting period.

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

Foreign currencies are all currencies other than the functional currency of the euro. Foreign currency transactions are recorded at the official currency exchange rates quoted by the European Central Bank on the transaction day*. Monetary assets and liabilities denominated in a foreign currency (cash receivables and loans) are revalued to the functional currency at the balance sheet date by using exchange rates of the European Central Bank valid in the balance sheet date.

The Belarusian company is revalued by using exchange rates between BYN and foreign currencies established by the Central Bank of Belarus.

Non-monetary assets and liabilities denominated in foreign currencies (such advances, property, plant and equipment and intangible assets) are not revalued at the balance sheet date but are recognized on the basis of the exchange rate valid on the transaction date. Exchange gains and losses are recognized in the income statement.

Financial investments

Equity and debt instruments that are intended for realization during the next reporting period are recognized in the balance sheet under "Current financial investments ". Long-term shares and other securities are recorded as fixed assets in the balance sheet under "Non-current financial investments."

Receivables and prepayments

Current and non-current trade receivables are carried at amortized cost, i.e. at their present value less doubtful receivables.

In case of trade receivables whose collection is partly or fully doubtful, the impairment is recognized in the income statement under "Other operating expenses". Trade receivables whose collection is not feasible or economically justified are considered uncollectible and written off.

Loans granted and other current receivables are recorded at amortized cost.

Plant, property and equipment and intangible assets

Tangible fixed assets are assets that the Group uses for providing services or for administrative purposes for more than one year with the value of at least 1,000 euros. Tangible fixed assets are recorded at cost, which includes the purchase price and other directly attributable costs.

The linear depreciation method is used for calculating depreciation. The depreciation rate is assigned for object of the tangible fixed asset or to its each identifiable component separately depending on the useful life as follows:

- equipment - 33% per annum;
- furniture and fixtures - 25% per annum.

Improvements to tangible fixed assets are capitalized if they meet the definition of tangible fixed assets and the asset recognition criteria, including the participation of their expenses in generating future economic benefits. Maintenance and repairs are expensed when incurred.

Intangible fixed assets are intangible assets that the Group intends to use for a longer period than one year, and which are controlled by the Group, whose cost can be reliably estimated and that will generate probable future economic benefits for the Group. Tangible fixed assets are recorded at cost, which includes the purchase price and other directly attributable costs. Intangible fixed assets are depreciated on the linear method. Annual depreciation rates of patents, licenses and trademarks are between 17 and 33%.

Financial liabilities

Financial liabilities include contractual obligations to pay the other party cash or other financial assets or to exchange financial assets with another party under conditions that are potentially unfavorable.

Financial assets are initially recognized at cost, being the fair value of the receivable or payable for the financial asset. The initial acquisition cost includes all transaction costs that are directly related to the financial asset.

Depending on the type of financial assets, financial liabilities are further accounted either at fair value, cost or amortized cost.

The difference received in discounting the long-term liability between the nominal value and current value is recognized when accounting the long-term liability as interest income. In subsequent recognition, interest expense is debited and the balance of long-term liability is credited, i.e. the balance of the long-term liability grows to its nominal value by the end of the payment period.

Long-term liabilities are liabilities recognized in the balance sheet that mature later than one year after the balance sheet date. All other liabilities are classified as current liabilities.

A financial liability is derecognised when it is discharged, cancelled or expired.

Provisions and contingent liabilities

Provisions are recognized in the balance sheet as liabilities incurred in the reporting period or in previous periods, which have a legal or contractual basis, which requires a future outflow of resources and whose cost can be reliably determined, but whose final cost or payment date is not certain. Provisions are determined based on management estimates, experience and when necessary, by independent experts.

A provision which is likely to be realized later than in 12 months is recognized in the balance sheet at its discounted value, ie in the present value of the outflows related to the provision, unless the effect of discounting is immaterial. Present value is calculated using the discount rate for similar liabilities with respect to the prevailing market interest rate.

Increase in the discounted value of long-term provisions in connection with the arrival of the realization date is recognized in the income statement as interest income.

Promises, guarantees and other commitments that in certain circumstances may become liabilities are disclosed as contingent liabilities in the notes to financial statements.

Revenue recognition

Revenue is recognized on an accrual basis or in fair value of the receivable, i.e. in amounts receivable for services rendered less rebates. Revenue from the sale of service is recognized during the period if the receipt of the revenue for the provision of the service is likely and the revenue and expenses related to the provision of services can be reliably measured.

Interest revenue is recognized on an accrual basis and dividend revenue is recognized when the entitlement to dividends occurs.

Taxation

Consolidated income statement reflects the corporate income tax expense and deferred tax expense or income calculated from the profits of subsidiaries in Latvia, Lithuania and Finland, corporate income tax expense of dividends of companies registered in Estonia and the corporate income tax expense of the company registered in Belarus.

According to the Estonian Income Tax Act, legal entities are not liable to pay income tax from the profit earned in the reporting period. Income tax is paid on fringe benefits, gifts, donations, costs of entertaining guests, dividends and payments not related to business. Therefore, Estonia does not differ between the tax base and carrying amount of assets that would incur deferred income tax.

Income tax assets and liabilities and income tax expenses and income are classified as current (payable) income tax and deferred income tax. Current tax liabilities are recognized as current assets or liabilities and deferred income tax liabilities are recognized as non-current assets or liabilities.

Deferred tax assets and liabilities are calculated at the balance sheet date as a difference between the tax bases of assets and liabilities and temporary differences in the book value. Deferred tax is calculated on current or expected tax rates, which are applicable in the periods when the temporary differences and tax losses are realized. Deferred tax assets and liabilities are offset only within a group company. Deferred tax assets is recognized in the balance sheet only if a deferred tax liability of a similar amount with the deferred tax asset is likely to incur in the foreseeable future that can be offset.

Related parties

The Group considers as related parties:

- Owners of Law Firm SORAINEN and undertakings that are under the control or influence of owners;
- management and supervisory boards and undertakings under their control or significant influence, including, for example, undertakings linked to management board members ;
- close family members of the abovementioned persons and undertakings under their control or significant influence.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2021	31.12.2020
Cash on hand	0	1
Settlement accounts	5 808 348	3 670 387
Total cash and cash equivalents	5 808 348	3 670 388

Note 3 Receivables and prepayments

(In Euros)

	31.12.2021	Within 12 months	Note
Accounts receivable	4 503 669	4 503 669	
Accounts receivables	4 694 757	4 694 757	
Allowance for doubtful receivables	-191 088	-191 088	
Tax prepayments and receivables	29 794	29 794	4
Loan receivables	119 421	119 421	
Prepayments	554 984	554 984	
Deferred expenses	448 893	448 893	
Other paid prepayments	106 091	106 091	
Total receivables and prepayments	5 226 062	5 226 062	
	31.12.2020	Within 12 months	Note
Accounts receivable	3 694 167	3 694 167	
Accounts receivables	3 895 848	3 895 848	
Allowance for doubtful receivables	-201 681	-201 681	
Tax prepayments and receivables	31 073	31 073	4
Loan receivables	12 856	12 856	
Other receivables	130 163	130 163	
Accrued income	130 163	130 163	
Prepayments	591 624	591 624	
Deferred expenses	473 428	473 428	
Other paid prepayments	118 196	118 196	
Total receivables and prepayments	4 473 323	4 473 323	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2021		31.12.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	0	16 239	0	87 423
Value added tax	2 697	171 205	52	143 489
Personal income tax	0	61 101	91	64 252
Fringe benefit income tax	0	6 957	0	2 492
Social tax	0	121 369	0	115 565
Contributions to mandatory funded pension	0	5 177	0	5 854
Unemployment insurance tax	0	6 639	1	6 993
Other tax prepayments and liabilities	11 655	0	10	0
Prepayment account balance	15 442		30 919	
Total tax prepayments and liabilities	29 794	388 687	31 073	426 068

Note 5 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
10916533	ASLO Konsultatsioonid OÜ	Estonia	Administrative services	100	100
40003355893	SLOR SIA	Latvia	Administrative services	100	100
111658118	UAB SLOV Services	Lithuania	Administrative services	100	100
1870614-0	SLOH OY	Finland	Administrative services	100	100
190961147	IOOO SORAINEN i Partnery	Belarus	Legal services	100	80

Note 6 Property, plant and equipment

(In Euros)

									Total
	Transportation	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	Unfinished projects	Prepayments	Unfinished projects and prepayments	
31.12.2019									
Carried at cost	0	686 486	773 740	1 460 226	434 486	28 317	204 877	233 194	2 127 906
Accumulated depreciation	0	-599 227	-53 990	-653 217	-300 782	0	0	0	-953 999
Residual cost	0	87 259	719 750	807 009	133 704	28 317	204 877	233 194	1 173 907
Acquisitions and additions	0	56 344	5 465	61 809	503 626	-28 317	-204 877	-233 194	332 241
Depreciation	0	-58 741	-86 652	-145 393	-87 069	0	0	0	-232 462
Other changes	0	0	0	0	-7 527	0	0	0	-7 527
31.12.2020									
Carried at cost	0	805 690	779 205	1 584 895	972 110	0	0	0	2 557 005
Accumulated depreciation	0	-720 828	-140 642	-861 470	-429 376	0	0	0	-1 290 846
Residual cost	0	84 862	638 563	723 425	542 734	0	0	0	1 266 159
Acquisitions and additions	87 164	190 126	7 372	284 662	449 525	0	0	0	734 187
Depreciation	-2 612	-82 489	-86 625	-171 726	-160 860	0	0	0	-332 586
Other changes	0	1 768	-2	1 766	-22 999	0	0	0	-21 233
31.12.2021									
Carried at cost	87 164	1 037 134	786 575	1 910 873	1 483 157	0	0	0	3 394 030
Accumulated depreciation	-2 612	-842 867	-227 267	-1 072 746	-674 757	0	0	0	-1 747 503
Residual cost	84 552	194 267	559 308	838 127	808 400	0	0	0	1 646 527

Note 7 Intangible assets

(In Euros)

			Total
	Concessions, patents, licences, trademarks	Unfinished projects and prepayments	
31.12.2019			
Carried at cost	2 976 762	99 424	3 076 186
Accumulated depreciation	-2 752 677	0	-2 752 677
Residual cost	224 085	99 424	323 509
Acquisitions and additions	212 112	0	212 112
Depreciation	-94 429	0	-94 429
Reclassifications	0	-99 424	-99 424
Other changes	-60	0	-60
31.12.2020			
Carried at cost	3 188 874	0	3 188 874
Accumulated depreciation	-2 847 166	0	-2 847 166
Residual cost	341 708	0	341 708
Acquisitions and additions	110 911	0	110 911
Depreciation	-109 160	0	-109 160
Other changes	154	0	154
31.12.2021			
Carried at cost	3 299 634	0	3 299 634
Accumulated depreciation	-2 956 021	0	-2 956 021
Residual cost	343 613	0	343 613

Note 8 Payables and prepayments

(In Euros)

	31.12.2021	Within 12 months	Note
Trade payables	240 842	240 842	
Employee payables	1 144 505	1 144 505	
Tax payables	388 687	388 687	4
Other payables	207 658	207 658	
Other accrued expenses	207 658	207 658	
Prepayments received	186 467	186 467	
Other received prepayments	186 467	186 467	
Total payables and prepayments	2 168 159	2 168 159	
	31.12.2020	Within 12 months	Note
Trade payables	188 431	188 431	
Employee payables	1 028 341	1 028 341	
Tax payables	426 068	426 068	4
Other payables	192 376	192 376	
Other accrued expenses	192 376	192 376	
Prepayments received	399 875	399 875	
Deferred income	60 000	60 000	
Other received prepayments	339 875	339 875	
Total payables and prepayments	2 235 091	2 235 091	

Note 9 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							
	150 000	150 000			3,45%	EUR	31.12.2022
	22 556	22 556			5,0%	EUR	30.04.2022
Current loans total	172 556	172 556					
Loan commitments total	172 556	172 556					
	31.12.2020	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
	352 020	352 020			0%-3,45%	EUR, BYN	31.12.2021
	76 492	76 492			5,0%	EUR	30.04.2022
Current loans total	428 512	428 512					
Non-current loans							
Non-current loans total	25 556	0	25 556				
Loan commitments total	454 068	428 512	25 556				

Note 10 Provisions

(In Euros)

	31.12.2020	Establishing/Adjustments	31.12.2021
	230 049	-22 649	207 400
	683	0	683
Total provisions	230 732	-22 649	208 083
Including:			
Current	42 135	7 535	49 670
Other provisions	42 135	7 535	49 670
Non-current	188 597	-30 184	158 413
Other provisions	188 597	-30 184	158 413
	31.12.2019	Establishing/Adjustments	31.12.2020
	205 522	24 527	230 049
	920	-237	683
Total provisions	206 442	24 290	230 732
Including:			
Current	55 738	-13 603	42 135
Other provisions	55 738	-13 603	42 135
Non-current	150 704	37 893	188 597
Other provisions	150 704	37 893	188 597

Note 11 Contingent liabilities and assets

(In Euros)

	31.12.2021	31.12.2020
Contingent liabilities		
Distributable dividends	8 309 018	5 629 200
Income tax liability on distributable dividends	1 820 433	1 179 574
Total contingent liabilities	10 129 451	6 808 774

Note 12 Share capital

(In Euros)

	31.12.2021	31.12.2020
Share capital	25 358	25 358
Number of shares (pcs)	4 025	4 025
Nominal value of shares	6.30	6.30

Note 13 Net sales

(In Euros)

	2021	2020
Net sales by geographical location		
Net sales in European Union		
Estonia	7 281 275	5 995 903
Other European Union net sales	7 781 982	7 530 000
Total net sales in European Union	15 063 257	13 525 903
Net sales outside of European Union		
Other net sales outside of European Union	3 004 282	1 738 884
Total net sales outside of European Union	3 004 282	1 738 884
Total net sales	18 067 539	15 264 787
Net sales by operating activities		
Legal services	15 849 616	12 852 035
Other	2 217 923	2 412 752
Total net sales	18 067 539	15 264 787

Note 14 Other operating income

(In Euros)

	2021	2020
Profit from exchange rate differences	11 662	0
Other	48 315	30 370
Total other operating income	59 977	30 370

Note 15 Goods, raw materials and services

(In Euros)

	2021	2020
Services purchased for resale	-1 005 519	-774 686
Leases	-573 117	-548 011
Other	-211 105	-184 116
Total goods, raw materials and services	-1 789 741	-1 506 813

Note 16 Miscellaneous operating expenses

(In Euros)

	2021	2020
Leases	-426 510	-504 729
Miscellaneous office expenses	-155 013	-195 556
Exploration and development expense	-787 119	-563 394
Travel expense	-34 905	-20 125
Training expense	-56 939	-41 784
Allowance for doubtful receivables	-58 954	-52 480
Other	-1 574 714	-1 208 378
Total miscellaneous operating expenses	-3 094 154	-2 586 446

Note 17 Operating lease

(In Euros)

Accounting entity as lessor

	2021	2020
Operating lease income	573 117	548 011

Accounting entity as lessee

	2021	2020
Operating lease expenses	-999 627	-1 052 740

Note 18 Labor expense

(In Euros)

LABOR EXPENSE OF ADVOKAADIBÜROO SORAINEN AS (non-consolidated financial results of parent company)

Wage and salary expense: 3 255 064 EUR (2021); 3 014 273 EUR (2020)

Social security taxes: 1 088 256 EUR (2021); 983 944 EUR (2020)

Total labor expense: 4 343 320 EUR (2021); 3 998 217 EUR (2020)

Average number of employees in full time equivalent units: 77 (2021); 73 (2020).

The mentioned results excluding fees paid to executives and senior management and average number of persons under executive and senior management (note 21).

CONSOLIDATED LABOR EXPENSE

As at 31.12.2021, the Group consists of the parent company and the following entities: ASLO Konsultatsioonid OÜ, UAB SLOV SERVICES, SIA SLOR, SLOH OY, IOOO SORAINEN i Partnery.

The total consolidated labor expense was the following: 6 569 011 EUR (2020); 6 176 966 EUR (2020). Average number of employees in full time equivalent units: 154 (2021); 146 (2020).

Note 19 Other financial income and expense

(In Euros)

	2021	2020
Profit (loss) from exchange rate differences	-10 070	72 143
Total other financial income and expense	-10 070	72 143

Note 20 Income tax

(In Euros)

Income tax expense components	2021		2020	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	3 417 462	685 974	2 738 995	578 591
Total	3 417 462	685 974	2 738 995	578 591

Note 21 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	2 133 727	2 209 606
Total receivables and prepayments	2 133 727	2 209 606
Payables and prepayments		

Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	10 222	40 715
Total payables and prepayments	10 222	40 715

SOLD	2021	2020
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	5 195 040	4 924 706
Total sold	5 195 040	4 924 706

BOUGHT	2021	2020
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	877 697	656 651
Total bought	877 697	656 651

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2021	2020
Remuneration	419 531	573 552

Note 22 Non consolidated statement of financial position

(In Euros)

	31.12.2021	31.12.2020
Assets		
Current assets		
Cash and cash equivalents	4 409 700	3 453 749
Receivables and prepayments	4 740 705	4 240 049
Total current assets	9 150 405	7 693 798
Non-current assets		
Financial investments	263 298	263 298
Property, plant and equipment	555 777	85 206
Intangible assets	230 165	312 263
Total non-current assets	1 049 240	660 767
Total assets	10 199 645	8 354 565
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	1 492 369	1 542 261
Provisions	49 670	42 135
Total current liabilities	1 542 039	1 584 396
Non-current liabilities		
Provisions	157 730	187 914
Total non-current liabilities	157 730	187 914
Total liabilities	1 699 769	1 772 310
Equity		
Issued capital	25 358	25 358
Statutory reserve capital	2 556	2 556
Retained earnings (loss)	3 136 879	2 324 368
Annual period profit (loss)	5 335 083	4 229 973
Total equity	8 499 876	6 582 255
Total liabilities and equity	10 199 645	8 354 565

Note 23 Non consolidated income statement

(In Euros)

	2021	2020
Revenue	14 352 196	11 810 014
Other income	48 270	29 895
Raw materials and consumables used	-781 060	-500 721
Other operating expense	-2 797 418	-2 106 612
Employee expense	-4 662 157	-4 305 563
Depreciation and impairment loss (reversal)	-177 468	-123 007
Other expense	-19 727	-36 213
Total operating profit (loss)	5 962 636	4 767 793
Other financial income and expense	540	278
Profit (loss) before tax	5 963 176	4 768 071
Income tax expense	-628 093	-538 098
Annual period profit (loss)	5 335 083	4 229 973

Note 24 Non consolidated statement of cash flows

(In Euros)

	2021	2020
Cash flows from operating activities		
Operating profit (loss)	5 962 636	4 767 793
Adjustments		
Depreciation and impairment loss (reversal)	177 468	123 007
Total adjustments	177 468	123 007
Changes in receivables and prepayments related to operating activities	-591 482	-961 784
Changes in payables and prepayments related to operating activities	41 821	87 324
Total cash flows from operating activities	5 590 443	4 016 340
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-588 937	-104 486
Loans given	0	-2 352
Total cash flows from investing activities	-588 937	-106 838
Cash flows from financing activities		
Dividends paid	-3 417 462	-2 738 995
Income tax refund (paid)	-628 093	-538 098
Total cash flows from financing activities	-4 045 555	-3 277 093
Total cash flows	955 951	632 409
Cash and cash equivalents at beginning of period	3 453 749	2 821 340
Change in cash and cash equivalents	955 951	632 409
Cash and cash equivalents at end of period	4 409 700	3 453 749

Note 25 Non consolidated statement of changes in equity

(In Euros)

				Total
	Issued capital	Statutory reserve capital	Retained earnings (loss)	
31.12.2019	25 358	2 556	5 063 363	5 091 277
Annual period profit (loss)	0	0	4 229 973	4 229 973
Declared dividends	0	0	-2 738 995	-2 738 995
31.12.2020	25 358	2 556	6 554 341	6 582 255
Governing and material influence ownership interest value of financial position	0	0	-263 298	-263 298
Governing and material influence on the value Of holdings under the equity method	0	0	517 731	517 731
Restated non consolidated equity 31.12.2020	25 358	2 556	6 808 774	6 836 688
Annual period profit (loss)	0	0	5 335 083	5 335 083
Declared dividends	0	0	-3 417 462	-3 417 462
31.12.2021	25 358	2 556	8 471 962	8 499 876
Governing and material influence ownership interest value of financial position	0	0	-263 298	-263 298
Governing and material influence on the value Of holdings under the equity method	0	0	1 920 787	1 920 787
Restated non consolidated equity 31.12.2021	25 358	2 556	10 129 451	10 157 365