

CONSOLIDATED ANNUAL REPORT OF ADVOKAADIBÜROO SORAINEN AS

31 December 2022



SORAINEN

[sorainen.com](https://www.sorainen.com)

CONSOLIDATED ANNUAL REPORT

beginning of financial year: 01.01.2022

end of the financial year: 31.12.2022

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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.

The first position
in the Baltic client
satisfaction survey

SORAINEN

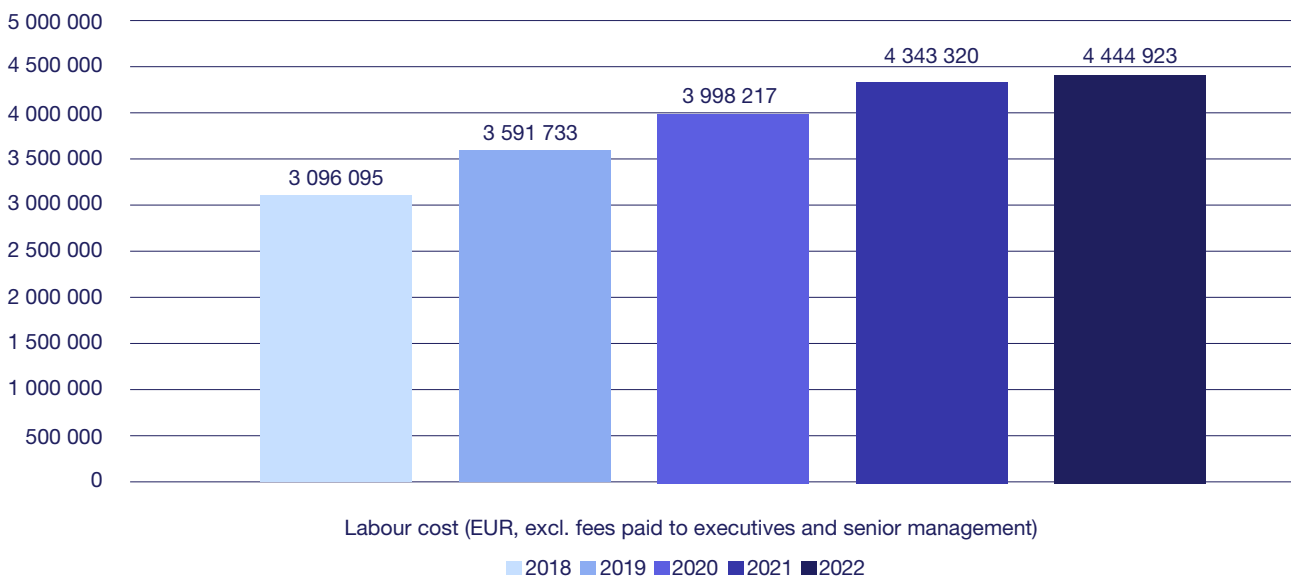


KANTAR | PROSPERA



PROUD MOMENTS IN 2022

- Ranked first in the Baltic client satisfaction survey once again.** According to the Kantar Sifo Prospera survey, clients ranked us the best law firm in Estonia for the fourth year in a row. Out of the 15 legal areas that clients were asked about in total, Sorainen had the highest evaluation in 14 areas. We also hold the top position in Lithuania and in the Baltics overall, and the second position in Latvia. Sorainen also tops the leaders' list for the best-known brand in each of the three countries, as well as in the Baltic summary report.
- One of the biggest employers on the legal market in Estonia and the Baltics.** The average number of employees in the firm has grown organically since its foundation in 1995. We have been among the biggest employers and payers of state taxes in the legal sector for several years. In 2022, the firm paid EUR 4,251,540 in social, income and value-added tax.



- Two new partners in Estonia and eleven across the whole firm.** In 2022, 11 people were invited to partnership across our four offices, bringing the total number of Sorainen partners from 33 to 44. In Estonia, Kätlin Krisak, head of the Sorainen Finance & Insurance team, and Kaido Künnapas, head of the Sorainen Tax team, were promoted to partnership.





- **Among the most attractive employers in the legal sector.** Law students once again chose Sorainen as one of the most attractive private-sector employers in the legal field in Estonia. The survey, conducted by the Instar employer branding agency, recognises outstanding employers in the field of economy, information technology, technology, law, medicine and the humanities.
- **Student Academy completed its 11th season.** Lasting from October to April, Sorainen lawyers from four offices give lectures to law students and introduce the practical side of a lawyer's life to law students. A total of 84 law students graduated from the programme in April 2022 across the firm. Of the 22 students who graduated in Estonia, 15 students continued as trainees in the Estonian office, of whom seven were given a permanent position at the company.
- **New services.** Russia's war in Ukraine and sanctions imposed as a result by the EU, the UK, the USA and other countries have affected many companies in the Baltics and beyond and have raised a number of complex issues. As a response, in 2022 we launched new services: Sanctions Compliance and Ukraine Emergency Room. In addition, we founded a Defence Sector Group. To satisfy the demand of the growing market, we provide legal and tax advice to defence sector companies and state agencies.
- **Shared Mission: 100,000 euros worth free legal advice.** In 2022 we selected 15 projects across the countries we cover, which received pro bono legal and tax advice from us in the Shared Mission programme in addition to assistance for Ukraine-related projects.

- **In support of Ukraine.** With the intention of offering immediate help to the people of Ukraine, we donated EUR 65,000 regionally to organisations supporting Ukraine. We also offer pro bono legal and tax services to Ukrainian companies and people. We allow our people three paid days a year for volunteer work. We organised a series of free webinars on legal issues. Our employees collected food and donations for Ukrainian war refugees and helped purchase thermal camera drones, vehicles and other supplies for the Ukrainian army.
- **Defending our country.** We offer all possible support for the participation of our staff in national defence, continuing to pay their salary while they are absent and providing additional leave for members of the Defence League and Women's Voluntary Defence Organisation, and for participants in reservist training exercises.



- **Boosting the green transition.** Along with nearly 60 other Estonian companies, we signed a petition encouraging the government, political parties and the press to make the green transition a priority for the coming years. We actively contribute to the work of organisations promoting corporate social responsibility, such as Rohetiiger (Green Tiger), VEF (Responsible Business Forum Estonia), and others.
- **Our first sustainability report published.** The ESG report covers the procedures we have introduced and the initiatives we undertook in 2021–2022 to make the firm act in a more sustainable way in relation to its business and clients, and to people, society and the environment, detailing the steps the firm has taken in all these areas.

- **Trusted advisor to the startup sector.**
In the first four months of 2022 alone, the Estonian startup sector raised a total of EUR 1 billion in capital. Sorainen, the go-to law firm for startups, advised on more than three quarters of the total capital raised in 2022. We have advised on many unicorn-making deals in Estonia.

In addition, our lawyers assist startups free of charge at the Legal Clinic for Start-ups. We are a long-time sponsor and partner of sTARTUp Day, the biggest startup festival in the Baltics.



- **Our own startup Crespect launches.**
In October 2022, cloud service solution Crespect – an intelligent legal practice management platform with everything a law firm needs to manage its day-to-day business – was launched. Crespect is a spin-off company of Sorainen, which will soon be introducing to international markets the platform developed in-house by the Sorainen team.

- **Promoting the legal profession.** Our senior associate Triin Toom was elected as a member of the management board of the Estonian Bar Association. Triin’s main responsibilities include the modernisation of the legal framework for attorney services, communication and fostering cooperation with young attorneys.

Our partner Allar Jõks received the “Diamond of the Estonian Bar Association” title for his long-term contribution to protecting the principles of the rule of law and fundamental rights.



OUR PEOPLE

22 employees joined our Estonian office in 2022, 13 of them lawyers.

Lawyers who joined in 2022



Annika Kask
Assistant Lawyer
Real Estate & Construction



Kevin Piho
Associate
Corporate and M&A



Birke Vaheäär
Assistant Lawyer
Real Estate & Construction



Kärt Saar
Assistant Lawyer
Competition & Regulatory



Helery Maidlas
Associate
Competition & Regulatory



Lee Laanemäe
Associate
Corporate and M&A



Hetti Lump
Counsel
Finance & Insurance



Marian Moldau
Assistant Lawyer
Competition &
Regulatory Tax



Sandra Teras
Assistant Lawyer
Dispute Resolution &
Risk Management



Meri-Ly Karjus
Assistant Lawyer
Corporate and M&A



Teele Raja
Associate
Dispute Resolution &
Risk Management



Oliver Ämarik
Associate
Finance & Insurance



Sander Sagar
Assistant Lawyer
Competition & Regulatory



Celebrations

In 2022, the company celebrated its 27th anniversary.

6 employees celebrated 5 years at the company (20 employees have been at the company for more than 5 years).

2 employees celebrated 10 years at the company (7 employees have been at the company for more than 10 years).

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

1 employee celebrated his 25 years at the company (3 employees have been at the company for more than 25 years).

The average employee tenure at Sorainen Estonia is 5 years and 8 months.

The average age is 33.

3 of our lawyers successfully passed their bar examination.

WE VALUE OUR PEOPLE AND INVOLVE THE YOUNGER GENERATION

Flexible work arrangements and relations. Many of our people start working for us while studying at university and remain with us for decades. To allow all our people to also experience working life outside Sorainen, we offer the opportunity to work on a project basis, for example with our clients in Estonia and abroad, or to be seconded to an international law firm. When the global pandemic hit, all employees were given the option of working remotely, and that option continues to be available.

We offer flexibility in other ways as well – for example, younger colleagues can assist lawyers on the side while studying at university, and lawyers who wish to work part-time can choose their own workload.

Equal pay and career opportunities. Our salary survey shows that Sorainen offers equal salaries for men and women for equivalent-level positions. The career ladder and employee remuneration system are judicious and depend on objective indicators known to employees.



Wellbeing and satisfaction. In addition to the annual satisfaction and motivation survey, we held the Sorainen Opinion Festival in spring 2022. We asked our people what they valued and what they felt was lacking in our working environment. Our flexible working arrangements and the perks and IT systems supporting them received the highest ratings. The office amenities were also often cited. We increased the number of paid volunteering days from one a year to three, as many of us wished to support refugees coming from Ukraine.



Supporting development. We keep developing iKnow, our e-learning platform, which provides learning materials for external and internal training, with a wide range of topics and formats. Individual learning pathways have been created for our staff. To build professional competence, our people regularly participate in training courses in Estonia and abroad, and gather together for international team strategy days.

Mentoring for newcomers. We strive to make newcomers and those returning to work after longer periods of leave feel welcome when they (re)join us. A mentoring programme has been set up to this end. In 2022, there were 29 mentoring pairs in our Estonian office.

Law students gather at 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. Think Tank is led by working students who thereby get the opportunity to develop useful leadership skills early on.

Sorainen investment club launched. We started with a monthly internal training session, where both our own people and guest speakers provided advice and answered questions related to operating as private investors.

OUR AWARDS

- **Prospera client satisfaction survey – No. 1 in Estonia and in the Baltics**
Sorainen ranks first among Baltic top tier law firms.
- **Attractive employer**
We are among the most attractive employers in the legal sector according to a survey conducted among law students.
- ***The Financial Times*' Innovative Lawyers Awards Europe 2022**
Sorainen was shortlisted in five categories. As a firm, we were nominated for the title of the “Most Innovative Law Firm in Europe (Outside the UK)”.
- ***The Financial Times* Individual Leader: Aku Sorainen**
The founder and senior partner of the firm, Aku Sorainen, was nominated in the Individual Leader category for trailblazing legal technology adoption in the region.
- ***International Tax Review*: Baltic States Tax Firm of the Year**
Our international tax team received this recognition for the tenth time since ITR established the Baltic category in its European awards in 2010.
- **Mergermarket: “Baltic M&A Legal Adviser of the Year”**
We received this prestigious award for the seventh time for creative advisory work on complex transactions.



- **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. We have our long-time partner the Estonian Art Museum to thank for the title.

- We hold the top ranking in the business daily *Äripäev*'s list of successful law firms.

OUR INNOVATION

- **Certified IT-security.** Since 2021, the security of our IT systems is ISO-certified, proving adherence to the best practices of information security.
- **Celebrating innovation month.** In October, we celebrated innovation month with a packed programme of workshops, games, competitions and interviews with legal tech providers and startups.
- **Automated work processes.** In collaboration with ExtendLaw, we developed a new feature in Green Meadow Document Drafter to enable the inclusion of business registry information in automated documents. We have automated the drafting of complex legal documents. We developed an automated CV creation interface for our client and project management software.

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 are held on the topics of the day 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 We analysed the legal framework for the establishment of a nuclear regulator in Estonia (Sandra Mikli and Maarika Maripuu).
- o On behalf of the E-Commerce Association, we proposed an amendment to the Bank of Estonia Act to change VAT arrangements for online stores (Kaido Künnapas, Allar Jõks, Maarika Maripuu and Sirle Orav-Hinno).
- o Together with Startup Estonia, we made a proposal at the prime minister’s roundtable to introduce tax changes that would encourage R&D activities, and we held a joint discussion at the Ministry of Economic Affairs and Communications, resulting in the development of a support mechanism for R&D-oriented entrepreneurs (Kaido Künnapas).
- o We are working with the Ministry of Finance to develop a project on participation options (Kaido Künnapas).
- o We advised on the drafting of an act amending the Penal Code and the Code of Misdemeanour Procedure (Norman Aas, Carri Ginter).
- o We gave opinions on the following drafts submitted by the Ministry of Social Affairs to the Estonian Bar Association for examination: (1) draft amendments to the government regulation “Procedure for Registration, Notification and Investigation of Occupational Accidents and Diseases”; (2) draft amendments to the regulation of the Minister of Health and Labour “Procedure for Provision of Occupational Health Services”; (3) draft amendments to the regulation of the Minister of Social Affairs “List of Occupational Diseases”; (4) analysis of the draft act amending the Occupational Health and Safety Act and the Employment Contracts Act, submitted for opinions by the Social Affairs Committee of the Riigikogu (Pirkko-Liis Harkmaa, as a member of the Bar Association’s labour law committee).
- o We contributed to the drafting of the government regulation “Authorisation of Vertical Agreements that Distort or May Distort Competition (Block Exemption)” and

gave feedback on the draft amendment to the Competition Act, which transposes the ECN+ Directive into Estonian law (Piibe Lehtsaar, as a member of the Bar Association's competition law committee).

- o Together with the Estonian Private Equity and Venture Capital Association, the Estonian Founders Society, the Estonian Business Angels Network and Startup Estonia, we submitted views and proposals on the draft Commercial Register Act to the Legal Affairs Committee of the Riigikogu (Karin Madisson and Piret Jesse, as members of the Bar Association's commercial law committee).
- o We submitted our opinions to the Ministry of Justice regarding the draft Foreign Investment Reliability Assessment Act and the proposal for a directive on corporate sustainability and due diligence (Piret Jesse, as a member of the Bar Association's commercial law committee).
- o We submitted an opinion to the Legal Affairs Committee of the Riigikogu on the draft Natural Person Insolvency Act (Karin Madisson, as a member of the Bar Association's commercial law committee).
- o We presented our views on the following drafts and other documents: (1) transposition of EU Directive 2021/2167 on credit servicers (debt collection) and credit purchasers; (2) draft act amending the Financial Supervision Authority Act and the Code of Enforcement Procedure (in relation to out-of-court settlement of financial disputes); (3) draft Crypto Assets and Crowdfunding Act; (4) legislative intent for a draft Credit Information Sharing Act; (5) regulation of the Minister of Finance "Requirements for a Securities Offering Information Document" and harmonisation of the requirements applicable to information documents in the Baltics (Kätlin Krisak, as a member of the Bar Association's financial law committee).
- o We contributed to the creation of a law banning the display of hate symbols (Carri Ginter, Norman Aas, Maarika Maripuu and Georg Hiiesalu).
- o Partner Allar Jõks heads the jury for the Good Lawmaking Competition. At the competition every year, in order 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:

Allar Jõks – member of the Fundamental Rights Committee

Karin Madisson – member of the Commercial Law 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

Piret Jesse – chairman of the Commercial Law Committee

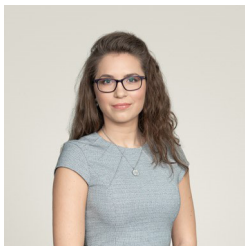
Triin Toom – member of the board

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

University of Tartu



Carri Ginter



Gerli Helene
Gritsenko



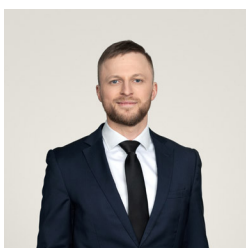
Heidi Rand



Joosep Kuusk



Kadri Härginen



Kaido Künnapas



Karl Joonas Kendla



Liisa-Maria Puur



Lise-Lotte Lääne



Maarika Maripuu



Marcus Niin



Mari Agarmaa



Mihkel Miidla



Raul Kartsep

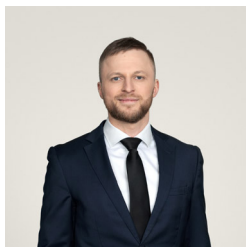
University of Tallinn



Isabel Kärtner



Norman Aas



Kaido Künnapas



Sandra Mikli

TalTech

TTK University of Applied Sciences

Tallinn School of Economics (Tallinna Majanduskool)



Isabel Kärtner



Oliver Kuusk

Pallas University of Applied Sciences

Additionally:

- o **Youth For Understanding (YFU) scholarship.** Each year, we support one year of study abroad for a secondary school student.
- o **Supporting the young.** We contribute to the work of ELSA (European Law Students' Association), the Estonian Moot Court Society, the Estonian Law Students' Union and the Estonian Young Lawyers' Association.
- o **Salzburg Summer School.** We support this summer school for law students. In 2022, eight students from the University of Tartu, including Sorainen lawyers Jürgen Adamson and Karl Joonas Kendla, attended the Salzburg Summer School of European Private Law.
- o **Job shadowing and school visits.** We offer job shadowing throughout the school year to school students from Grade 9 onwards. Our lawyers gave presentations on our firm and legal work to secondary school students.
- o **From summer intern to employee.** Sorainen's Estonian office offered a record number of summer internships to university students in 2022. Out of 70 applicants, we selected 27 for summer internships, 12 of whom were invited to join us.



Charity work

- **Supporting the Bethel's Centre of Pastoral Care.** We have a long-standing cooperation with the Bethel's Centre of Pastoral Care, which helps vulnerable children and families.
- **Christmas joy for foster children.** For years, we have been working with the NGO Naerata Ometi to give Christmas presents to children in need.
- **Contributing to the "Donate Time" project.** Sorainen has long allowed each employee to take one day off work for charity volunteering. Due to the outbreak of war and our people's desire to help Ukraine, we increased the number of volunteering days to three a year.
- **Cooperation partner of the Business and Professional Women Organisation Estonia (EENA).** We support EENA and participate actively in its work.

Contributing to culture

- **Supporting the Hea Lugu historical novel competition.** Publishing house Hea Lugu (in English: Good Story) announced its first biennial historical novel competition. Sorainen put up a special prize and it was awarded to the manuscript *Salajane ristisõda* ("The Secret Crusade"), which won the grand jury's top prize as well.
- **Friend of culture and sports.** We provide support and pro bono advice to the Estonian Biathlon Federation and cooperate with the Estonian Art Museum, the Estonian Artists' Union, the Documentary Photo Centre, the Kai Art Centre and the Estonian Composers Union. Our partner Toomas Prangli is a member of the supervisory board of the Estonian National Symphony Orchestra.



- o **Founding a joint fund to support the creation of classical music.** Together with Eften Capital, the Hansa Group Young Musician Fund and the Composers Union, Sorainen established a joint fund to support composers in the creation of classical music. Under the agreement, the founders of the fund will contribute up to EUR 25,000 a year to commission new works, half of it financed by the companies. This partnership of businesses and composers is unique in Europe and aims to create better conditions to allow composers to commit themselves to their work. The project is a partnership with the Cultural Partnership Foundation.



SOME NOTABLE TRANSACTIONS AND CASES WE ADVISED IN 2022

We advised Bolt, the fastest-growing mobility platform in the world, on raising USD 709 million in the biggest funding round in both Bolt's and the Baltic's history.

We advised Veriff, a global identity verification service company founded and headquartered in Estonia, on raising USD 100 million in Series C.

We advised Sunly, a renewable energy developer, on raising around EUR 200 million to build and expand its renewable energy portfolio in the Baltics and Poland.

We advised Riigi Kinnisvara, a real estate development and management company established for the efficient management of the real estate belonging to the Estonian state, on the purchase (public procurement) of electricity produced from renewable sources.

We represented Lux Express and other Estonian bus operators in their dispute with the Estonian Government before the European Court.

We advised Stockmann on the sale of its department store properties in Tallinn, Estonia, and Riga, Latvia to the investment arm of Viru Keemia Grupp.

We advised YIT, the largest Finnish urban developer and construction company, on the establishment of a partnership involving the largest ever residential to-let development project in the Baltic countries.

Our senior associate Dr. Mari Agamaa, head of our Estonian insolvency and restructuring workstream, was appointed as an Estonian Bankruptcy law expert in the landmark Irish court proceedings regarding the bankruptcy proceedings of Estonian entrepreneur Oliver Kruuda.

We represent Tallinna Linnatransport, a public transport company owned by the City of Tallinn, in a public procurement aimed at procuring new trams in Tallinn.

We advised Rail Baltic Estonia, the developer of Rail Baltica railway in Estonia, with compiling the procurement documents for the largest construction procurement in Estonia relating to the construction of the Rail Baltica Ülemiste joint terminal and its surrounding area.

We represented Tallinna Haridusamet (Tallinn Education Department) in seven public procurement disputes which arose in one of the largest public tenders for catering services in Estonia of all time.

At the request of the Estonian E-Commerce Association, we analysed how to tackle an enormous tax loss of EUR 145 million arising from non-compliance of foreign e-shops in Estonia.

We advised Citibank, Goldman Sachs, and Societe Generale as the joint lead managers in the EUR 1 billion 10-year government bond issue of the Republic of Estonia.

STRUCTURE AND DIVIDEND POLICY OF THE REGIONAL GROUP

As of 31 December 2022, 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: 100%)
- Crespect OÜ (registered in Estonia, ownership: 100%)
- Crespect Investors Syndicate OÜ (registered in Estonia, ownership: 100%)

As of 31 December 2021, the Group consisted 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%)).

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. Crespect OÜ's main area of activity consists in developing and marketing cloud-based software for daily management and operation of mid-sized international law firms. 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 2021 results:

	Growth (%)	2022	2021
Sales revenue	1.46%	14 561 961	14 352 196
Operating profit (EBIT)	-2.34%	5 823 090	5 962 636
Debt ratio (total liabilities/assets)	14.4%	19.1%	16.7%
Liquidity ratio (total current assets/total current liabilities)	-20.1%	4.7	5.9

Labour cost and number of personnel of Advokaadibüroo SORAINEN AS:

	2022	2021
Labour cost (in EUR, excl. fees paid to executive and senior management)	4 444 923	4 343 320
Average number of personnel (excl. executive and senior management)	82	77

At the time of the preparation of the annual report, the Management Board of the parent company had 13 members and the Supervisory Council had three members.

The sales revenue of the Group increased by 11.5% compared to 2021 (2022: EUR 20,147,063; 2021: EUR 18,067,539). The operating profit of the Group increased by 3.0% (2022: EUR 6,398,126; 2021: EUR 6,211,601).

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 2023, the Company plans to continue its core activities.

SORAINEN

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The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2022	31.12.2021	Note
Assets			
Current assets			
Cash and cash equivalents	5 713 651	5 808 348	2
Financial investments	10 000	7 500	
Receivables and prepayments	6 100 948	5 226 062	3,4
Total current assets	11 824 599	11 041 910	
Non-current assets			
Property, plant and equipment	1 519 703	1 646 527	6
Intangible assets	668 469	343 613	7
Total non-current assets	2 188 172	1 990 140	
Total assets	14 012 771	13 032 050	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	0	172 556	
Payables and prepayments	2 461 755	2 168 159	4,8
Provisions	52 612	49 670	9
Total current liabilities	2 514 367	2 390 385	
Non-current liabilities			
Provisions	55 824	158 413	9
Total non-current liabilities	55 824	158 413	
Total liabilities	2 570 191	2 548 798	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	25 358	25 358	11
Statutory reserve capital	2 556	2 556	
Unrealised exchange rate	-43 946	-1 816	
Retained earnings (loss)	5 775 988	4 625 326	
Annual period profit (loss)	5 682 624	5 505 941	
Total equity held by shareholders and partners in parent company	11 442 580	10 157 365	
Minority interests	0	325 887	
Total equity	11 442 580	10 483 252	
Total liabilities and equity	14 012 771	13 032 050	

Consolidated income statement

(In Euros)

	2022	2021	Note
Revenue	20 147 063	18 067 539	12
Other income	46 883	59 977	13
Work performed by entity and capitalised	14 053	0	
Raw materials and consumables used	-2 110 526	-1 789 741	14
Other operating expense	-3 490 220	-3 094 154	15
Employee expense	-7 632 284	-6 569 011	17
Depreciation and impairment loss (reversal)	-529 853	-441 746	6,7
Other expense	-46 990	-21 263	
Operating profit (loss)	6 398 126	6 211 601	
Profit (loss) from subsidiaries	167 081	0	
Interest income	4 004	494	
Interest expenses	-5 527	-10 110	
Other financial income and expense	34 270	-10 070	18
Profit (loss) before tax	6 597 954	6 191 915	
Income tax expense	-915 330	-685 974	19
Annual period profit (loss)	5 682 624	5 505 941	
Profit (loss) from shareholders and partners in parent company	5 682 624	5 505 941	

Consolidated statement of comprehensive income

(In Euros)

	2022	2021
Annual period profit (loss)	5 682 624	5 505 941
Other comprehensive income (expense):		
Effect on unrealised exchange rate changes	-43 741	-1 820
Total other comprehensive income (expense)	-43 741	-1 820
Annual period comprehensive income (expense)	5 638 883	5 504 121
Comprehensive profit (loss) from shareholders and partners in parent company	5 638 883	5 504 121

Consolidated statement of cash flows

(In Euros)

	2022	2021	Note
Cash flows from operating activities			
Operating profit (loss)	6 398 126	6 211 601	
Adjustments			
Depreciation and impairment loss (reversal)	529 852	441 746	6,7
Other adjustments	298 132	-181	
Total adjustments	827 984	441 565	
Changes in receivables and prepayments related to operating activities	-1 392 373	-782 995	
Changes in payables and prepayments related to operating activities	352 152	-35 835	
Interest paid	4 579	0	
Other cash flows from operating activities	0	1 215 902	
Total cash flows from operating activities	6 190 468	7 050 238	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-727 719	-845 099	6,7
Other cash payments to acquire subsidiaries	-179 930	0	
Other cash payments to acquire other financial investments	-15 000	-15 000	
Other cash receipts from sales of other financial investments	12 500	12 500	
Loans given	-10 505	0	
Repayments of loans given	1 650	0	
Other cash outflows from investing activities	-173 712	0	
Total cash flows from investing activities	-1 092 716	-847 599	
Cash flows from financing activities			
Loans received	0	128 356	
Repayments of loans received	-172 556	-79 490	
Interest paid	-20 302	-10 109	
Dividends paid	-4 084 261	-3 417 462	19
Income tax refund (paid)	-915 330	-685 974	19
Total cash flows from financing activities	-5 192 449	-4 064 679	
Total cash flows	-94 697	2 137 960	
Cash and cash equivalents at beginning of period	5 808 348	3 670 388	2
Change in cash and cash equivalents	-94 697	2 137 960	
Cash and cash equivalents at end of period	5 713 651	5 808 348	2

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)			
	31.12.2020	25 358	2 556	-5 697	6 814 470		
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	
Annual period profit (loss)	0	0	-43 741	5 682 624	0	5 638 883	
Changes through other contributions of owners	0	0	0	-271 018	-325 887	-596 905	
Declared dividends	0	0	0	-4 084 261	0	-4 084 261	
Other changes in equity	0	0	1 611	0	0	1 611	
31.12.2022	25 358	2 556	-43 946	11 458 612	0	11 442 580	

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 2022 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, IOOO SORAINEN i Partnery, Crespect OÜ and Crespect Investors Syndicate OÜ. 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)

	31.12.2022	31.12.2021
Settlement accounts	5 713 651	5 808 348
Total cash and cash equivalents	5 713 651	5 808 348

Note 3 Receivables and prepayments

(In Euros)

	31.12.2022	Within 12 months
Accounts receivable	5 009 404	5 009 404
Accounts receivables	5 173 299	5 173 299
Allowance for doubtful receivables	-163 895	-163 895
Tax prepayments and receivables	77 870	77 870
Loan receivables	8 505	8 505
Other receivables	348 874	348 874
Interest receivables	2 566	2 566
Dividend receivables	0	0
Accrued income	346 308	346 308
Prepayments	628 003	628 003
Deferred expenses	511 965	511 965
Other paid prepayments	116 038	116 038
Total receivables and prepayments	6 100 948	6 100 948
	31.12.2021	Within 12 months
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
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

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2022		31.12.2021	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	0	79 835	0	16 239
Value added tax	0	238 341	2 697	171 205
Personal income tax	0	73 579	0	61 101
Fringe benefit income tax	0	5 427	0	6 957
Social tax	0	135 742	0	121 369
Contributions to mandatory funded pension	0	6 239	0	5 177
Unemployment insurance tax	0	7 329	0	6 639
Other tax prepayments and liabilities	0	12 704	11 655	0
Prepayment account balance	77 870		15 442	
Total tax prepayments and liabilities	77 870	559 196	29 794	388 687

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 (%)	
				31.12.2021	31.12.2022
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	80	100
16557621	Crespect OÜ	Estonia		0	100
16633670	Crespect Investors Syndicate OÜ	Estonia		0	100

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	
31.12.2020						
Carried at cost	0	805 690	779 205	1 584 895	972 110	2 557 005
Accumulated depreciation	0	-720 828	-140 642	-861 470	-429 376	-1 290 846
Residual cost	0	84 862	638 563	723 425	542 734	1 266 159
Acquisitions and additions	87 164	190 126	7 372	284 662	449 525	734 187
Depreciation	-2 612	-82 489	-86 625	-171 726	-160 860	-332 586
Other changes	0	1 768	-2	1 766	-22 999	-21 233
31.12.2021						
Carried at cost	87 164	1 037 134	786 575	1 910 873	1 483 157	3 394 030
Accumulated depreciation	-2 612	-842 867	-227 267	-1 072 746	-674 757	-1 747 503
Residual cost	84 552	194 267	559 308	838 127	808 400	1 646 527
Acquisitions and additions	0	240 073	27 662	267 735	10 131	277 866
Depreciation	-13 217	-128 491	-87 542	-229 250	-175 605	-404 855
Other changes	-2	21 869	0	21 867	-21 702	165
31.12.2022						
Carried at cost	87 163	1 299 075	814 237	2 200 475	1 471 586	3 672 061
Accumulated depreciation	-15 830	-971 357	-314 809	-1 301 996	-850 362	-2 152 358
Residual cost	71 333	327 718	499 428	898 479	621 224	1 519 703

Note 7 Intangible assets

(In Euros)

				Total
	Development expenditures	Concessions, patents, licences, trademarks	Unfinished projects and prepayments	
31.12.2020				
Carried at cost	0	3 188 874	0	3 188 874
Accumulated depreciation	0	-2 847 166	0	-2 847 166
Residual cost	0	341 708	0	341 708
Acquisitions and additions	0	110 911	0	110 911
Depreciation	0	-109 160	0	-109 160
Other changes	0	154	0	154
31.12.2021				
Carried at cost	0	3 299 634	0	3 299 634
Accumulated depreciation	0	-2 956 021	0	-2 956 021
Residual cost	0	343 613	0	343 613
Acquisitions and additions	262 741	87 788	99 324	449 853
Additions via business combinations	262 741	0	0	262 741
Depreciation	0	-124 996	0	-124 996
Reclassifications	-262 741	0	0	-262 741
Other changes	0	-1	0	-1
31.12.2022				
Carried at cost	262 741	3 387 411	99 324	3 749 476
Accumulated depreciation	0	-3 081 007	0	-3 081 007
Residual cost	262 741	306 404	99 324	668 469

Note 8 Payables and prepayments

(In Euros)

	31.12.2022	Within 12 months
Trade payables	237 946	237 946
Employee payables	1 110 384	1 110 384
Tax payables	559 196	559 196
Other payables	197 293	197 293
Other accrued expenses	197 293	197 293
Prepayments received	356 936	356 936
Other received prepayments	356 936	356 936
Total payables and prepayments	2 461 755	2 461 755
	31.12.2021	Within 12 months
Trade payables	240 842	240 842
Employee payables	1 144 505	1 144 505
Tax payables	388 687	388 687
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

Note 9 Provisions

(In Euros)

	31.12.2021	Establishing/Adjustments	31.12.2022
	207 400	-99 638	107 762
	683	-9	674
Total provisions	208 083	-99 647	108 436
Including:			
Current	49 670	2 942	52 612
Other provisions	49 670	2 942	52 612
Non-current	158 413	-102 589	55 824
Other provisions	158 413	-102 589	55 824
	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

Note 10 Contingent liabilities and assets

(In Euros)

	31.12.2022	31.12.2021
Contingent liabilities		
Distributable dividends	9 369 889	8 309 018
Income tax liability on distributable dividends	2 044 777	1 820 433
Total contingent liabilities	11 414 666	10 129 451

Note 11 Share capital

(In Euros)

	31.12.2022	31.12.2021
Share capital	25 358	25 358
Number of shares (pcs)	4 025	4 025
Nominal value of shares	6.30	6.30

Note 12 Net sales

(In Euros)

	2022	2021
Net sales by geographical location		
Net sales in European Union		
Estonia	8 125 748	7 281 275
Other European Union net sales	8 800 305	7 781 982
Total net sales in European Union	16 926 053	15 063 257
Net sales outside of European Union		
Other net sales outside of European Union	3 221 010	3 004 282
Total net sales outside of European Union	3 221 010	3 004 282
Total net sales	20 147 063	18 067 539
Net sales by operating activities		
Legal services	17 491 660	15 849 616
Other	2 655 403	2 217 923
Total net sales	20 147 063	18 067 539

Note 13 Other operating income

(In Euros)

	2022	2021
Profit from exchange rate differences	16 372	11 662
Other	30 511	48 315
Total other operating income	46 883	59 977

Note 14 Goods, raw materials and services

(In Euros)

	2022	2021
Services purchased for resale	-1 157 583	-1 005 519
Leases	-586 336	-573 117
Other	-366 607	-211 105
Total goods, raw materials and services	-2 110 526	-1 789 741

Note 15 Miscellaneous operating expenses

(In Euros)

	2022	2021
Leases	-496 820	-426 510
Miscellaneous office expenses	-492 389	-155 013
Exploration and development expense	-841 521	-787 119
Travel expense	-143 657	-34 905
Training expense	-85 270	-56 939
Allowance for doubtful receivables	-55 316	-58 954
Other	-1 375 247	-1 574 714
Total miscellaneous operating expenses	-3 490 220	-3 094 154

Note 16 Operating lease

(In Euros)

Accounting entity as lessor

	2022	2021
Operating lease income	586 336	573 117

Accounting entity as lessee

	2022	2021
Operating lease expenses	-1 083 156	-999 627

Note 17 Labor expense

(In Euros)

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

Wage and salary expense: 3 306 481 EUR (2022); 3 255 064 EUR (2021)

Social security taxes: 1 138 442 EUR (2022); 1 088 256 EUR (2021)

Total labor expense: 4 444 923 EUR (2022); 4 343 320 EUR (2021)

Average number of employees in full time equivalent units: 82 (2022); 77 (2021).

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 31.12.2022, 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, Crespect Investors Syndicate OÜ and Crespect OÜ.

The total consolidated labor expense was the following: 7 632 283 EUR (2022); 6 569 011 EUR (2020). Average number of employees in full time equivalent units: 170 (2022); 154 (2021).

Note 18 Other financial income and expense

(In Euros)

	2022	2021
Profit (loss) from exchange rate differences	34 270	-10 070
Total other financial income and expense	34 270	-10 070

Note 19 Income tax

(In Euros)

Income tax expense components	2022		2021	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	4 084 261	915 330	3 417 462	685 974
Total	4 084 261	915 330	3 417 462	685 974

Note 20 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2022	31.12.2021
Receivables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 203 248	2 133 727
Total receivables and prepayments	2 203 248	2 133 727
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	10 222
Total payables and prepayments	0	10 222

LONG TERM	31.12.2022	31.12.2021
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	293 450	0
Total payables and prepayments	293 450	0

SOLD	2022	2021
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	5 681 060	5 195 040
Total sold	5 681 060	5 195 040

BOUGHT	2022	2021
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	748 023	877 697
Total bought	748 023	877 697

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2022	2021
Remuneration	374 023	419 531

Note 21 Non consolidated statement of financial position

(In Euros)

	31.12.2022	31.12.2021
Assets		
Current assets		
Cash and cash equivalents	4 773 750	4 409 700
Receivables and prepayments	5 491 196	4 740 705
Total current assets	10 264 946	9 150 405
Non-current assets		
Financial investments	699 751	263 298
Property, plant and equipment	545 058	555 777
Intangible assets	137 234	230 165
Total non-current assets	1 382 043	1 049 240
Total assets	11 646 989	10 199 645
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	491 982	0
Payables and prepayments	1 619 213	1 492 369
Provisions	52 612	49 670
Total current liabilities	2 163 807	1 542 039
Non-current liabilities		
Provisions	55 149	157 730
Total non-current liabilities	55 149	157 730
Total liabilities	2 218 956	1 699 769
Equity		
Issued capital	25 358	25 358
Statutory reserve capital	2 556	2 556
Retained earnings (loss)	4 369 154	3 136 879
Annual period profit (loss)	5 030 965	5 335 083
Total equity	9 428 033	8 499 876
Total liabilities and equity	11 646 989	10 199 645

Note 22 Non consolidated income statement

(In Euros)

	2022	2021
Revenue	14 561 961	14 352 196
Other income	31 039	48 270
Raw materials and consumables used	-581 341	-781 060
Other operating expense	-3 039 306	-2 797 418
Employee expense	-4 875 843	-4 662 157
Depreciation and impairment loss (reversal)	-227 476	-177 468
Other expense	-45 944	-19 727
Total operating profit (loss)	5 823 090	5 962 636
Other financial income and expense	-26 427	540
Profit (loss) before tax	5 796 663	5 963 176
Income tax expense	-765 698	-628 093
Annual period profit (loss)	5 030 965	5 335 083

Note 23 Non consolidated statement of cash flows

(In Euros)

	2022	2021
Cash flows from operating activities		
Operating profit (loss)	5 823 090	5 962 636
Adjustments		
Depreciation and impairment loss (reversal)	227 476	177 468
Total adjustments	227 476	177 468
Changes in receivables and prepayments related to operating activities	-718 299	-591 482
Changes in payables and prepayments related to operating activities	21 726	41 821
Total cash flows from operating activities	5 353 993	5 590 443
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-386 567	-588 937
Other cash payments to acquire subsidiaries	-5 000	0
Loans given	-797 355	0
Repayments of loans given	422 150	0
Other cash outflows from investing activities	-173 712	0
Total cash flows from investing activities	-940 484	-588 937
Cash flows from financing activities		
Loans received	1 000 000	0
Repayments of loans received	-199 500	0
Dividends paid	-4 084 261	-3 417 462
Income tax refund (paid)	-765 698	-628 093
Total cash flows from financing activities	-4 049 459	-4 045 555
Total cash flows	364 050	955 951
Cash and cash equivalents at beginning of period	4 409 700	3 453 749
Change in cash and cash equivalents	364 050	955 951
Cash and cash equivalents at end of period	4 773 750	4 409 700

Note 24 Non consolidated statement of changes in equity

(In Euros)

				Total
	Issued capital	Statutory reserve capital	Retained earnings (loss)	
31.12.2020	25 358	2 556	6 554 341	6 582 255
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
Annual period profit (loss)	0	0	5 030 965	5 030 965
Declared dividends	0	0	-4 084 261	-4 084 261
Other changes in equity	0	0	-18 547	-18 547
31.12.2022	25 358	2 556	9 400 119	9 428 033
Governing and material influence ownership interest value of financial position	0	0	-699 751	-699 751
Governing and material influence on the value Of holdings under the equity method	0	0	2 714 298	2 714 298
Restated non consolidated equity 31.12.2022	25 358	2 556	11 414 666	11 442 580