



Grant Thornton

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UAB „NEO Finance“
Verkių st. 25C-1, Vilnius
Lithuania

UAB „NEO FINANCE“
AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS OF 2017



Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF UAB "NEO FINANCE"

Opinion

We have audited the financial statements of UAB "Neo Finance" (the Company), which comprise the balance sheet as at December 31, 2017, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Company as at December 31, 2017, and its financial performance for the year then ended in accordance with the Law of the Republic of Lithuania on accounting and financial reporting, and Business Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the requirements of the Law on Audit of the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Law of the Republic of Lithuania on accounting and financial reporting and Business Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Grant Thornton Baltic UAB

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor, director
Genadij Makušev
Auditor's certification No. 000162

21 May, 2018
A. Goštautas str. 40B, Vilnius



Grant Thornton Baltic UAB
Audit company's certification No. 001445

UAB "NEO Finance"

**FINANCIAL STATEMENTS for the period that ended on
31 December 2017**

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UAB "NEO Finance"

Business identifier code: 303225546 Address: Verkių g. 25C-1, LT-08223 Vilnius.

Financial Statements for the period that ended on 31 December 2017

(all the sums are indicated in Euro, unless provided for otherwise)

Approved at the General Meeting of Shareholders
by Protocol no. ____ from ____ 2018

CONDENSED BALANCE SHEET

ASSETS		Note no.	Reporting period	Previous reporting period
A. FIXED ASSETS			1 270 834	448 613
1. Intangible assets		1	323 091	263 149
2. Tangible assets		2	17 303	19 193
3. Financial assets		3	628 049	
4. Other fixed assets		15	302 391	166 271
B. CURRENT ASSETS			1 032 251	790 727
1. Reserves			3 424	418
2. Accounts receivable within one year		4	238 369	223 636
3. Short-term investments				
4. Cash and cash equivalents		5	790 458	566 673
C. PREPAYMENTS AND ACCRUED INCOME			65	
TOTAL ASSETS:			2 303 150	1 239 340
EQUITY AND LIABILITIES		Note no.	Reporting period	Previous reporting period
D. EQUITY			757 690	278 329
1. Capital		6	1 921 503	975 000
2. Share premium			628 500	300 000
3. Revaluation reserve				
4. Reserves				
5. Retained profit (loss)		7	(1 792 313)	(996 671)
E. GRANTS AND SUBSIDIES				
F. PROVISIONS		8	102 798	49 838
G. ACCOUNTS PAYABLE AND OTHER LIABILITIES			1 441 624	910 319
1. Accounts payable after one year and other long-term liabilities		9	622 500	195 000
2. Accounts payable within one year and other short-term liabilities		9, 10	819 124	715 319
H. ACCRUALS AND DEFERRED INCOME			1 038	854
TOTAL EQUITY AND LIABILITIES:			2 303 150	1 239 340

Head of Administration

Aiva Remeikienė

Accounting Officer
Director of UAB "Finance United"

Sigitas Ertmanas

Date of Financial Statements
30 April 2017

UAB "NEO Finance"

Business identifier code: 303225546 Address: Verkių g. 25C-1, LT-08223 Vilnius.

Financial Statements for the period that ended on 31 December 2017

(all the sums are indicated in Euro, unless provided for otherwise)

Approved at the General Meeting of Shareholders
by Protocol no. ____ from _____ 2018**PROFIT AND LOSS STATEMENT**

No.	Items	Note no.	Reporting period	Previous reporting period
1.	SALES REVENUE	11	479 424	96 762
2.	COST OF SALES	12	(333 341)	(80 706)
3.	BIOLOGICAL ASSETS FAIR VALUE CHANGE			
4.	GROSS PROFIT (LOSS)		146 083	16 056
5.	Sales expenses	12	(355 757)	(489 155)
6.	General and administrative expenses	12	(690 212)	(483 113)
7.	Other operating results		(96)	(17)
8.	Income from investments in shares of parent, subsidiaries and associated entities			
9.	Income from other long-term investment and loans			
10.	Other interest and similar income	13		290
11.	The impairment of the financial assets and short-term investments			
12.	Interest and similar expenses	13	(31 780)	(10 056)
13.	PROFIT (LOSS) BEFORE TAX		(931 762)	(965 995)
14.	Income tax	14	136 120	133 244
15.	NET PROFIT (LOSS)		(795 642)	(832 751)

Head of Administration

Aiva Remeikienė

Accounting Officer
Director of UAB "Finance United"

Sigitas Ertmanas

Date of Financial Statements
30 April 2018

UAB "NEO Finance"

Business identifier code: 303225546 Address: Verkių g. 25C-1, LT-08223 Vilnius.

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Approved at the General Meeting of Shareholders

by Protocol no. ____ from _____ 2018

EXPLANATORY NOTE of 31 December 2017

I. GENERAL INFORMATION

UAB "NEO Finance" (hereinafter referred to as the "Company") was registered at the State Enterprise Centre of Registers on 21 January 2014. Company address: Verkių g. 25C-1, Vilnius, business identifier code: 303225546.

The authorized capital of the Company is 1,921,503 EUR, which is made up of 1,921,503 EUR of ordinary registered shares with a nominal value of 1 EUR. Shareholders of the Company: 77.89% – UAB "ERA CAPITAL", 9.61% – Russian citizen GRIGORY GUREVICH, 2.95% ASIAN PACIFIC GREEN ENERGY PTE. LTD, 4.19% – UAB "Value Capital", 0.70% – UAB "Elijos miestai", 0.70% – UAB "Arikesa", 3.96% – natural persons of the Republic of Lithuania.

The main activities of the Company: activities carried out by operators of a Peer-to-Peer Lending Platform, activities carried out by an Electronic Money Institution.

The Company has no subsidiaries, associated companies or joint ventures.

The Company has no branches and/or representative offices.

In 2017, there were 17 employees at the Company, and in 2016 – 12.

II. ACCOUNTING POLICY

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with the legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania, as well as the provisions of the Business Accounting Standards.

In accounting and when preparing financial statements, the Company follows the general accounting principles: of the Company, business continuity, periodicity, stability, monetary measure, accrual, comparison, prudence, neutrality and content importance.

The financial statements have been prepared based on the assumption that the Company has no intention or need to liquidate itself or to significantly reduce its operating scope.

(b) Intangible assets

Intangible non-current assets: identifiable non-material non-cash assets, which are expected to bring direct and/or indirect economic benefit to the Company during more than one year of use, and whose acquisition (production) cost is not less than EUR 100.

In accounting, intangible assets are recorded at the acquisition (production) cost. The acquisition cost of intangible assets is made up of the sum of money paid or to be paid for purchase of the assets, including customs duties and other non-recoverable taxes. The acquisition cost of assets also includes other direct costs of preparing the assets

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for the intended use. Costs of renewal and improvement of intangible assets incurred after the acquisition or creation of the assets are recognized as expenses during the reporting period in which they are incurred.

In the balance sheet, intangible assets are shown at their residual value, i.e. the acquisition/production cost minus the accrued depreciation and impairment.

Amortisation of intangible assets is calculated on a direct proportion (linear) basis over the entire useful life of the assets:

Software	3 years
Other intangible assets	4 years

(c) **Tangible fixed assets**

Tangible fixed assets of the Company are assets that provide direct and/or indirect economic benefit when used for more than one year and whose acquisition/production cost is not less than EUR 100, while the risks related to tangible assets are transferred to the Company.

In accounting, tangible fixed assets are recorded at the acquisition/production cost, which includes the sum of money paid or to be paid for purchase of the assets, the cost of delivery, paid non-recoverable taxes, costs for design, installation and other costs associated with the acquisition and preparation of these assets. The acquisition cost of tangible fixed assets does not include the non-refundable value added tax. It is recognized as operating expenses for the period, during which the assets were acquired.

The costs of reconstruction and repair of tangible fixed assets is recognized as expenses during the reporting period, when they were incurred.

Tangible fixed assets provided in the financial statements are estimated at the actual acquisition/production cost of the assets, minus the accrued depreciation and impairment.

The Company uses a directly proportional (linear) method of calculating the depreciation of tangible fixed assets. For different groups of tangible fixed assets, different depreciation norms are approved:

Groups of assets	Average useful life (in years)
Machinery and equipment	4 - 6
Vehicles	6 - 10
Other equipment, tools and devices	3 - 6
Other tangible assets	4

Depreciation of tangible fixed assets is calculated from the first day of the month following the month in which the assets were first used. Asset depreciation is not calculated from the first day of the month following its write-down, disposal or another type of transfer. The depreciated value of the assets is calculated by deducting from the acquisition/production cost of the assets the liquidation value, which equals EUR 1 for all items of tangible fixed assets.

Financial lease is a lease when, under the terms of the lease, all risks and benefits related to the ownership of the assets are basically transferred to the Company. The accounting of leased assets does not differ from the accounting of own assets. Interest and other borrowing-related costs are recognized as financial expenses during the period, in which they were incurred.

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Profit and loss arising from the disposal of the tangible fixed assets are calculated by comparing the income received with the book value of the assets. The result of the transaction is recognized in item of revenue and expenditure of another activity in the profit and loss statement.

The depreciated assets not used at the Company are written off. In the balance sheet, the tangible fixed assets that are no longer used for the company's operations and that are held for sale, are included in the reserve item.

At the end of each reporting year, the Company performs an inventory of its tangible fixed assets. The residual value of each individual asset is revised in order to determine its depreciation. If depreciation is observed, the recoverable amount of that asset is calculated. The recoverable amount is calculated as the higher of the two values: the net realizable value or the value in use of the asset. Loss due to asset impairment is accounted for, when the book value of the asset unit exceeds the recoverable amount. Impairment losses are accounted for in the profit and loss statement.

(d) Financial assets

Financial assets include cash and cash equivalents, receivables, loans granted and investments available for sale.

Financial assets are accounted for, when the Company receives or has the right to receive cash or other financial assets under an existing contract. Receivables are measured at acquisition cost minus the impairment losses. Cash and cash equivalents are measured at acquisition cost. Loans granted are initially accounted for at acquisition cost, and subsequently measured at amortised cost.

Investments available for sale are investments that the Company has acquired with a purpose of selling or in order to receive profit from short-term fluctuations in investment prices. Investments available for sale are measured at acquisition cost at the time of acquisition, and subsequently at fair value when preparing the financial statements.

If it is probable that the Company will not be able to recover its receivables, an impairment loss is recognised, which is calculated as the difference between the asset value and the current value of future cash flows discounted at the effective interest rate.

(e) Receivables

Receivables are recognised as such at the acquisition cost. Subsequently, short-term receivables are accounted for having assessed their impairment. A debt, whose due date has expired more than four months before the recovery procedure takes place, is considered doubtful. Impairment losses of doubtful debts accrued during the reporting period are recognised as operating costs. When redeeming previously recognised doubtful debts, the costs incurred during the reporting period are reduced.

A transaction on transfer of receivables/debts (factoring without a right of recourse) is considered as a sale of debts, and debts are written off immediately.

If the debt transfer transaction does not involve the transfer risk, and the buyer may cancel the transaction, the transaction is registered as a loan secured by a collateral.

(f) Cash and cash equivalents

Cash consists of money in bank accounts. Cash equivalents are liquid investments that are readily convertible to known amounts of cash. The term of such investments generally does not exceed three months, and the risk of changes in value is very insignificant.

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(g) Expenses of future periods

Expenses of future periods arise, when, during the reporting period and prior reporting periods, the Company has paid for the services of a continuous nature to be provided during the future periods, for which the amounts paid will be recognised as expenses in the subsequent reporting periods, when incurred.

(h) Equity and reserves

The Company's equity consists of paid-up part of the share capital, share premium, legal reserve, revaluation reserve and retained earnings/loss.

Ordinary registered shares are accounted for at their nominal value. The sum received for shares sold, higher than the nominal value of these shares, is accounted for as share premium. The costs associated with issue of new shares reduce the share premium. Profit and loss statement shall not include profit or loss received from sale, issue or cancellation of own shares.

According to the Law on Companies of the Republic of Lithuania, the legal reserve must make up 1/10 of the value of the authorised capital. Until the established size of the legal reserve is reached, the Company's deductions shall be at least 1/20 of the net profit. The part of the legal reserve exceeding the established size may be redistributed by dividing the Company's profit. The legal reserve, used to cover the losses of the Company, must be redrafted.

The item of retained earnings/loss shall include the earnings earned during the reporting period and earlier periods, but not yet retained, or uncovered loss.

Profit distribution in the Company's accounting is recorded, when the owners take a decision to distribute the profit, i.e. on the day of the shareholders' meeting, regardless of when it was earned.

(i) Financial liabilities

Financial liabilities are recorded in the accounting, when the Company assumes the obligation to pay in cash or to settle financial liabilities using other financial assets. Accounts payable for goods and services are measured at acquisition cost, i.e. at the value of the assets or services received. At the beginning, the loans are accounted for at the acquisition cost, and, subsequently, at amortised cost. Accrued interest is accounted for in the item of other payables.

Financial liabilities include accounts payable for goods and services received, loans and financial lease liabilities, as well as bonds.

Short-term liabilities are liabilities that must be settled within one year from the day when the balance sheet was drafted.

(-) Provision Accounting Policy

Provisions in the Company are formed for liabilities under reimbursable suretyship agreements. Reimbursable suretyship agreements are such agreements, whereby the guarantor is required to pay a specific loss incurred by the guarantee, resulting from the debtor's delayed and unpaid liabilities set out in the default conditions of the description of debt instruments. Such financial guarantees are provided to creditors.

On the day of granting the suretyship, the amount of expected loss due to the debtor's delayed and unpaid liabilities set out in the default conditions of the description of debt instruments is included in the accounting. The estimation of expected losses is based on the accrued historical information on similar transactions, the amount of losses incurred, and also taking into account the management's estimates.

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(-) Doubtful Debt Recognition Policy

Doubtful debts are a part of the investment, whose consumer credit agreements with consumers have been terminated. Consumer credit agreements are terminated under the grounds set out in Article 19 of the Law on Consumer Credit of the Republic of Lithuania. The value of such investments is determined at the lowest of these values: the price paid at the time of the loan purchase; or 60% of the value of the investment. The difference between the value of the investment and the price paid at the time of purchase, or 60% of the investment value, is recognised as an impairment loss.

(j) Sales revenue

Interest income and expenditure for all interest-bearing instruments are accounted for on the accrual basis.

Mediation fee income and other types of income are accounted for at the time, when the transaction is performed, i.e. based on the cash basis.

Other operating income include profits from the disposal of used fixed assets, as well as other income that is not related to the typical activities of the Company, but that are received from third parties, with the exception of financial operating income and extraordinary profit.

Financial income is the positive result of change in the exchange rate, interest received, fines and penalties paid by buyers, dividends received, reversal of impairment of investment value.

(k) Expenses

In the accounting, expenses are recognised based on the accrual and comparison principles during the reporting period, when related income is earned, irrespective of the time the money is spent. Expenses that are not related to earnings during the reporting period, but are intended to generate earnings in future periods, are accounted for and recorded in the financial statements as assets.

Cost of sales refers to the expenses incurred by the Company during the reporting period for services rendered during the reporting period. This item only includes the part of the costs related to the services sold during the reporting period.

General and administrative expenses reflect the expenses incurred during the reporting period that are related to the typical activity of the Company and that enable generation of earnings during the reporting period, but independent of the volume of sales of production output, goods and services. These costs are recognized, recorded in the accounting and presented in the financial statements for the same reporting period when they are incurred.

Other operating expenses include loss of sales of used fixed assets, as well as other expenses that are not related to the typical activity of the Company, but are incurred when earning other income.

Financial operating expenses are the negative result of the change in the exchange rate, the fines and interest paid, interest and liability charges related to financial debts, as well as the impairment of investments.

(l) Income tax and deferred income tax

The calculation of the income tax is based on the requirements of the Law on Corporate Income Tax of the Republic of Lithuania. In 2017, the tax rate applied to the Company was 15%.

Deferred income tax is accounted for using the liability method and is derived from the temporary differences between the book value of the assets or liabilities in the balance sheet and the tax base of those assets or liabilities included in the Company's financial statements. Deferred income tax is calculated on the basis of tax rates (and laws)

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that were approved or actually valid on the day of balance sheet drafting, and are expected to be effective when the deferred tax assets are realised or when the deferred tax liability is covered.

(m) Foreign currencies

All currency items in the balance sheet are presented in euro applying the exchange rate valid on the day of the balance sheet drafting. The assets purchased in foreign currencies accounted for at the acquisition cost, in the balance sheet, are measured in euro applying the exchange rate valid on the day of acquisition. Transactions in foreign currencies are measured in euros, at the exchange rate valid on the transaction day. The differences that arise when the amounts recorded in the currency items are paid at a different exchange rate are recognised as profit or loss of the reporting period.

(n) Accounting Estimates in Preparing Financial Statements

When preparing financial statements, the management shall make certain assumptions and estimates that affect the reported sums of assets, liabilities, income and expenses, as well as disclosure of uncertainties.

Future events may change the assumptions used in evaluations. The result of such changes in evaluations shall be accounted for in the financial statements as soon as it arises.

(o) Error Correction and Reclassification

The Company deems that an essential error is such error that accounts for more than 5% of the net profit of the reporting period.

If the information presented during the accounting year is otherwise classified, then the comparative year is also reclassified in order to render the figures comparable.

(p) Contingent Liabilities and Assets

Contingent liabilities are future liabilities that may arise from past events and which can be confirmed or denied by uncontrolled uncertain future events of the Company or existing liabilities arising from past events. They are not reflected on the balance sheet because the amount of such liabilities cannot be reliably determined and/or it is unlikely that these liabilities shall be met. Information about them is provided in the explanatory note.

Contingent Assets refer to assets that, due to uncontrolled events of the Company, may in the future be part of the Company and bring economic benefits to the Company. Information about the expected assets is provided in the explanatory note.

(q) Post Balance Sheet Events

Post Balance Sheet Events are those events that occur between the balance sheet drafting date and the date, when the financial statements are prepared, signed by the Head of the Company and submitted for approval.

Post balance sheet events that provide additional information about the Company's position on the day when the balance sheet is drafted (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are described in the notes, if significant.

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Financial Statements for the period that ended on 31 December 2017

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III. NOTES**1. Intangible fixed assets**

Indexes	Software	In total
Acquisition cost		
31 December 2015	153,427	153,427
Acquired	148,079	148,079
Written-off		---
Reclassifications		---
31 December 2016	301,506	301,506
Acquired	147,353	147,353
Written-off		---
Reclassifications		---
31 December 2017	448,859	448,859
Amortisation accrued		
31 December 2015	---	---
Estimated over the period	38,357	38,357
Written-off		---
Reclassifications		---
31 December 2016	38,357	38,357
Estimated over the period	87,411	87,411
Written-off		---
Reclassifications		---
31 December 2017	125,768	125,768
Book value		
31 December 2015	153,427	153,427
31 December 2016	263,149	263,149
31 December 2017	323,091	323,091

No signs of impairment of intangible fixed assets has been determined.

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Financial Statements for the period that ended on 31 December 2017

(all the sums are indicated in Euro, unless provided for otherwise)

2. Tangible fixed assets

Indexes	Other equipment, devices and tools	In total
Acquisition cost		
31 December 2015	1,930	1,930
Acquired	21,185	21,185
Written-off		---
Reclassifications		---
31 December 2016	23,115	23,115
Acquired	5,505	5,505
Written-off		---
Reclassifications		---
31 December 2017	28,620	28,620
Revaluation / depreciation		
31 December 2015	(20)	(20)
Revaluated (+) depreciated (-)		---
Depreciated over the period	3,902	3,902
31 December 2016	(3,922)	(3,922)
Revaluated (+) depreciated (-)		---
Depreciated over the period	7,395	7,395
31 December 2017	(11,317)	(11,317)
Depreciation accrued		
31 December 2015		---
Estimated over the period		---
Written-off (-)		---
From item to another item		---
31 December 2016	---	---
Estimated over the period		---
Written-off (-)		---
Reclassifications		---
31 December 2017	---	---
Book value		
31 December 2015	1,910	1,910
31 December 2016	19,193	19,193
31 December 2017	17,303	17,303

No signs of impairment of tangible fixed assets has been determined.

UAB "NEO Finance"

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3. Financial assets

	31/12/2017	31/12/2016
Investment activities debtors	745,906	---
Depreciation (-)	(117,857)	---
TOTAL:	628,049	---

4. Accounts receivable within one year

	31/12/2017	31/12/2016
Buyers' debts	1,009	---
Investment activities debtors	290,987	234,217
Depreciation (-)	(53,627)	(10,581)
TOTAL:	238,369	223,636

5. Cash

	31/12/2017	31/12/2016
Money in commercial bank accounts	562,001	531,019
Money at the Bank of Lithuania	228,457	35,654
TOTAL:	790,458	566,673

6. Structure of the authorised capital

Indexed	Number of shares	Amount
Structure of the share capital at the end of the financial year		
1. 1. According to the types of shares		
1.1. Ordinary shares	1 921 503	1 921 503
1.2. Preference shares		
1.3. Employees' shares		
1.4. Special shares		
1.5. Other shares		
TOTAL:	1 921 503	1 921 503
2. State or municipal capital		
3. Own shares owned by the company		
4. Shares owned by subsidiaries		

As of 31 December 2017, all shares have been paid.

The situation when the equity capital is less than ½ of the authorised capital, a decision shall be take in accordance with the procedure established in Article 38 of the Law on Companies of the Republic of Lithuania.

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(all the sums are indicated in Euro, unless provided for otherwise)

7. Profit distribution project

Items	Year	Sum
Retained result – profit/loss	31/12/2016	(996,671)
Net result for the financial year – profit/loss		(795,642)
Retained result – profit/loss	31/12/2017	(1,792,313)
Shareholders' contributions to cover losses		
Transfers from reserves		
Distributed profit		(1,792,313)
Profit distribution:		
to legal reserves		
to other reserves		
dividends		
other		
Undistributed result – profit/loss		(1,792,313)

8. Provisions

The Company forms reimbursable suretyship provisions ("Guarantee Fund" service) intended to cover the liabilities under the reimbursable suretyship agreements. At the end of the financial year, provisions made up EUR 102,798. At the end of the last financial year, provisions made up EUR 49,838.

9. Financial debts

	31/12/2017	31/12/2016
Long-term debts (from 2 to 5 years)	622,500	195,000
Loans received from affiliated undertakings	622,500	195,000
Short-term debts	132,231	101,186
Loans received from affiliated undertakings	132,231	101,186
TOTAL	754,731	296,186

10. Accounts payable within one year

	31/12/2017	31/12/2016
Advances received	300	240
Trade payables	77,735	54,386
Payroll liabilities	13,847	10,521
Vacation pay liabilities	8,755	10,103
Social security liabilities	8,568	6,612
Personal income tax liabilities	73	3,303
Income tax liabilities		
Customer money held at NEO Finance accounts	500,169	297,967
Customer money held at NEO Finance accounts – cash in transit	75,261	-
Owners' contributions to authorised capital		231,001
Other tax liabilities	1,183	
Other payables	1,002	
TOTAL:	686,893	614,133

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(all the sums are indicated in Euro, unless provided for otherwise)

11. Income

	2017	2016
Sales revenue	479,424	96,762
Revenue related to the issuance and processing of electronic money	8,816	1,410
Investment income	116,606	(857)
revenue related to peer-to-peer lending	354,002	96,209

12. Expenses

	2017	2016
Cost of sales	333,341	80,706
Cost of services rendered	333,341	80,706
Other expenses		
Sales expenses	355,757	489,155
Sales expenses	355,757	489,155
Other expenses		
General and administrative expenses	690,212	483,113
Salaries and social security	311,719	208,788
Guarantee Fund accrual costs	52,960	49,838
Audit expenses	3,993	2,420
Depreciation	94,807	42,259
Other expenses	226,733	179,808

13. Financial and investment activities

Income	-	290
Interest	-	290
Positive effect of exchange rates		
Expenses	(31,780)	(10,056)
Interest	(31,635)	(9,988)
Negative effect of exchange rates	(145)	(68)
Penalties		
Performance result	(31,780)	(9,766)

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14. Income tax expenses

	2017	2016
Profit before taxes	(931,762)	(965,995)
Income tax rate	15%	15%
Amount of increase in profit before tax	231,912	20,800
Amount of reduction in profit before tax	1,349	
Deductions for support		
Deducted operating loss amount (including taken over losses)		
Reduced amount of taxable profit due to investment		
Declared income tax payable to the budget	---	---
Change in taxable temporary differences between tax and financial statements	907,467	888,164
Deferred income tax expenses/income	(136,120)	(133,244)
Adjusted amount of profit tax returns of the previous year		
Income tax expenses/income	(136,120)	(133,244)
Effective income tax rate	---	---

15. Other fixed assets

	In 2017	In 2016
Deferred income tax assets	298,253	162,133
Other fixed assets	4,138	4,138
Total	302,391	166,271

16. Relations with executives and other related persons

In 2017, the Head of Administration was paid a salary of EUR 29,808 (in 2016: EUR 13,620). The Head of Administration has not received any other income, loan guarantees nor benefits.

17. Related persons

Related parties	Accounts payable		Accounts receivable	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Shareholders with a significant number of votes				
Parent company	133 547	205 186		
Subsidiaries				
Other affiliated persons	631 868	50 000	1 005	
Total	765 415	255 186	1 005	---
Related parties	Income received		Purchases	
	2017	2016	2017	2016
Shareholders with a significant number of votes				
Parent company			12 321	19 902
Subsidiaries				
Other affiliated persons	744		238 661	2 848
Total	744	---	250 982	22 750

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18. Rights and liabilities of the Company that are not specified in the balance sheet

Liabilities of the Company under the reimbursable suretyship agreement, as of 31 December 2017, amounted to EUR 1,381,864. The Company signs reimbursable suretyship agreements with the lenders who choose the "Guarantee Fund" service. On the basis of these agreements, the Company guarantees the lenders for proper performance of the obligations arising from consumer credit agreements.

The Company does not participate in legal proceedings, whose outcome could have a significant effect on the Company's financial position and/or financial results

19. Contingent Liabilities

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

20. Post Balance Sheet Events

Up to the day when the financial statements were drafted, the Company has had a reduced authorised capital of EUR 1,015,461, and losses recorded on the Company's balance sheet have been covered.

21. Off-balance sheet liabilities

By 31 December 2017, the Company, having acted as an operator of a Peer-to-Peer Lending Platform, and a consumer credit provider, has disbursed consumer credit funds for a total amount of EUR 11,513,562. As of 31 December 2017, the remaining outstanding part of credit amounted to EUR 8,866,304.

Head of Administration



Aiva Remeikienė

Accounting Officer
Director of UAB "Finance United"

Sigitas Ertmanas

Date of Financial Statements
30 April 2018