

# Annual report for the year ended 31 December 2021

Prepared in accordance with  
the Estonian financial reporting standard  
together with independent auditors' report  
Translation of the Estonian original

# Swaper Annual Report 2021

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## General information

Name of the company	<b>Swaper Platform OÜ</b>
Webpage	<b><a href="https://swaper.com">https://swaper.com</a></b>
Legal status of the company	<b>Private limited company</b>
Registry code	<b>14726410</b>
Registered address	<b>Viru väljak 2, 10111 Tallinn, Estonia</b>
Telephone	<b>+372 600 03 93</b>
E-mail address	<b><a href="mailto:info@swaper.com">info@swaper.com</a></b>
Board Member	<b>Indrek Puolokainen</b>
Financial year	<b>01.01.2021 - 31.12.2021</b>
Previous Financial year	<b>01.01.2020 - 31.12.2020</b>

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# Management report

## General description of Swaper Platform OÜ activities

Swaper Platform OÜ (hereinafter – the Company) operates Swaper peer-to-peer (P2P) loan platform (hereinafter – Swaper), <https://swaper.com>. The Company was established in August 2019, however Swaper platform has already been successfully operating since 2016. Swaper provides European platform users with the ability to earn interest by purchasing claim rights arising from short-term consumer loans issued by loan originators in Europe. Loans are first issued from the loan originator's own funds and placed on the platform; thereafter claim rights are assigned to platform users through cession agreements concluded with the Company (hereinafter – funding). Cession agreements can include a BuyBack clause stipulating that such loan claims that are in default for more than 30 days (60 days from February 2022) should be bought back from platform users. Thus, Swaper acts as an intermediary between platform users seeking stable return on their placed funds and loan originators looking for a reliable source of financing.

Company's main source of income are service fees charged to loan originators for placing the loans and for the related services provided by the platform, whereas platform users do not incur any fees for making investments by acquiring the claim rights.

## Financial results of the Company

During 2021 the Company developed its business and revenues reached EUR 2.15 million EUR and gross profit margin amounted to 28% (2020: 34%). Gross margin in 2021 slightly decreased as the Company continued to expand.

For 2021 earnings before interest, taxes, depreciation and amortization (EBITDA) amounts to 160 thousand EUR (2020: 95 thousand EUR) and Company generated a net profit of 114 thousand EUR (2020: 89 thousand EUR).

As at 31 December 2021 total amount of funds provided by platform users amounted to 12.22 million EUR (2020: 9.68 million EUR), which is the result of continued platform growth. During 2021 the Company actively cooperated with the loan originators to ensure stable financing flow towards platform users.

## Swaper P2P platform results

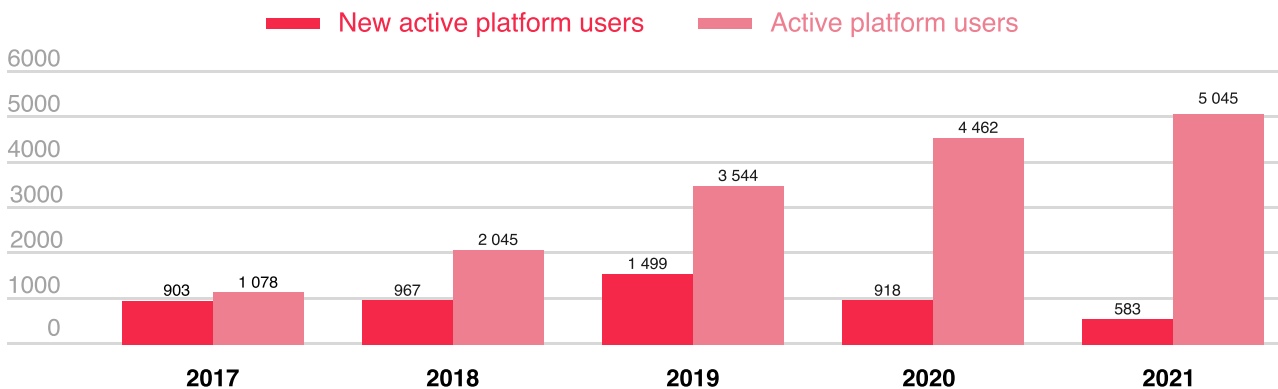
The Company introduced new and improved Auto-Invest strategies that make investing even easier to align Swaper's vision to make investing simple and repeatable. The interest calculator on the Swaper website and mobile application was updated with compound interest to show how investment grows with reinvested funds. We onboarded a new short-term loan product from our long-term loan originator - Wandoo Finance Group. The blog serves as a P2P learning space where we are constantly posting new topics to read and learn about. All these improvements are the beginning of adding new loan originators to the platform, but it is a relatively lengthy process as the Company goes through a thorough legal review and due diligence process to onboard suitable new loan originators.

The graphs below show the development of Swaper platform over the last five years using the following key metrics: active platform users, loans funded, and interest paid. Marketing activities, loan availability and cooperation with loan originators have contributed to the growth of the platform.

## Active Platform users at Swaper

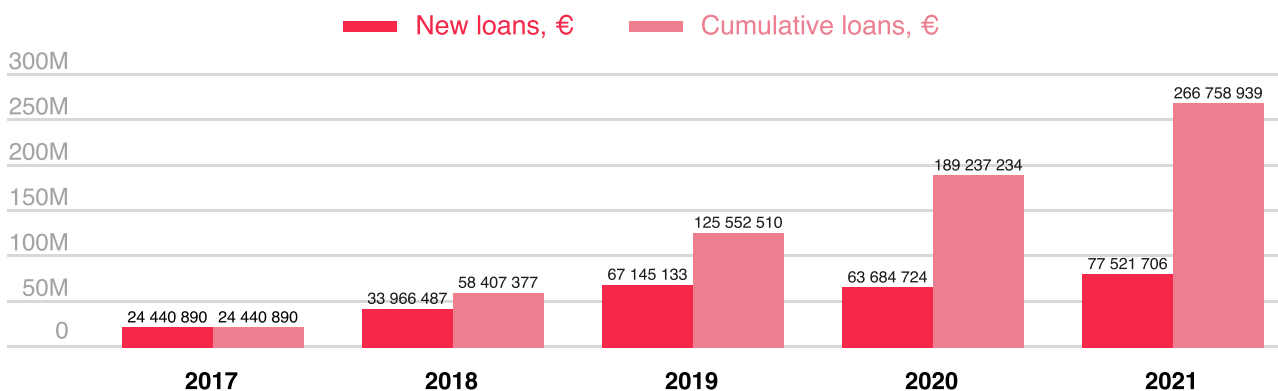
Swaper platform saw a yearly decrease in new active users by 36%. However, the total number of active platform users is stable and has increased by 13% compared to 2020.

The main reason for the decrease in the number of new active platform users was related to the insufficient supply (loan availability) on the platform, thus it was possible to partially satisfy the demand of platform users. One of the main focuses of the Company is the addition of new loan originators, which will improve the supply level on the platform and thus the Company will be able to meet the demand of existing platform users and work on attracting new ones.



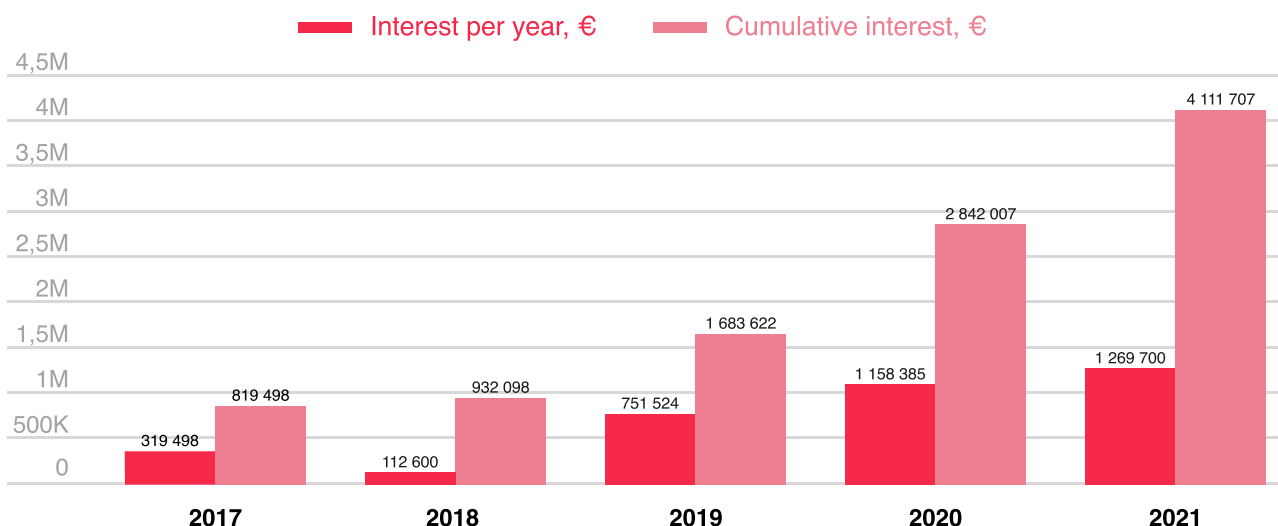
## Loans funded at Swaper

Total cumulative loans funded in 2021 reached 266.8 million EUR, which corresponds to 41% increase over the previous year. New loan placement volume in 2021 has increased by 22% compared to 2020.



## Interest paid at Swaper

Yearly interest paid in 2021 increased by 10%. By the end of 2021 cumulative interest increased by 45% and reached 4.1 million EUR.



## **Risk management**

The Company may face certain risks in the P2P and general business environment, which are actively managed by Swaper management.

### **Market and operational risk management**

The Company operations are not subjected to P2P-specific regulation or licensing; however, it is subjected to other legal requirements related to the nature of its business. Company's management has implemented strict internal policies and actively monitors the changing personal data protection, know your customer (KYC), anti-money laundering (AML) and other legal requirements, involving external counsel where required. Furthermore, the Company maintains a strong IT system for payment and data processing.

The Company's legal and compliance counsel is monitoring the upcoming licensing which Estonia is preparing to publish into law soon. Even though the final version of the regulation has not been published as of the date of these financial statements, the Company is enhancing and improving its policies and procedures to be aligned with all applicable laws.

### **Financial risk management**

Main financial instruments held by the Company are platform users' funds, loans received and issued, as well as cash balances. Main financial risks arising from the Company's operations are liquidity risk and credit risk.

The Company manages its liquidity and cash flow risk by maintaining sufficient cash balance and actively manages the future cash flow, which mainly includes forecasting the cash flow of platform users' funding and transactions with loan originators.

Credit risk management entails Company's activities to prevent financial losses which could arise in loan originators cannot fulfill their contractual obligations. This risk is mostly associated with the deterioration of the quality of the debts of their borrowers - natural persons, as a result of which loan originators delay payments. The Company maintains a close cooperation with loan originators and monitors their payment discipline.

Company's exposure to foreign currency risk is insignificant, as most transactions are recorded in EUR. The Company is not exposed to interest rate risk as all borrowings are with a fixed interest rate.

## **Future operations of the Company, goals and strategy**

The main goal of the Company is to continue increasing the number of loans offered for funding by onboarding more suitable loan originators. Another important focus is the development of the platform and maintaining the satisfaction of the platform users with the Swaper services. The Company's management is working to ensure that the platform users can enjoy stability and reliability of the platform, as well as to introduce additional technical features on the Swaper website and mobile application.

Company also plans to continue cooperate closely with the current and prospective loan originators and aims to introduce new service offerings to our platform users.



## Our response to COVID-19

During 2021 certain restrictions related to the spread of the COVID-19 were in force in Estonia and many other countries. COVID-19 has significantly reduced the overall economic activity in the countries of our platform users and loan originators in 2021 and preceding years.

Starting from 2020 the Company's management introduced daily cash flow monitoring procedures, which were aimed at ensuring that there are no delays in outstanding payments on Swaper platform. This was ensured by constantly monitoring the situation and payments between Swaper and loan originators.

Throughout 2021 and to date, BuyBack and interest payments to platform users are executed as usual and there are no delays in the services provided. Company's operating costs are low and remain stable. Company's management remains positive on the current outlook despite a potential wave of new restrictions to be introduced in the foreseeable future due to new Covid variants.

It cannot be excluded, however, that COVID-19 new variants and further restrictions imposed by the governments may lead to a further aggravation of the overall economy which in turn will have a negative effect on the loan originators, platform users and the Company. Management will continue to monitor the situation and address the impact of such events should they occur in the future.

## Impact of war in Ukraine

The war has had an impact on the economic markets in general, including in Europe, and due to the ongoing uncertainty, both our loan originators and platform users have become more cautious in their actions.

The Company has no cooperation with Russian, Ukrainian, or Belarusian companies, or platform users, nor has any transactions been made in Russian, Ukrainian, or Belarusian currencies. In addition, users of the Swaper platform are from Europe using EUR or GBP payment systems and are not affected by sanctions imposed on Russia, thus Swaper business operations are not affected by the war in Ukraine.

## Going concern

As at 31 December 2021 the Company's current liabilities exceeded its current assets by 4 088 951 EUR, which is an improvement by 646 729 EUR compared to 31 December 2020. It may indicate a potential uncertainty about Company's ability to continue a going concern as at this date. Reasons for this deficiency is related to the business model of the Company. Current liabilities mainly include funds received from the platform users which are used to acquire claim rights in short term loans placed on the platform. All loans placed on the platform are due for repayment up to 35 days. The BuyBack clause is defined in the cession agreements concluded with platform users. In case a loan, whose claim is subject to BuyBack, is delayed for 30 days (60 days from February 2022), the Company buys back the loan from platform users. These cession agreements remain in effect and the assignee (individual or legal entity who has bought such claim right) would still have a claim right against the borrower until the obligation arising from the cession agreement is fulfilled. Once the loan is repaid or bought back, these funds and earned interest are allocated to platform users and majority of funds are reinvested in new loans repeating the process.

Due to the revolving structure of such setup, all payments due to the platform users are disclosed under short term liabilities on the basis of the legal form of these liabilities. Only a fraction of funds will be eventually withdrawn in cash. Given the short-term legal nature of these liabilities and the fact that part of receivables from the loan originators are long term, this creates a working capital gap for the Company, especially in the first couple of years of its operations.

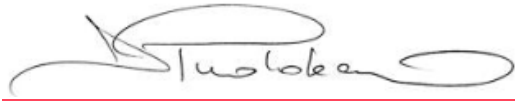
Working capital gap is expected to decrease over time and payment schedules with loan originators are structured in a way to ensure a sufficient liquidity in terms of available cash. Settlements with loan originators are structured under long term agreements. Payments are transferred as revolving structure between the Company and loan originators with the final settlement date beyond 12 months. As a result, these receivables are classified as long term based on their legal status at reporting date despite the fact that under the current revolving structure they are continuously used to settle Company's current liabilities.

## Events after the end of the financial year

On 05.01.2022 share capital of the Company was increased to 100 000 EUR.

We continued to improve the security of our systems by adding Two-Factor-Authentication functionality to Swaper login. Loan volumes continue to grow every month, offering platform users more opportunities, and in August new Terms of Use and Privacy Policy were introduced to offer new products to invest in.

By October 2022 the total number of active platform users has reached 5 568.

A handwritten signature in black ink, appearing to read 'Puolokainen', is written over a solid red horizontal line.

Member of the Board: **Indrek Puolokainen**

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# Financial Statements

## Statement of income

	EUR	EUR
	2021	2020
Net Sales <sup>2</sup>	2 147 089	1 939 989
Cost of sales <sup>3</sup>	(1 542 236)	(1 285 115)
<b>Gross profit</b>	<b>604 853</b>	<b>654 874</b>
Distribution cost <sup>4</sup>	(45 249)	(210 072)
Administrative expense <sup>5</sup>	(550 328)	(486 202)
Other operating income <sup>6</sup>	2	47 939
Other operating expense <sup>7</sup>	(15 874)	(7 377)
<b>Total operating profit</b>	<b>(6 596)</b>	<b>(838)</b>
Interest Income <sup>8</sup>	142 289	161 330
Interest expense <sup>9</sup>	(21 215)	(71 513)
<b>Profit before income tax</b>	<b>114 478</b>	<b>88 979</b>
<b>Net profit for the reporting year</b>	<b>114 478</b>	<b>88 979</b>

## Statement of financial position

<b>ASSETS</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Non - Current Assets</b>	<b>EUR</b>	<b>EUR</b>
Intangible assets <sup>11</sup>	1 277 637	1 485 513
Property, plan and equipment <sup>12</sup>	2 630	1 582
Receivables and prepayments <sup>13</sup>	4 466 041	4 799 654
<b>Total Non - Current Assets</b>	<b>5 746 308</b>	<b>6 286 749</b>
<b>Current Assets</b>		
Receivables and prepayments <sup>13</sup>	7 041 216	4 792 327
Cash and cash equivalents <sup>14</sup>	1 290 584	413 121
<b>Total Current Assets</b>	<b>8 331 800</b>	<b>5 205 448</b>
<b>TOTAL ASSETS</b>	<b>14 078 108</b>	<b>11 492 197</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital <sup>15</sup>	2 500	2 500
Retained earnings	493 212	404 233
Profit for the reporting year	114 478	88 979
<b>TOTAL EQUITY</b>	<b>610 190</b>	<b>495 712</b>
<b>Liabilities</b>		
<b>Non - Current Liabilities</b>		
Loan liabilities <sup>16</sup>	1 047 167	1 055 357
<b>Total Non - Current Liabilities</b>	<b>1 047 167</b>	<b>1 055 357</b>
<b>Current Liabilities</b>		
Loan liabilities <sup>16</sup>	8 889 767	7 480 509
Payables and prepayments <sup>17</sup>	3 530 984	2 460 619
<b>Total Current Liabilities</b>	<b>12 420 751</b>	<b>9 941 128</b>
<b>TOTAL LIABILITIES</b>	<b>13 467 918</b>	<b>10 996 485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14 078 108</b>	<b>11 492 197</b>

# Notes to the Financial Statements

## 1. Accounting policies

### Corporate and business information

Swaper Platform OÜ provides European platform users with the ability to earn interest by purchasing claim rights arising from short-term consumer loans issued by loan originators in Europe. Loans are first issued from the loan originator's own funds and placed on the platform; thereafter claim rights are assigned to platform users through cession agreements concluded with the Company (hereinafter – funding). Cession agreements can include a BuyBack clause stipulating that such loan claims that are in default for more than 30 days (from February 2022 – 60 days) should be bought back from platform users. Thus Swaper acts as an intermediary between platform users seeking stable return on their placed funds and loan originators looking for a reliable source of financing.

2021 is the third year of Company's operations, however Swaper platform has already been successfully operating since 2016.

The financial statements of Swaper Platform OÜ have been prepared in accordance with the Estonian financial reporting standard. The Estonian financial reporting standard is based on International Financial Reporting Standard (SME), the main requirements of which are established in the Accounting Act and which are supplemented by the guidelines issued by the Accounting Standards Board.

The financial statements are prepared on a historical cost basis. The monetary unit used in the financial statements is the euro (EUR). Financial statements cover the period 1 January 2021 through 31 December 2021.

Comparative numbers cover the period 1 January 2020 through 31 December 2020.

The Company has prepared a small companies' abridged financial statements. Company continues to operate.

### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

### Cash

Cash and cash equivalents comprise cash at bank and are recognised at their fair value.

### Foreign currency transactions and assets and liabilities in foreign currency

The functional and presentation currency of the Company is the euro (EUR), the monetary unit of the Republic of Estonia. Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year. The differences arising on settlements of transactions or on reporting foreign currency transactions at rates different from those at which these transactions have originally been recorded are netted in the statement of income.

## Receivables and prepayments

Trade receivables, as well as other short-term and long-term receivables are recognized and carried at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when recovery is deemed impossible.

## Tangible fixed assets and Intangible assets

### Intangible assets

Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

### Goodwill

Goodwill arising upon acquisition of a business is recognized at the cost as at the date of acquisition less any impairment loss. Based on the management's decision, goodwill is amortized over 10 years starting from the date of recognition.

### Computer software

Computer software comprises of acquired intangible assets relating to P2P platform applications and IT infrastructure. Based on the management's decision, computer software is amortized over 5 years starting from the date of recognition.

### Tangible fixed assets

Tangible fixed assets are assets that the company uses in the course of its business for more than one year.

Tangible fixed assets are recorded at acquisition cost, which is the money paid for the acquisition of the asset (or during construction) or the fair value of the consideration given in cash and the fair value of the consideration given or consideration received to settle the obligation. Later repair costs are added to the cost of property, plant and equipment only to the extent that they comply with property, plant and equipment definition and balance sheet recognition criteria. Expenses related to current maintenance and repairs are expensed as incurred.

Depreciation is calculated on a straight-line basis. Property, plant and equipment are depreciated over 3-5 years from the date of recognition.

Minimum level of recognition of fixed assets: 300 EUR

Useful life by group of fixed assets (years)

Fixed assets group	Useful life
Inventory	3
Computers	3

## Loans and borrowings

All loans issued and borrowings received are initially recognized at cost, being the fair value of the consideration received or paid, net of issue costs associated with the borrowing.

After initial recognition loans and borrowings are carried at adjusted cost. When applying the adjusted cost method loans are recognized in the statement of financial position at their acquisition cost, adjusted if necessary, by the following amounts:

- principal repayments (for example, in the case of a loan taken out or granted);
- interest calculated and paid;
- possible impairment due to impairment or improbability to collect the loans issued (for doubtful receivables).

When a loan or borrowing is removed from statement of financial position, the difference between the carrying amount of the asset or liability and the consideration paid for it is recognized in the income of statement as income or expense.

## Net sales

Net sales is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. Revenue is recognized in the period when the services are rendered.

The Company earns revenue from agreements signed with loan originators. In accordance with the agreements Company earns a fixed percentage of each loan placed on the platform. Furthermore, the Company also earns commission and discount fees in case the loans placed on platform are repaid by the original borrowers. These fees are calculated once per month and billed quarterly.

## Expenses

Expenses are recognized on accrual basis. Expenses are recognized net of the amount of value added tax. In certain situations value added tax incurred on a services received or calculated in accordance with legislation requirements is not recoverable in full from the taxation authority. In such cases value added tax is recognized as part of the related expense item as applicable. The same principles are applied if value added tax is not recoverable on acquisition an asset.

## Corporate income tax

According to the Income Tax Act currently in force in Estonia, the companies registered in Estonia shall not pay income tax on earned profits. The companies pay income tax on profits distributed as dividends or other profit distributions, including payments made from equity which exceed the monetary and non-monetary contributions made into the equity of the company when they are paid out either in monetary or non-monetary form. Based on the mentioned Act, the profits distributed by the company as dividends and in another form shall be subject to income tax at the rate of 20/80 from the payment made.

## Related parties

Parties are deemed to be related if one party has control over the other party or significant influence over the business decisions of the other party.



## **Transactions with loan originators and platform users in P2P platform**

The Company has signed agreements with loan originators who place their issued loans on the P2P platform. The agreements are in force for indefinite term.

Platform user claim rights are established through cession agreements concluded between the Company, as the cedent, and individual platform users as the cessionaries. P2P platform users are entitled to receive interest and principal cash flows from loan issued by the loan originators proportionally to their principle claim in these loans.

Cession agreements include recourse rights which establish the Company should make full repayment of funds by the platform users in case of default of loan originator's borrower (BuyBack). In case the Company performs BuyBack, platform users shall be entitled to receive respective compensation from the Company.

### **Revenue and receivables of P2P platform**

P2P platform commissions fees comprise Net sales and are fees charged by the Company to loan originators for servicing the loans placed on the platform. Commission amount is determined on the basis of the number of loans placed and repaid. In accordance with agreements signed with loan originators settlements might occur on prepayment basis.

Accounts receivable corresponds to the due payments from loan originators, including cases where BuyBack has occurred and the related payment made by the Company is not yet reimbursed by loan originators.

### **Funding attracted through P2P platform**

Liabilities arising from platform users' funding attracted are initially recognized at cost, being the fair value of the consideration (cash) received from platform users and shown as other payables.

Cession agreements concluded are recognized at cost, being the value of the price paid (i.e. funds placed) in a specific loan that is available on the platform and are disclosed as loan liabilities. After initial recognition ceded claims are subsequently measured at acquisition cost adjusted for repayments and interest calculated. Interest expense calculated for the ceded share is being shown under Cost of sales.

## **Subsequent events**

Post-year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

## 2. Net Sales

<b>Net sales by operating activities</b>	<b>2021</b>	<b>2020</b>
Commission income	2 147 089	1 939 989
<b>Total</b>	<b>2 147 089</b>	<b>1 939 989</b>

Commission income comprises fees charged to loan originators for loans placed and maintained on the P2P platform.

<b>Net sales by geographical location</b>	<b>2021</b>	<b>2020</b>
Poland	1 799 460	1 733 528
Spain	347 629	206 333
Denmark	-	128
<b>Total net sales in European Union</b>	<b>2 147 089</b>	<b>1 939 989</b>

## 3. Cost of sales

	<b>2021</b>	<b>2020</b>
Interest expenses for loans from P2P platform users	1 261 553	1 186 898
Trademark license costs	25 686	23 280
IT service costs	21 932	20 145
Labor expenses <sup>10</sup>	232 417	53 496
Rent expenses	648	1 296
<b>Total</b>	<b>1 542 236</b>	<b>1 285 115</b>

Interest expenses represents P2P platform users' revenues and the fees accrued to the platform users for their funding in the loans available on the platform.

## 4. Distribution expense

	<b>2021</b>	<b>2020</b>
Advertising expenses	40 771	203 820
Investor rewards expense	4 478	6 252
<b>Total</b>	<b>45 249</b>	<b>210 072</b>

**5. Administrative expense**

	2021	2020
Amortization and depreciation <sup>11 12</sup>	209 317	239 022
Legal and other professional services	332 534	233 911
Bank charges	3 990	5 780
Employee training expenses	220	228
Other administrative expenses	4 267	7 261
<b>Total</b>	<b>550 328</b>	<b>486 202</b>

**6. Other operating income**

	2021	2020
Currency exchange gain, net	-	15 598
Other operating income	2	32 341
<b>Total</b>	<b>2</b>	<b>47 939</b>

**7. Other operating expense**

	2021	2020
Fines, penalties and compensations	31	92
Currency exchange loss, net	14 105	-
Other operating expenses	1 737	7 285
<b>Total</b>	<b>15 873</b>	<b>7 377</b>

**8. Interest income**

	2021	2020
Interest income from loans issued	142 289	161 330
<b>Total</b>	<b>142 289</b>	<b>161 330</b>

**9. Interest expense**

	2021	2020
Interest expense from loans received	21 215	71 513
<b>Total</b>	<b>21 215</b>	<b>71 513</b>

**10 . Labor expense**

	2021	2020
Wages and salaries	171 442	42 144
Social security taxes	53 240	11 215
Accrued vacation pay expenses	7 735	137
<b>Total</b>	<b>232 417</b>	<b>53 496</b>

**Number of employees**

	2021	2020
Average number of employees in full time equivalent units	3	2
Average number of employees by types of employment:		
• Person employed under employment contract	3	2
• Member of management or controlling body of legal person	1	1

**11. Intangible assets**

	Goodwill	Computer software	Total
<b>2020</b>			
Amortization	(151 464)	(59 000)	(210 464)
Impairment	(28 222)	-	(28 222)
<b>31.12.2020</b>			
Carried at cost	1 516 990	295 000	1 811 990
Accumulated amortization and impairment	(242 894)	(83 583)	(326 477)
<b>Residual cost 31.12.2020</b>	<b>1 274 096</b>	<b>211 417</b>	<b>1 485 513</b>
<b>2021</b>			
Amortization	(148 876)	(59 000)	(207 876)
<b>31.12.2021</b>			
Carried at cost	1 516 990	295 000	1 811 990
Accumulated amortization and impairment	(391 770)	(142 583)	(534 353)
<b>Residual cost 31.12.2021</b>	<b>1 125 220</b>	<b>152 417</b>	<b>1 277 637</b>

Goodwill arises due to acquisition of Swaper business and represents the difference between the fair values of assets acquired and liabilities assumed. It represents the future economic benefits arising from the assets acquired the business combination that are not individually identified and separately recognized. In 2020, Goodwill was impaired by 28 222 EUR. The adjustment was due to the acquisition of assets and liabilities incurred difference. Goodwill is decreased by the above amount.

**12. Property, plant and equipment**

	Computers and computer systems	Total
<b>2020</b>		
Acquisitions and additions	1 918	1 918
Depreciation	(336)	(336)
<b>31.12.2020</b>		
Carried at cost	1 918	1 918
Accumulated depreciation	(336)	(336)
<b>Residual cost 31.12.2020</b>	<b>1 582</b>	<b>1 582</b>
<b>2021</b>		
Acquisitions and additions	2 489	2 489
Depreciation	(1 441)	(1 441)
<b>31.12.2021</b>		
Carried at cost	4 407	4 407
Accumulated amortization and impairment	(1 777)	(1 777)
<b>Residual cost 31.12.2021</b>	<b>2 630</b>	<b>2 630</b>

**13. Receivables and prepayments**

		Allocation by remaining maturity	
	31.12.2021	within 12 months	1 - 5 years
Trade receivables	1 780 864	1 780 864	-
Trade receivables	1 780 864	1 780 864	-
Other receivables	4 893 541	427 500	4 466 041
Loan receivables	4 640 652	427 500	4 213 152
Accrued interest	252 889	-	252 889
Prepayments	4 832 852	4 832 852	-
Other prepayments	4 832 852	4 832 852	-
<b>Total</b>	<b>11 507 257</b>	<b>7 041 216</b>	<b>4 466 041</b>

		Allocation by remaining maturity	
	31.12.2020	within 12 months	1- 5 years
Trade receivables	1 526 883	1 526 883	-
Trade receivables	1 526 883	1 526 883	-
Other receivables	5 227 154	427 500	4 799 654
Loan receivables	5 068 894	427 500	4 641 394
Accrued interest	158 260	-	158 260
Prepayments	2 837 944	2 837 944	-
Other prepayments	2 837 944	2 837 944	-
<b>Total</b>	<b>9 591 981</b>	<b>4 792 327</b>	<b>4 799 654</b>

Loan receivables final term is 31.12.2024 and interest at 2,79% is to be paid in yearly tranches next due 31.12.2022.

Trade receivables and Other prepayments made includes receivables from loan originators.

	31.12.2021	31.12.2020
Receivables from loan originators	6 613 716	4 364 827
<b>Total</b>	<b>6 613 716</b>	<b>4 364 827</b>

**14. Cash and cash equivalents**

	31.12.2021	31.12.2020
Cash at bank	1 290 584	413 121
<b>Total</b>	<b>1 290 584</b>	<b>413 121</b>

**15. Issued capital**

	31.12.2021	31.12.2020
Issued capital	2 500	2 500
Number of parts	1	1

**16. Loan liabilities**

	31.12.2021	within 12 months	1- 5 years	Rate	Base currency	Term
Funding attracted through peer-to-peer platform	8 817 851	8 817 851	-	14-16%	EUR	
Accrued funding interest expenses	71 916	71 916	-	-	EUR	
Other loans received	1 047 167	-	1 047 167	2%	EUR	31.12.2025
<b>Total</b>	<b>9 936 934</b>	<b>8 889 767</b>	<b>1 047 167</b>			

	31.12.2020	within 12 months	1- 5 years	Rate	Base currency	Term
Funding attracted through peer-to-peer platform	7 400 159	7 400 159	-	14-16%	EUR	
Accrued funding interest expenses	80 350	80 350	-	-	EUR	
Other loans received	1 055 357	-	1 055 357	4%	EUR	31.12.2025
<b>Total</b>	<b>8 535 866</b>	<b>7 480 509</b>	<b>1 055 357</b>			

Funding attracted through peer-to-peer platforms bears an annual interest rate of 14-16% and is repayable in accordance with the terms of respective cession agreements (liabilities term 30-35 days).

**17. Payables and prepayments**

	31.12.2021	31.12.2020
Trade payables	79 020	137 757
Employee payables <sup>18</sup>	20 894	3 947
Tax payables <sup>19</sup>	26 257	29 103
Other payables	3 404 770	2 289 416
<b>Prepayments received</b>	<b>43</b>	<b>396</b>
Other received prepayments	43	396
<b>Total</b>	<b>3 530 984</b>	<b>2 460 619</b>

Other payables represent P2P platform users' funds that are received by the Company and are not yet invested in loans available in the platform.

All payables and prepayments are due within 12 months.

**18. Employee payables**

	31.12.2021	31.12.2020
Salary payable	9 403	2 806
Accrued unused vacation	11 491	1 141
<b>Total</b>	<b>20 894</b>	<b>3 947</b>

**19. Tax liabilities**

	31.12.2021	31.12.2020
Value added tax	14 735	24 921
Personal income tax	3 067	821
Social tax	7 664	3 159
Contributions to mandatory funded pension scheme	327	92
Unemployment insurance tax	393	110
Withholding tax	71	-
<b>Total</b>	<b>26 257</b>	<b>29 103</b>



## 20. Related parties

	31.12.2021		31.12.2020	
	Receivables	Liabilities	Receivables	Liabilities
<b>Related party balances according to groups</b>				
Legal persons with material ownership interest and material influence of management and higher	-	792	-	-
<b>Purchases and sales of goods and services</b>		<b>2021</b>		<b>2020</b>
Legal persons with material ownership interest and material influence of management and higher		792		1 584
<b>Remuneration and other significant benefits calculated for members of management and highest supervisory body</b>		<b>2021</b>		<b>2020</b>
Remuneration		77 801		9 609

## 21. Events after the reporting date

On 05.01.2022 share capital of the Company was increased to 100 000 EUR.

By October 2022 the total number of active platform users has reached 5 568.

As of the last day of the reporting year until the date of signing these financial statements there have been no other events requiring adjustment of or disclosure in the financial statements or notes thereto.

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## Signatures

Date of completion of the Annual Report is: XX.10.2022.

The correctness of information in the annual report of Swaper Platform OÜ (registry code: 14726410) of 01.01.2021 - 31.12.2021 has been confirmed by:

Name of the signatory	Role of the signatory	Role of the signatory
<b>Indrek Puolokainen</b>	<b>Member of the Board</b>	 <b>XX.10.2022</b>

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## INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Swaper Platform OÜ

*translation of Estonian original*

### Opinion

We have audited the financial statements of Swaper Platform OÜ (the Company), which comprise the statement of financial position as at 31 December 2021, 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, the financial position of the Company as at 31 December 2021, and its financial performance for the year then ended in accordance with Estonian financial reporting.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). 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 Code of Ethics for Professional Accountants (Estonia), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Other matter

Without modifying our opinion, we draw attention to the fact that the financial statements prepared as of 31. December 2020 were audited by OÜ Auditörbüroo PROFITIUS' certified auditor Kaja Loog, who as a result issued an unqualified independent auditor's report.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Assertum Audit OÜ**  
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Audiitorettevõtja nr: 62

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*Assertum Audit OÜ is a member firm of JPA International. JPA is the brand used by a network of independent accounting and advisory firms each of which practices in its own right.*

## **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 Estonian financial reporting standard, and for such internal control as management determines is necessary to enable the preparation of 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 (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional skepticism 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 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.

*Estonian original signed digitally*

Sergei Tšistjakov

*Certified Public Accountant*

*auditor's certificate number: 481*

Assertum Audit OÜ

*Auditing Activities' Permission number: 62*

Lõõtsa 6,  
Tallinn 11415  
Estonia

21 October 2022