

Consolidated Annual Report

31 December 2020



SORAINEN

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

CONSOLIDATED ANNUAL REPORT

Beginning of financial year: 01.01.2020

End of the financial year: 31.12.2020

Business name: Advokaadibüroo SORAINEN AS

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Audit: Audiitorteenuse OÜ

Attached documents: Independent auditor's report

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MANAGEMENT REPORT

25 years of helping clients succeed in business

Four offices, one team

We are a fully integrated international business law firm with offices in Estonia, Latvia, Lithuania and Belarus



15,000+ clients, one approach

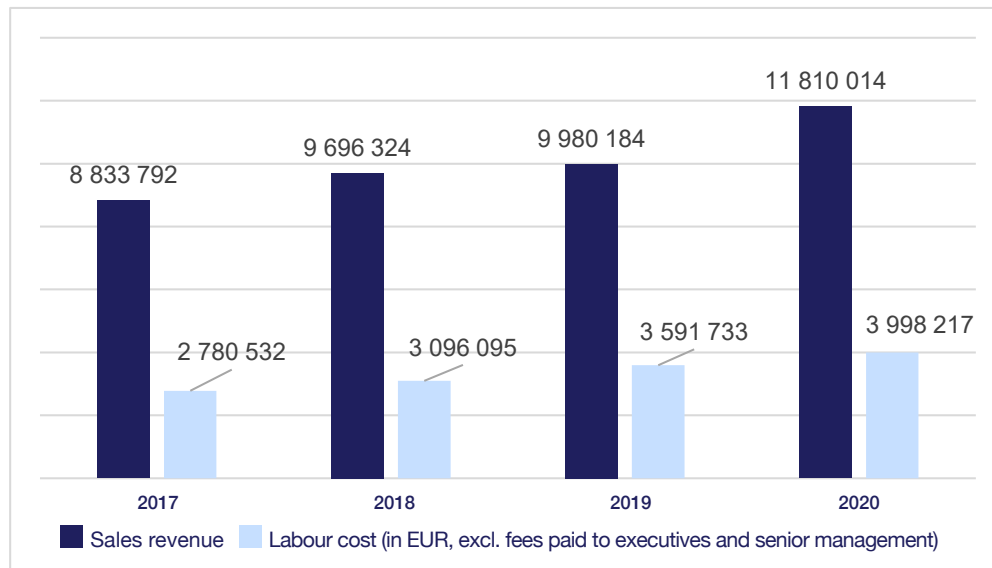
A strong partner for local and international businesses



Diverse team, one purpose

Our core purpose is to increase prosperity in the Baltic States and Belarus by helping our clients succeed in business

PROUD MOMENTS OF 2020



- **Quarter of a century of constant growth.** We have been growing organically since the firm was founded in 1995. Despite an uncertain economic environment, we saw record turnover in 2020.
- **Celebrating our 25th birthday in September 2020.** We celebrated our quarter-century with a series of online events focused on our core values: client focus, innovation, teamwork and our people. All of the Sorainen team were present, as well as over 1,000 guests from Singapore to the USA.



- **The best law firm in Estonia and the Baltics according to clients – Prospera no 1.** Improving client feedback and satisfaction has been at the core of our strategy for years. We aim to increase prosperity in the Baltic States and Belarus by helping clients succeed in business. We were ranked first in the Baltics in the Kantar Sifo Prospera survey 2020, which measures satisfaction with law firms. In Estonia, we ranked first for the second time in a row.



- **Prompt legal advice for businesses during the COVID-19 health crisis.** On 13 March 2020, a day after the emergency situation was declared in Estonia, we launched our international COVID-19 Solutions service line. We put together a dedicated Task Force and shared free-of-charge legal advice with thousands of participants, and collaborated with a number of organisations (the American Chamber of Commerce in Estonia, the British-Estonian Chamber of Commerce, the Estonian Chamber of Commerce and Industry, the Estonian Employers’ Confederation, and rural development centres).

- **EUR 100,000 worth of pro bono legal advice.** In all four countries, we launched our Shared Mission programme and provided EUR 100,000 worth of pro bono legal services for projects helping to solve issues related to COVID-19. More than 40 of our lawyers across Estonia, Latvia, Lithuania and Belarus provided over 600 hours of legal services free of charge.



- **An innovative law firm. Our IT solutions in 2020:**
 - o Jarvis. We started tracking our sales electronically using Jarvis – a client and project management software we developed ourselves. In addition, we added functions for regulating workload and preventing money laundering.
 - o Green Meadow Document Drafter. This software for automating documents helps our lawyers to work more efficiently and to offer innovative services to our clients.
 - o FitekIN. We started using the online purchase invoice administration tool, which allows us to confirm purchase invoices, allocate costs and automate different processes more easily.
 - o xLaw. In collaboration with ExtendLaw, we are creating a database of contract clauses, which makes work even faster for our legal assistants and lawyers.
 - o iKnow. We created an e-coaching platform for our new employees. The platform gives flexible options for learning about our organisation’s culture and policies through online lectures and tests. Our plan is to keep developing iKnow to make the learning process more accessible and compelling for all of our employees.
 - o Sage HR. In order to decrease the administrative workload and improve data analysis in HR, we are preparing to implement the cloud-based programme Sage HR. Operations related to employees joining and leaving, and to providing information about anniversaries, will be automated. On their mobile, employees will be able to see what kind of data has been collected about them, keep track of their vacation days, and even apply for vacations.

- We launched new services

- 💡 Compliance
- 💡 COVID-19 Solutions
- 💡 Leading counsel's service

- 💡 INTERPOL and EUROPOL
- 💡 Private client
- 💡 Contract lawyers in Lithuania

RECOGNITION

Awards received in 2020:

- Prospera client satisfaction survey: the best law firm in Estonia, and in the Baltics overall
- IFLR1000 “Baltic Law Firm of the Year”
- International Tax Review “Baltic States Tax Firm of the Year”
- Remote Work Prize 2020
- Responsible Business Forum of Estonia, Gold Mark

Individual recognition:

- Who's Who Legal “WWL: Arbitration”: Maria Pihlak and Carri Ginter
- The Global Arbitration Review “GAR 100”: Maria Pihlak and Carri Ginter
- Chambers Fintech: Kätlin Krisak
- Chambers Global 2020: Aku Sorainen, Allar Jöks, Carri Ginter, Jane Eespõld, Kadri Härginen, Karin Madisson, Kaupo Lepasepp, Paul Künnap, Piibe Lehtsaar, Piret Jesse, Toomas Prangli
- Legal 500: Allar Jöks, Carri Ginter, Cathriin Torop, Jane Eespõld, Karin Madisson, Kaupo Lepasepp, Kärt Anna Maire Kelder, Mihkel Miidla, Paul Künnap, Piibe Lehtsaar, Piret Jesse, Tanel Molok, Toomas Prangli
- IFLR 1000: Karin Madisson, Kaupo Lepasepp, Paul Künnap, Piret Jesse, Toomas Prangli
- IFLR1000 “Women Leaders Guide” – elite ranking of 300 leading female transaction experts: Piret Jesse
- Medal of service from the Estonian Ministry of Foreign Affairs: Aku Sorainen
- Recognition by the Supreme Court of Estonia of the authors and supervisors of the best law student research papers: Lise-Lotte Lääne

OUR PEOPLE

As of 31 December 2020, we had 91 employees in our Estonian office. 13 new employees joined us in Estonia in 2020 – 11 of them are lawyers. Seven of our new legal assistants participated in Sorainen Student Academy and were interns at Sorainen.



Elina Mizerova
Legal assistant



Kamilla Alma Vilderson
Associate



Eva Lennuk
Legal assistant



Karl Joonas Kendla
Legal assistant



Jürgen Adamson
Legal assistant



Katariina Kuum
Legal assistant



Kati Rohtla
Legal assistant



Pirkko-Liis Harkmaa
Counsel



Lauri Liivat
Counsel



Roberta Mark
Legal assistant



Mario Sõrm
Associate



Work anniversaries and career benchmarks

Norman Aas became a partner in January 2021.

Kaupo Lepasepp became a country managing partner in April 2021.

Our firm was founded in 1995. Two of our first employees – Aku Sorainen and Kristiina Härms – celebrated their 25th work anniversary.

5 years at Sorainen – 2 people (16 people have worked at Sorainen for 5+ years)

10 years at Sorainen – 1 person (24 people have worked at Sorainen for 10+ years)

15 years at Sorainen – 2 people (4 people have worked at Sorainen for 15+ years)

25 years at Sorainen – 2 people (5 people have worked at Sorainen for 20+ years, and 2 of them for 25+)

Average employee seniority is 5 years and 10 months.

Average employee age is 33 years.

8 lawyers successfully passed the attorney's examination.

We have 2 new sworn attorneys.

WE VALUE OUR TEAM AND WELCOME YOUNG PEOPLE

Flexible working arrangements. Since the start of pandemic, all our employees have had the opportunity to work remotely. More and more of our people are working part of the time from outside Tallinn or even from outside Estonia. In 2020, we received the Remote Work Prize from Elisa, the Smart Work Association (Targa Töö Ühing) and the Estonian Human Resource Management Association PARE.

Counselling service. To stabilise our employees' workload, we started involving counsels who can offer us short-term services. Our employees who wish to have a more flexible work arrangement can also switch to working as a counsel.

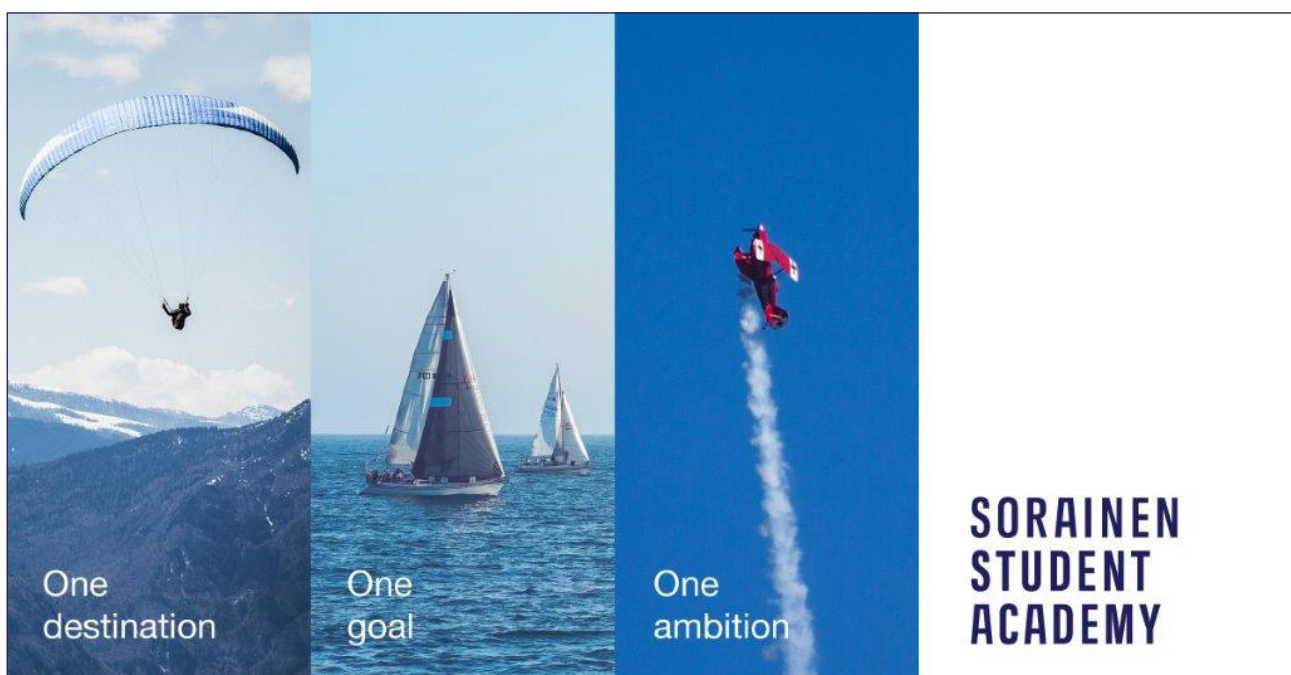
Equal pay. According to a salary survey conducted in 2020, men and women working in equivalent-level positions have equal salaries.

Satisfaction surveys. In addition to our yearly satisfaction and motivation surveys, we started conducting pulse surveys in 2020 to better understand how our team is doing in these difficult times and how the firm can provide more support to them.

Mentoring. We support both newcomers and employees who have been on longer periods of leave with a six-month mentoring programme delivered by experienced employees of ours.

Sorainen Student Academy. Law students receive practical training courses at Sorainen Student Academy, which began its ninth year in autumn 2020.

The courses take place from October to April, held simultaneously at all Sorainen offices in the Baltics and Belarus. The best students are invited to attend our internal training sessions and events and are encouraged to intern at Sorainen. Last time, the Estonian office enrolled 20 academy participants, who were introduced to the life of an attorney and to a selection of legal fields.



Supervisors at hand

Many Sorainen professionals act as supervisors for student research papers, master's theses and doctoral theses; they also lecture at universities and assist foreign students with studies in Estonia.

- o Carri Ginter, associate professor of EU law at the University of Tartu, contributes every year to the master's and doctoral theses of the university's law students, while also heading the moot courts on EU and international law. He has twice been named Lecturer of the Year at the University of Tartu.
- o Many lawyers teach university courses – for example, Piret Jesse teaches corporate law at the University of Tartu, Kaido Künnapas delivers courses on tax law at TalTech and the University of Tartu. Kaido is also the head of TalTech's thesis defence committee. Heidi Rand and Liisa-Maria Puur give lectures on EU law at the University of Tartu; Mihkel Miidla is a guest lecturer on data protection law at the University of Tartu; Triin Toom teaches legal analysis and argumentation at the University of Tartu; Gerli Gritsenko coaches University of Tartu's Willem C. Vis competition team; Gerli Gritsenko and Elina Mizerova also teach the course "Preparation for international moot court" at the University of Tartu. Britta Retel gives lectures at TalTech on legislation related to the earth's crust.
- o Each year, we give a Youth for Understanding (YFU) scholarship to a high school student to support a year's study abroad.
- o We support the Estonian Moot Court Society, which organises simulated court proceedings known as moot court competitions, held for law students in various legal fields.
- o We support Salzburg summer university, which enables law students to attend international summer courses.
- o We take part in the "Children to Work" project, providing the children of our staff an overview of the jobs at our firm, such as that of an attorney.
- o We welcome ninth-grade students for job shadowing days throughout the year, enabling them to get a closer look at jobs they find appealing.

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.

An attractive employer. According to Instar, we continue to be an attractive employer to law students.

MAKING SOCIETY A BETTER PLACE

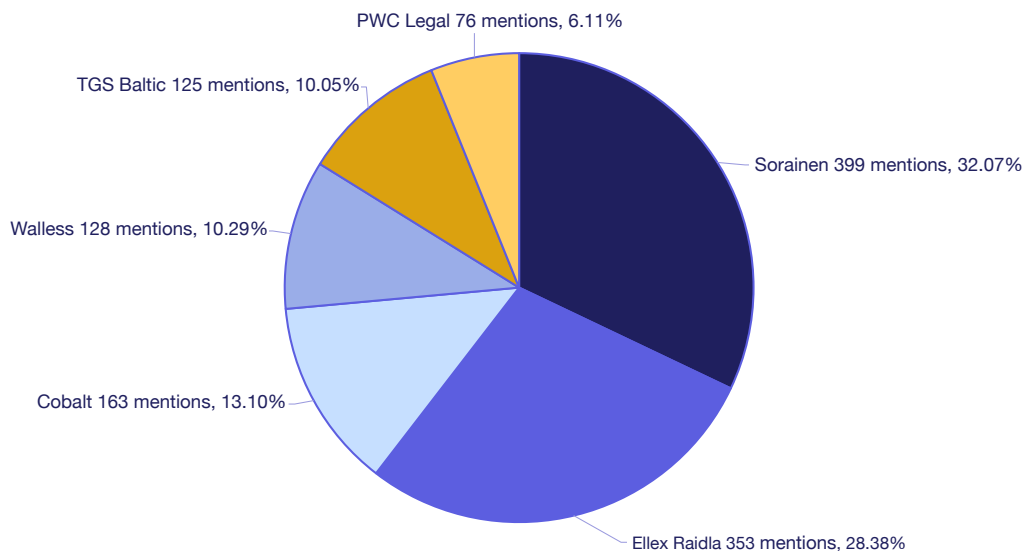
- **A partner for startups.** We support startups every step of their way, aiming to create a better business environment for them:
 - o Toomas Prangli, Kaido Künnapas, Karin Madisson, Mirell Prosa, Monika Tomberg and Pirkko-Liis Harkmaa work closely with the Estonian Founders Society and Startup Estonia to improve legislation for the Estonian startup sector.
 - o In collaboration with Startup Estonia and colleagues from other law firms, we compiled a free-of-charge package of model documents. This package includes 22 main contracts and documents that startup founders and investors need the most at the beginning of their journey.
 - o We offer mentoring for startups; collaborate with accelerators, angel investors and venture capital unions; and help startups and investors find each other.
 - o We are a long-term supporter and partner of sTARTUp Day, the largest Baltic business festival, and also work together with the accelerator Wise Guys Fintech.
 - o Our lawyers regularly give free legal advice for startups in the “Legal Clinic for Startups: Start Up Smart” sessions which has also been popular during the pandemic virtually.
- **Speaking up when it matters.** Many Sorainen attorneys are opinion leaders and spokespeople in their field. We speak up in the media to show we are standing up for our values and improving laws and the economic environment. In 2020, we launched our own podcast called “Sorainen frequency” in order to speak our minds to society even more actively.
- Allar Jõks stood up in public against losing control over the financing of political parties and pointed out that the government can only establish coronavirus-related restrictions (e.g. obligation to wear face masks) if these are in accordance with the law.
- **More favourable laws for entrepreneurs.** Our lawyers fight for a legal environment that is more entrepreneur-friendly and less bureaucratic:
 - o From 2018 to 2020, senior associate Mari Karja participated in the insolvency law audit committee working on amendments to the Estonian bankruptcy law, which entered into force on 1 February 2021.
 - o Partners Piret Jesse and Karin Madisson are active on the Estonian Bar Association’s Business Law Committee, and partner Toomas Prangli is contributing to improving business law legislation at the Estonian Private Equity and Venture Capital Association EstVCA. For example, we contributed to amendments to the law which entered into



force on 24 May 2020, and, i.a., extended the deadline for filing annual reports and enabled all persons from businesses, non-profits and apartment associations to organise official meetings electronically.

- o Partners Toomas Prangli, Karin Madisson and Allar Jõks advised on amendments to the Estonian Commercial Code, which abolished the notarisation requirement for share pledge and transfer transactions.
- o Senior associate Sandra Mikli and associate Andra Grünberg analysed the implementation practice of the Building Code, and problems occurring during implementation, and compiled proposals for amendments to the Building Code and an analysis of the effects of the amendments.
- o Partner Paul Künnap, senior associate Sandra Mikli and associate Andra Grünberg made proposals for the Ministry of Economic Affairs and Communications for drafting a foreign direct investments trustworthiness act and an assessment of related impacts.
- o Counsel Kaido Künnapas made proposals to the Tax and Customs Board on the supplementation of guidelines regarding tax obligations arising from stock options.
- o Counsel Jane Eespõld contributed to the compiling of a draft bill for amendments to the pledge instruments act and its explanatory memorandum.
- o Senior associate Monika Tomberg, counsel Kätlin Krisak, and associate Krista Ševerev, together with FinanceEstonia, contributed to the preparation of the credit information act; gave feedback on the draft act on crowdfunding and other investment instruments and virtual currencies; and contributed to the evaluation of money laundering risks for creditors, to regulation of the use of IT-tools for identity and data verification, and to the amendment of the Money Laundering and Terrorist Financing Prevention Act.
- o Senior associate Britta Retel and counsel Piibe Lehtsaar contributed to the preparation of the draft Public Water Supply and Sewerage Act.
- o Partner Allar Jõks heads the jury for the Good Lawmaking Competition. At the competition every year, to highlight the importance of quality lawmaking, one law is selected as the best and one as the worst. The selection committee includes representatives from the Estonian Service Industry Association, the Estonian Employers' Confederation, the School of Law at the University of Tartu and the newspaper Postimees.

Media coverage of the top 6 law firms in Estonia 2020



We actively participate in the work of the Estonian Bar Association and the committees and working groups of other organisations:

Partner Allar Jõks – member of the Fundamental Rights Committee

Partner Karin Madisson – member of the Estonian Bar Association Commercial Law Commission and the Estonian Employers' Confederation's Labour Force working group

Partner Kaupo Lepasepp – member of the Administrative Law Committee

Senior Associate Maria Pihlak – member of the Ethics and Methodology Committee

Partner Mihkel Miidla – member of the IP and IT Law Committee

Counsel Piibe Lehtsaar – member of the Competition Law Committee

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

Partner Piret Jesse – board member of the Estonian Bar Association, member of the Business Law Committee and Estonian Corporate Law Audit Commission

We contribute with passion

- o Sorainen Estonia joined the Green Tiger representative organisation created in January 2021. The organisation connects Estonian businesses in order to increase environmental awareness and lay the groundwork for a balanced economy.
- o We have long-standing cooperation with the Art Museum of Estonia.
- o We support Youth for Understanding, an organisation offering educational programmes.
- o In 2020, we decided to donate our Christmas present budget to charity – we supported the NGOs Peaasjad (Mind Matters) and Bethel's Centre of Pastoral Care.
- o We supported Tagasi Kooli (Back to School) project by taking part in JCI Tallinn's virtual charity run Rat Race 2020.



SOME NOTABLE TRANSACTIONS WE ADVISED IN 2020

Local

Škoda

We advised Škoda in a public procurement conducted by Eesti Liinirongid (brand name Elron) for purchasing 6 trains with an additional option to buy 10 more trains in the coming years.

Vista Equity Partners

We advised Vista Equity Partners in their majority investment in Pipedrive, a CRM platform for sales and marketing teams.

Bolt

We advised Bolt, a leading European mobility platform headquartered in Estonia, in raising EUR 150 million, its biggest funding round yet.

PlanB Labs

We advised PlanB Labs, an Estonian start-up developing the Language Drops language learning platform, in preparing for and closing the sale of Drops to Kahoot!, the world's leading game-based learning platform.

Atria

We successfully represented Atria, one of the biggest meat producers in Estonia, in their dispute with the Estonian Veterinary and Food Board (VTA).

Boku

We are advising Boku, a leading global mobile payment and mobile identity company, in the acquisition of Estonian fintech Fortumo.

Citi, Société Générale and Nordea Bank

We represented Citi, Société Générale and Nordea Bank as the joint lead managers in the EUR 1.5 billion 10-year government bond issue of the Republic of Estonia.

Tallinna Linnatranspordi Aktsiaselts

We represented Tallinna Linnatranspordi Aktsiaselts (TLT), a company fully owned by the City of Tallinn, in a procurement to purchase compressed gas for TLT's natural gas-powered buses.

Polybius Foundation

We represented Polybius Foundation – which had conducted an initial coin offering (ICO) – in a landmark dispute where one of the buyers, Maksim Velitško, attempted to force a reversal of his token purchase.

European Investment Bank

We advised the European Investment Bank in financing a project consisting of the renewal and modernisation of existing Estonian railway network, comprising modernisation of tracks, signalling and traffic control systems of Eesti Raudtee (Estonian Railway).

International

Hexatronic

We advised Hexatronic, a Swedish industrial group, on the acquisition of Estonia-based Baltronic and Canada-based Toronics, acting as local advisors through Advokatfirman Vinge, one of the largest law firms in Sweden.

Infracapital and AMP Capital

We advised Infracapital and AMP Capital on the sale of their combined ownership interest in Adven, a leading provider of clean energy solutions across the Nordics and Baltics.

DLA Piper

Our pan-Baltic team as local counsel working with DLA Piper as lead counsel assisted Polhem Infra on its acquisition of Telia Carrier, a world-leading provider in backbone connectivity for data traffic.

Ignitis Group

Our team advised the state-owned energy company Ignitis Group in preparation for the initial public offering (IPO) and admission to trading on the Vilnius and London stock exchanges.

AMC

We advised AMC, the world's largest movie exhibition group, in the sale of Forum Cinemas, which operates nine theatre locations in the Baltic countries.

Bitè Group

We assisted Bitè Group, controlled by international asset management company Providence Equity Partners, as Lithuanian, Latvian and Estonian law counsel in a refinancing transaction.

Vienna Insurance Group

We advised Vienna Insurance Group (VIG) – one of the biggest international insurers in Central and Eastern Europe – on consolidating the business of its group non-life insurance companies Compensa and Seesam in Lithuania, Latvia and Estonia.

Kaamos Group, Kaamos Timber and Mozyr Sawmill

We advised Estonian Kaamos Group and its subsidiaries Kaamos Timber (Estonia) and Mozyr Sawmill (Belarus) on EUR 15 million debt financing from the European Bank for Reconstruction and Development.

PPG

We advised PPG, the second largest paints producer in the world, on conducting a voluntary recommended public cash tender offer for all the shares in Tikkurila, a leading Nordic paint and coatings company.

Structure and dividend policy of the regional Group

As of 31 December 2020, 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 (90%) and UAB SLOV SERVICES (10%))

The Group was also made up of the same entities on 31 December 2019.

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

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

KEY FINANCIAL INDICATORS OF ADVOKAADIBÜROO SORAINEN AS (PARENT COMPANY)

Key non-consolidated financial results of the parent company Advokaadibüroo SORAINEN AS in the current financial year, as compared to the 2019 results:

	Growth(%)	2020	2019
Sales revenue	18%	11 810 014	9 980 184
Operating profit (EBIT)	55%	4 767 793	3 078 834
Debt ratio (total liabilities/assets)	(-14.5%)	21.2%	24.8%
Liquidity ratio (total current assets/total current liabilities)	22.5%	4.9	4.0

Labour cost and number of personnel of Advokaadibüroo SORAINEN AS:

	2020	2019
Labour cost (in EUR, excl. fees paid to executive and senior management)	3 998 217	3 591 733
Average number of personnel (excl. executive and senior management)	73	71

At the time of the preparation of the annual report, the Management Board of the parent company had 10 members and the Supervisory Council had three members.

The sales revenue of the Group increased by 12.0% compared to 2019 (2020: EUR 15,264,787; 2019: EUR 13,634,637). The operating profit of the Group increased by 48.9% (2020: EUR 4,661,458; 2019: EUR 3,130,355).

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 2021, the Company plans to continue its core activities.

SORAINEN



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The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2020	31.12.2019	Note
Assets			
Current assets			
Cash and cash equivalents	3 670 388	3 076 247	2
Financial investments	5 000	5 000	
Receivables and prepayments	4 473 323	3 559 335	3
Total current assets	8 148 711	6 640 582	
Non-current assets			
Property, plant and equipment	1 266 159	1 173 907	6
Intangible assets	341 708	323 509	7
Total non-current assets	1 607 867	1 497 416	
Total assets	9 756 578	8 137 998	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	428 512	464 553	9
Payables and prepayments	2 235 091	1 915 261	8
Provisions	42 135	55 738	10
Total current liabilities	2 705 738	2 435 552	
Non-current liabilities			
Loan liabilities	25 556	113 333	9
Provisions	188 597	150 704	10
Total non-current liabilities	214 153	264 037	
Total liabilities	2 919 891	2 699 589	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	25 358	25 358	12
Statutory reserve capital	2 556	2 556	
Unrealised exchange rate	-5 697	-8 511	
Retained earnings (loss)	2 673 533	2 969 224	
Annual period profit (loss)	4 140 937	2 449 782	
Total equity held by shareholders and partners in parent company	6 836 687	5 438 409	
Total equity	6 836 687	5 438 409	
Total liabilities and equity	9 756 578	8 137 998	

Consolidated income statement

(In Euros)

	2020	2019	Note
Revenue	15 264 787	13 634 637	13
Other income	30 370	22 636	14
Raw materials and consumables used	-1 506 813	-1 342 101	15
Other operating expense	-2 586 446	-3 230 537	16
Employee expense	-6 176 967	-5 728 726	18
Depreciation and impairment loss (reversal)	-326 891	-197 488	6,7
Other expense	-36 582	-28 066	
Operating profit (loss)	4 661 458	3 130 355	
Interest income	273	217	
Interest expenses	-14 346	-7 497	
Other financial income and expense	72 143	-30 696	19
Profit (loss) before tax	4 719 528	3 092 379	
Income tax expense	-578 591	-642 597	20
Annual period profit (loss)	4 140 937	2 449 782	
Profit (loss) from shareholders and partners in parent company	4 140 937	2 449 782	

Consolidated statement of cash flows

(In Euros)

	2020	2019	Note
Cash flows from operating activities			
Operating profit (loss)	4 661 458	3 130 355	
Adjustments			
Depreciation and impairment loss (reversal)	326 891	197 488	6,7
Other adjustments	16 924	-18 162	
Total adjustments	343 815	179 326	
Changes in receivables and prepayments related to operating activities	-959 756	475 094	
Changes in payables and prepayments related to operating activities	390 157	329 496	
Total cash flows from operating activities	4 435 674	4 114 271	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-444 881	-1 203 802	6,7
Other cash payments to acquire other financial investments	-15 000	-12 500	
Other cash receipts from sales of other financial investments	15 000	12 500	
Total cash flows from investing activities	-444 881	-1 203 802	
Cash flows from financing activities			
Loans received	31 566	574 830	9
Repayments of loans received	-96 286	-56 667	9
Interest paid	-14 346	-7 496	9
Dividends paid	-2 738 995	-2 678 191	20,21
Income tax refund (paid)	-578 591	-629 333	20
Total cash flows from financing activities	-3 396 652	-2 796 857	
Total cash flows	594 141	113 612	
Cash and cash equivalents at beginning of period	3 076 247	2 962 635	
Change in cash and cash equivalents	594 141	113 612	
Cash and cash equivalents at end of period	3 670 388	3 076 247	

Consolidated statement of comprehensive income

(In Euros)

	2020	2019
Annual period profit (loss)	4 140 937	2 449 782
Other comprehensive income (expense):		
Effect on unrealised exchange rate changes	-3 663	6 585
Total other comprehensive income (expense)	-3 663	6 585
Annual period comprehensive income (expense)	4 137 274	2 456 367
Comprehensive profit (loss) from shareholders and partners in parent company	4 137 274	2 456 367

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company				Total
	Issued capital	Statutory reserve capital	Unrealised exchange rate	Retained earnings (loss)	
	31.12.2018	25 358	2 556	-6 970	
Annual period profit (loss)	0	0	6 585	2 449 782	2 456 367
Declared dividends	0	0	0	-2 678 191	-2 678 191
Other changes in equity	0	0	-8 126	8 126	0
31.12.2019	25 358	2 556	-8 511	5 419 006	5 438 409
Annual period profit (loss)	0	0	-3 664	4 140 937	4 137 273
Changes through other distributions to owners	0	0	0	-2 738 995	-2 738 995
Other changes in equity	0	0	6 478	-6 478	0
31.12.2020	25 358	2 556	-5 697	6 814 470	6 836 687

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 2020 consolidated financial statements reflect the financial indicators of Advokaadibüroo SORAINEN AS (the parent company) and its subsidiaries ASLO Konsultatsioonid OÜ, SLOH OY, UAB SLOV Services, SIA SLOR and IOOO SORAINEN i Partnery. Percentages of holdings in subsidiaries and areas of activities are discussed in more detail in the management report.

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

Preparation of consolidated statements

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

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

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

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

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

Recognition of subsidiaries in unconsolidated financial statements of the parent company

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

Financial assets

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

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

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

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

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

Cash and cash equivalents

Cash and cash flows

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

Trade receivables

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, their 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 and other receivables

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

Plant, property and equipment and intangible assets

Tangible fixed asset

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 asset 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

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

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

Corporate income tax

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)

	31.12.2020	31.12.2019
Cash on hand	1	1
Settlement accounts	3 353 640	3 035 333
Deposit accounts	316 747	40 913
Total cash and cash equivalents	3 670 388	3 076 247

Note 3 Receivables and prepayments

(In Euros)

	31.12.2020	Within 12 months	Note
Accounts receivable	3 694 167	3 694 167	
Accounts receivables	3 895 848	3 895 848	
Allowance for doubtful receivables	-201 681	-201 681	
Tax prepayments and receivables	31 073	31 073	4
Other receivables	143 019	143 019	
Loan receivables	12 856	12 856	
Accrued income	130 163	130 163	
Prepayments	591 624	591 624	
Deferred expenses	473 428	473 428	
Other paid prepayments	118 196	118 196	
Total receivables and prepayments	4 473 323	4 473 323	
	31.12.2019	Within 12 months	Note
Accounts receivable	2 914 694	2 914 694	
Accounts receivables	3 118 396	3 118 396	
Allowance for doubtful receivables	-203 702	-203 702	
Tax prepayments and receivables	28 212	28 212	4
Other receivables	151 885	151 885	
Accrued income	151 885	151 885	
Prepayments	451 681	451 681	
Deferred expenses	320 037	320 037	
Other paid prepayments	131 644	131 644	
Total receivables and prepayments	3 559 335	3 559 335	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2020		31.12.2019	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	0	87 423	19 508	3 032
Value added tax	52	143 489	518	133 608
Personal income tax	91	64 252	92	42 958
Fringe benefit income tax	0	2 492	0	3 671
Social tax	0	115 565	949	83 102
Contributions to mandatory funded pension	0	5 854	0	4 097
Unemployment insurance tax	1	6 993	0	4 734
Other tax prepayments and liabilities	10	0	12	0
Prepayment account balance	30 919		7 133	
Total tax prepayments and liabilities	31 073	426 068	28 212	275 202

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 (%)	
				31.12.2019	31.12.2020
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

Note 6 Property, plant and equipment

(In Euros)

								Total
	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	Unfinished projects	Prepayments	Unfinished projects and prepayments	
31.12.2018								
Carried at cost	603 157	36 733	639 890	367 699	0	0	0	1 007 589
Accumulated depreciation	-515 092	-25 400	-540 492	-284 610	0	0	0	-825 102
Residual cost	88 065	11 333	99 398	83 089	0	0	0	182 487
Acquisitions and additions	74 544	737 008	811 552	65 795	28 317	204 877	233 194	1 110 541
Depreciation	-75 350	-28 591	-103 941	-16 830	0	0	0	-120 771
Other changes	0	0	0	1 650	0	0	0	1 650
31.12.2019								
Carried at cost	686 486	773 740	1 460 226	434 486	28 317	204 877	233 194	2 127 906
Accumulated depreciation	-599 227	-53 990	-653 217	-300 782	0	0	0	-953 999
Residual cost	87 259	719 750	807 009	133 704	28 317	204 877	233 194	1 173 907
Acquisitions and additions	56 344	5 465	61 809	503 626	-28 317	-204 877	-233 194	332 241
Depreciation	-58 741	-86 652	-145 393	-87 069	0	0	0	-232 462
Other changes	0	0	0	-7 527	0	0	0	-7 527
31.12.2020								
Carried at cost	805 690	779 205	1 584 895	972 110	0	0	0	2 557 005
Accumulated depreciation	-720 828	-140 642	-861 470	-429 376	0	0	0	-1 290 846
Residual cost	84 862	638 563	723 425	542 734	0	0	0	1 266 159

Note 7 Intangible assets

(In Euros)

			Total
	Concessions, patents, licences, trademarks	Unfinished projects and prepayments	
31.12.2018			
Carried at cost	2 873 066	29 916	2 902 982
Accumulated depreciation	-2 675 962	0	-2 675 962
Residual cost	197 104	29 916	227 020
Acquisitions and additions	27 412	145 792	173 204
Depreciation	-76 715	0	-76 715
Reclassifications	76 284	-76 284	0
31.12.2019			
Carried at cost	2 976 762	99 424	3 076 186
Accumulated depreciation	-2 752 677	0	-2 752 677
Residual cost	224 085	99 424	323 509
Acquisitions and additions	212 112	0	212 112
Depreciation	-94 429	0	-94 429
Reclassifications	0	-99 424	-99 424
Other changes	-60	0	-60
31.12.2020			
Carried at cost	3 188 874	0	3 188 874
Accumulated depreciation	-2 847 166	0	-2 847 166
Residual cost	341 708	0	341 708

Note 8 Payables and prepayments

(In Euros)

	31.12.2020	Within 12 months	Note
Trade payables	188 431	188 431	
Employee payables	1 028 341	1 028 341	
Tax payables	426 068	426 068	4
Other payables	192 376	192 376	
Other accrued expenses	192 376	192 376	
Prepayments received	399 875	399 875	
Deferred income	60 000	60 000	
Other received prepayments	339 875	339 875	
Total payables and prepayments	2 235 091	2 235 091	
	31.12.2019	Within 12 months	Note
Trade payables	405 963	405 963	
Employee payables	934 382	934 382	
Tax payables	275 202	275 202	4
Other payables	177 894	177 894	
Other accrued expenses	177 894	177 894	
Prepayments received	121 820	121 820	
Other received prepayments	121 820	121 820	
Total payables and prepayments	1 915 261	1 915 261	

Note 9 Loan commitments

(In Euros)

	31.12.2020	Allocation by remaining maturity			Interest rate	Base currency	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
	352 020	352 020			0%-3,45%	EUR, BYN	31.12.2021
	76 492	76 492			5,0%	EUR	30.04.2022
Current loans total	428 512	428 512					
Non-current loans							
Non-current loans total	25 556	0	25 556				
Loan commitments total	454 068	428 512	25 556				
	31.12.2019	Allocation by remaining maturity			Interest rate	Base currency	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
	379 553	379 553			0%-3,45%	EUR, BYN	31.12.2020
	85 000	85 000			5,0%	EUR	30.04.2022
Current loans total	464 553	464 553					
Non-current loans							
Non-current loans total	113 333	0	113 333				
Loan commitments total	577 886	464 553	113 333				

Note 10 Provisions

(In Euros)

	31.12.2019	Establishing/ Adjustments	31.12.2020
	205 522	24 527	230 049
	920	-237	683
Total provisions	206 442	24 290	230 732
Including:			
Current	55 738	-13 603	42 135
Other provisions	55 738	-13 603	42 135
Non-current	150 704	37 893	188 597
Other provisions	150 704	37 893	188 597
	31.12.2018	Establishing/ Adjustments	31.12.2019
	185 235	20 287	205 522
	875	45	920
Total provisions	186 110	20 332	206 442
Including:			
Current	49 474	6 264	55 738
Other provisions	49 474	6 264	55 738
Non-current	136 636	14 068	150 704
Other provisions	136 636	14 068	150 704

Note 11 Contingent liabilities and assets

(In Euros)

	31.12.2020	31.12.2019
Contingent liabilities		
Distributable dividends	5 629 200	4 430 288
Income tax liability on distributable dividends	1 179 574	980 202
Total contingent liabilities	6 808 774	5 410 490

Note 12 Share capital

(In Euros)

	31.12.2020	31.12.2019
Share capital	25 358	25 358
Number of shares (pcs)	4 025	4 025
Nominal value of shares	6.30	6.30

Note 13 Net sales

(In Euros)

	2020	2019
Net sales by geographical location		
Net sales in European Union		
Estonia	5 995 903	5 292 049
Other European Union net sales	7 530 000	6 676 746
Total net sales in European Union	13 525 903	11 968 795
Net sales outside of European Union		
Other net sales outside of European Union	1 738 884	1 665 842
Total net sales outside of European Union	1 738 884	1 665 842
Total net sales	15 264 787	13 634 637
Net sales by operating activities		
Legal services	12 852 035	11 183 820
Other	2 412 752	2 450 817
Total net sales	15 264 787	13 634 637

Note 14 Other operating income

(In Euros)

	2020	2019
Profit from exchange rate differences	0	2 070
Other	30 370	20 566
Total other operating income	30 370	22 636

Note 15 Goods, raw materials and services

(In Euros)

	2020	2019
Services purchased for resale	-774 686	-726 630
Leases	-548 011	-439 554
Other	-184 116	-175 917
Total goods, raw materials and services	-1 506 813	-1 342 101

Note 16 Miscellaneous operating expenses

(In Euros)

	2020	2019
Leases	-504 729	-509 861
Miscellaneous office expenses	-195 556	-357 629
Exploration and development expense	-563 394	-605 166
Travel expense	-20 125	-199 598
Training expense	-41 784	-130 162
Allowance for doubtful receivables	-52 480	-139 525
Other	-1 208 378	-1 288 596
Total miscellaneous operating expenses	-2 586 446	-3 230 537

Note 17 Operating lease

(In Euros)

Accounting entity as lessor

	2020	2019
Operating lease income	548 011	439 554

Accounting entity as lessee

	2020	2019
Operating lease expenses	-1 052 740	-949 415

Note 18 Labor expense

(In Euros)

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

Wage and salary expense: 3 014 273 EUR (2020); 2 707 914 EUR (2019)

Social security taxes: 983 944 EUR (2020); 883 819 EUR (2019)

Total labor expense: 3 998 217 EUR (2020); 3 591 733 EUR (2019)

Average number of employees in full time equivalent units: 73 (2020); 71 (2019).

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 31.12.2020, the Group consists of the parent company and the following entities: ASLO Konsultatsioonid OÜ, UAB SLOV SERVICES, SIA SLOR, SLOH OY, IOOO SORAINEN i Partnery.

The total consolidated labor expense was the following: 6 176 966 EUR (2020); 5 725 976 EUR (2019). Average number of employees in full time equivalent units: 146 (2020); 148 (2019).

Note 19 Other financial income and expense

(In Euros)

	2020	2019
Profit (loss) from exchange rate differences	72 143	-13 873
Other expenses from financial and investing activities	0	-16 823
Total other financial income and expense	72 143	-30 696

Note 20 Income tax

(In Euros)

Income tax expense components	2020		2019	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	2 738 995	578 591	2 678 191	642 597
Total	2 738 995	578 591	2 678 191	642 597

Note 21 Related parties

(In Euros)

Balances with related parties by categories

	31.12.2020		31.12.2019	
	Receivables	Liabilities	Receivables	Liabilities
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	2 209 606	40 715	1 572 987	255 000

Purchases and sales of goods and services

	2020		2019	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Legal entities with material ownership interest and the entities under their control or significant influence	656 651	4 924 706	619 678	4 412 152

Remuneration and other significant benefits calculated for members of management and highest supervisory body

	2020	2019
Remuneration	573 552	639 640

Note 22 Non consolidated statement of financial position

(In Euros)

	31.12.2020	31.12.2019
Assets		
Current assets		
Cash and cash equivalents	3 453 749	2 821 340
Receivables and prepayments	4 240 049	3 275 635
Total current assets	7 693 798	6 096 975
Non-current assets		
Financial investments	263 298	263 298
Property, plant and equipment	85 206	92 974
Intangible assets	312 263	323 016
Total non-current assets	660 767	679 288
Total assets	8 354 565	6 776 263
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	1 542 261	1 479 463
Provisions	42 135	55 738
Total current liabilities	1 584 396	1 535 201
Non-current liabilities		
Provisions	187 914	149 785
Total non-current liabilities	187 914	149 785
Total liabilities	1 772 310	1 684 986
Equity		
Issued capital	25 358	25 358
Statutory reserve capital	2 556	2 556
Retained earnings (loss)	2 324 368	2 571 110
Annual period profit (loss)	4 229 973	2 492 253
Total equity	6 582 255	5 091 277
Total liabilities and equity	8 354 565	6 776 263

Note 23 Non consolidated income statement

(In Euros)

	2020	2019
Revenue	11 810 014	9 980 184
Other income	29 895	14 443
Raw materials and consumables used	-500 721	-397 056
Other operating expense	-2 106 612	-2 490 663
Employee expense	-4 305 563	-3 910 482
Depreciation and impairment loss (reversal)	-123 007	-94 472
Other expense	-36 213	-23 120
Total operating profit (loss)	4 767 793	3 078 834
Other financial income and expense	278	217
Profit (loss) before tax	4 768 071	3 079 051
Income tax expense	-538 098	-586 798
Annual period profit (loss)	4 229 973	2 492 253

Note 24 Non consolidated statement of cash flows

(In Euros)

	2020	2019
Cash flows from operating activities		
Operating profit (loss)	4 767 793	3 078 834
Adjustments		
Depreciation and impairment loss (reversal)	123 007	94 472
Total adjustments	123 007	94 472
Changes in receivables and prepayments related to operating activities	-961 784	-134 659
Changes in payables and prepayments related to operating activities	87 324	361 663
Total cash flows from operating activities	4 016 340	3 400 310
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-104 486	-173 201
Loans given	-2 352	0
Dividends received	0	50 000
Total cash flows from investing activities	-106 838	-123 201
Cash flows from financing activities		
Dividends paid	-2 738 995	-2 678 191
Income tax refund (paid)	-538 098	-586 798
Total cash flows from financing activities	-3 277 093	-3 264 989
Total cash flows	632 409	12 120
Cash and cash equivalents at beginning of period	2 821 340	2 809 220
Change in cash and cash equivalents	632 409	12 120
Cash and cash equivalents at end of period	3 453 749	2 821 340

Note 25 Non consolidated statement of changes in equity

(In Euros)

				Total
	Issued capital	Statutory reserve capital	Retained earnings (loss)	
31.12.2018	25 358	2 556	5 249 300	5 277 214
Annual period profit (loss)	0	0	2 492 254	2 492 254
Declared dividends	0	0	-2 678 191	-2 678 191
31.12.2019	25 358	2 556	5 063 363	5 091 277
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	610 426	610 426
Restated non consolidated equity 31.12.2019	25 358	2 556	5 410 491	5 438 405
Annual period profit (loss)	0	0	4 229 973	4 229 973
Declared dividends	0	0	-2 738 995	-2 738 995
31.12.2020	25 358	2 556	6 554 341	6 582 255
Governing and material influence ownership interest value of financial position	0	0	-263 298	-263 298
Governing and material influence on the value Of holdings under the equity method	0	0	517 731	517 731
Restated non consolidated equity 31.12.2020	25 358	2 556	6 808 774	6 836 688