

FIN Yritysrahoitus Oy

Annual Report and Financial Statements

1.1.-31.12.2020

FIN Yritysrahoitus Oy

Y-tunnus 2601160-5, PL 18, 00351 Helsinki, Finland Tel: 0400 440 510

Table of contents

Report of the board of directors.....	3
Financial statement	8
Income statement.....	8
Balance sheet	9
Cash flow statement.....	10
Notes of the Financial Statement	11
Signatures	16
Auditor's Note	16

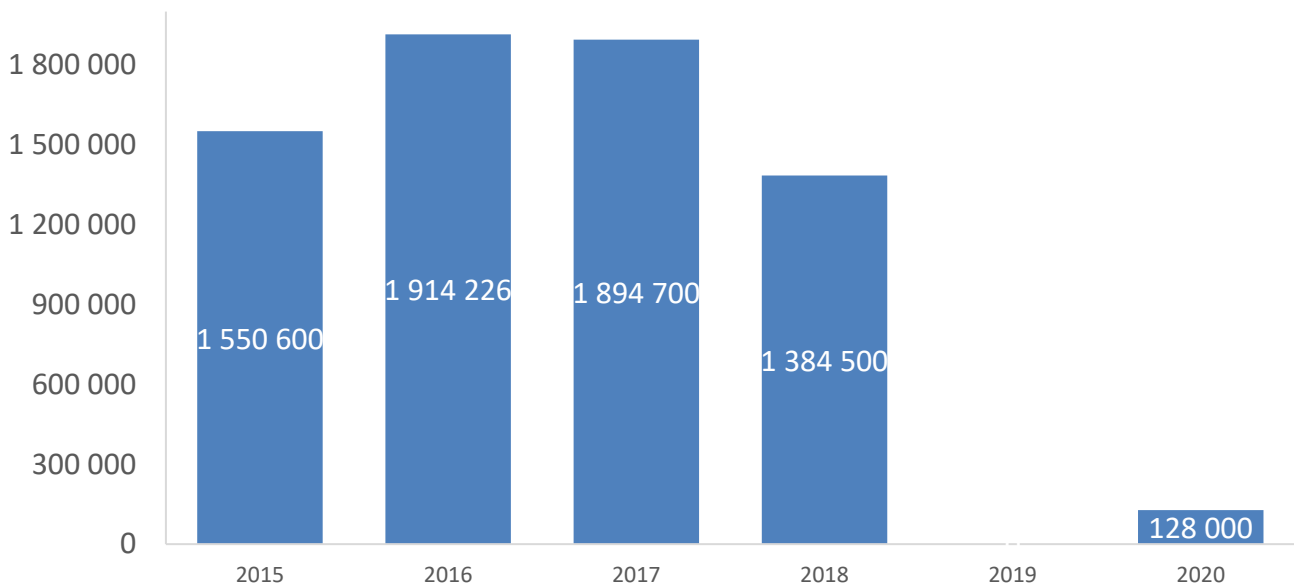
Report of the board of directors

FIN Yritysrahoitus Oy is a Finnish Finance company, that was established in February 2014 and it has focused to finance small entrepreneurs and companies. During financial year 2020 FIN Yritysrahoitus Oy issued loans 128 000 (2019: 0) EUR. The company's overall development of loan receivables was weak but interest and commission income remained at a good level 96 044 (2019: 297 782) EUR.

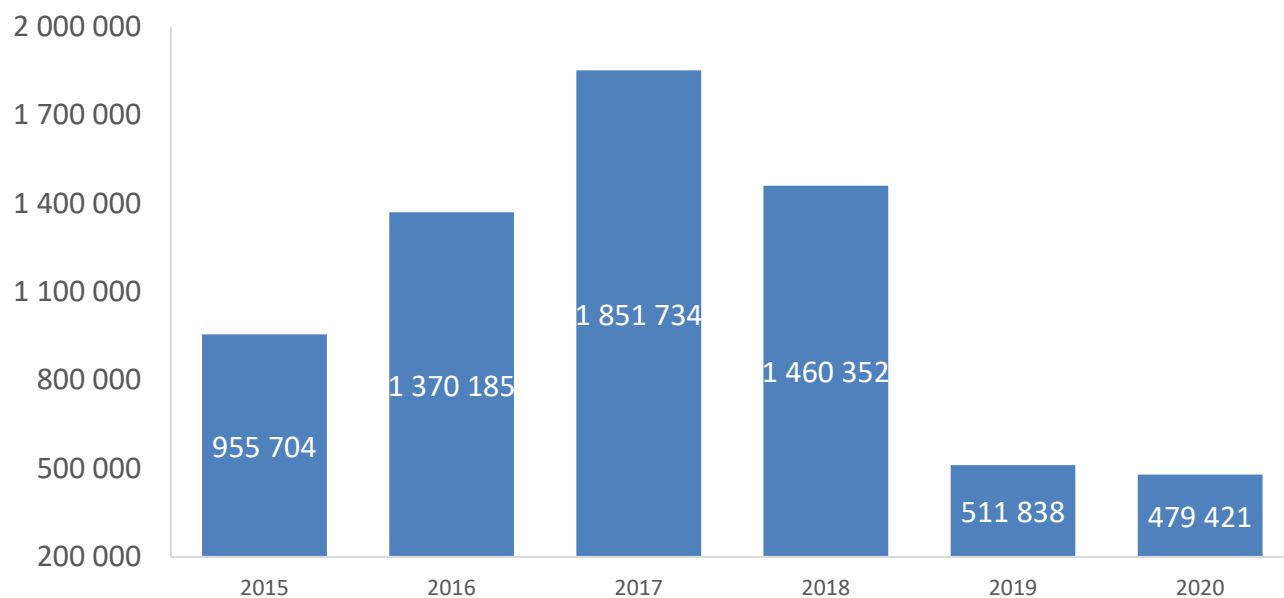
Negotiations that began in 2019 on the acquisition of FIN Yritysrahoitus Oy's business ended in January 2020, and Ville Kaitue, a member of the company's Board of Directors and CEO, acquired the entire share capital of FIN Yritysrahoitus Oy as the result of the business acquisition. Following the acquisition, lending was resumed. In the spring of 2020, the company began negotiations with the European Investment Fund ("EIF"), which expired in November 2020. With the agreement, the EIF guarantees the loans issued by FIN Yritysrahoitus Oy. FIN Yritysrahoitus Oy started issuing special EIF products: loans of EUR 5,000 with a maturity of 24 months and a more competitive credit rate. At the same time, demand for loans increased and the position of investors was secured, which is expected to reduce FIN Yritysrahoitus Oy's interest expenses. Although the result was still unprofitable, it already improved significantly compared to 2019. The board has a firm belief in the future of the business, both in terms of revenue growth and profitability. In addition, FIN Yritysrahoitus Oy entered into co-operation agreements, which expanded the product portfolio it offered when it began to issue as broker consumer loans granted by contract partners as well as unemployment insurance and life insurance to entrepreneurs.

The result for the financial year was negative -46 513 (2019: -105 876) EUR. FIN Yritysrahoitus Oy was liable for all its obligations and no civil or criminal claims were made against it.

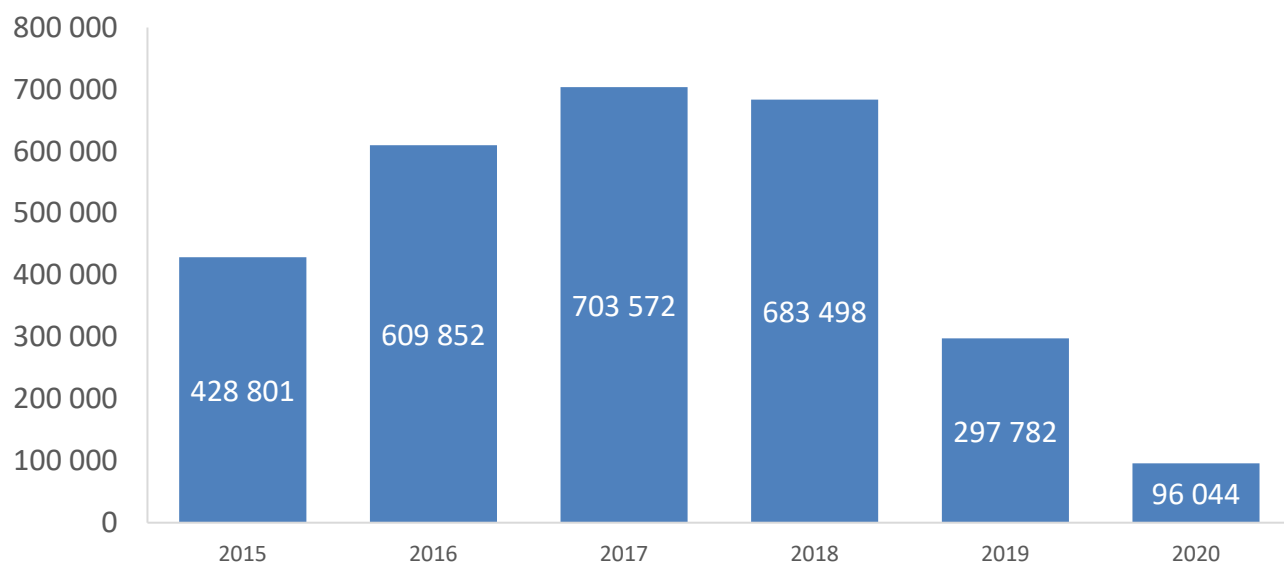
PAID OUT LOANS 2015-2020 (EUR)



DEVELOPMENT OF LOAN RECEIVABLES 2015-2020 (EUR)



INTEREST AND COMMISSION INCOME 2015-2020



KEY FIGURES DESCRIBING ECONOMIC DEVELOPMENT

(EUR)	2020 (12KK)	2019 (12KK)	2017 (12KK)
Turnover / interest and fee income	96 044	297 782	703 572
Profit / loss	6 734	-60 580	183 196
% of turnover	7,0 %	-20,3 %	26,0 %
Net profit / loss	-46 513	-105 876	145 497
% of turnover	-48,4 %	-35,6 %	20,7 %
Interst-income -relation	0,8	1,3	0,7
Own capital, shareholder related loans and subordinated loans	187 581	458 957	500 217
Own capital	32 963	79 476	370 217
Liability to investors	601 724	617 099	1 731 870
Total assets	641 418	704 682	2 153 144
Return of equity (ROE%)	-82,7 %	-80,0 %	48,9 %
Return of assets (ROA%)	-6,9 %	-8,8 %	7,3 %
Shareholder loans and related party loans of capital (%)	29,2 %	65,1 %	23,2 %
Number of employees	1	1	2

Calculation of financial ratios

Return of equity %

Operating profit – income taxes

Equity + change in untaxed reserves (average of beginning and end of the year)

Return of assets %

Net profit – income taxes

Balance sheet total in average (average of beginning and end of the year)

Expenses – profit – ratio

Net interest income + commissions – operating profit

Net interest income + commissions

FIN Yritysrahoitus Oy's administration

Board of directors

The Board makes its relevance to the strategy and financial decisions and is responsible for the management and the appropriate organization.

The company's board of director consists of Ville Kaitue.

Internal control, auditors and risk management

Internal control

The entire borrowing process, financial transactions and other essential functions are directly controlled by the Board of Directors.

Auditors

The company's auditor is Tuomas Honkamäki.

Risk management

Credit risk

The business strategy, credit risk strategy and credit instructions defined by the management define the logic of granting credit and the amounts in euros for different customer entities and guide the direction of lending by solvency class, industry and creditworthiness class.

In assessing credit risk, special attention shall be paid to the financing of accumulated liabilities and the pooling of several liabilities.

Financial risk

Financial risk is the risk related to the availability and price of refinancing that arises when the maturities of receivables and liabilities differ. Financial risk and the related counterparty risk arise when receivables and liabilities are concentrated on individual parties. The company assesses its financial risk by distinguishing between receivables and liabilities by maturity category.

The forms of financing used by the company are debt financing, which is mainly obtained from owners or investors.

Cashflow from financing activities

FIN Yritysrahoitus Oy acquired debt capital from owners and individual investors during the financial year EUR 547 000 (2019: EUR 28 000). FIN Yritysrahoitus Oy has repaid loans during financial year 2020 EUR 532 605 (2019: EUR 896 283).

Market-and interest rate risks

The company has hedged against interest rate risk by raising a fixed-rate loan. On 31 December 2020 the company had a fixed-rate loan totaling EUR 601 724 (31.12.2019: 617 099). Changes in market interest rates do not affect the company's current financing price. The relative share of a

possible change in the general reference rate compared to the interest margin is small and alone does not pose a significant risk when taking out new loans.

Operational risks

The most significant operational risks are related to malfunctions of technical solutions, a material change in customers' payment behavior or a misinterpretation of the lending process. The analyzes of various authorities and other commercial actors are constantly monitored in relevant operational decisions.

Loan receivables 31.12.2020

EUR	Capital assets	Receivables	Credit loss bookings	Receivables (Balance sheet value)	Percent
In time	120 162	18 225	-5 575	132 811	27,7%
Late 91 - 120	0	0	0	0	0,0%
Late 121 - 160	8 236	3 823	-7 161	4 899	1,0%
Late 161 - 180	2 369	1 941	-2 559	1 751	0,4%
Late 181 - 210	0	0	0	0	0,0%
Late 211 - 360	11 324	2 455	-8 181	5 597	1,2%
Late > 360	575 749	112 357	-353 742	334 364	69,7%
Receivables (asset value)	717 839	138 801	-377 219	479 421	100,0%

Loan receivables 31.12.2019

EUR	Capital assets	Receivables	Credit loss bookings	Receivables (Balance sheet value)	Percent
In time	184 875	19 058	-14 158	189 775	37,1%
Late 91 - 120	22 232	5 743	-16 571	11 404	2,2%
Late 121 - 160	22 775	7 476	-17 919	12 332	2,4%
Late 161 - 180	4 524	689	-3 088	2 125	0,4%
Late 181 - 210	10 912	2 163	-7 745	5 330	1,0%
Late 211 - 360	99 266	22 797	-72 303	49 760	9,7%
Late > 360	482 513	108 942	-350 343	241 112	47,1%
Receivables (asset value)	827 097	166 868	-482 127	511 838	100,0%

Financial statement

Income statement

EUR	Notes	1.1.-31.12.20	1.1.-31.12.19
Interest income	1)	56 455	181 305
Interest costs	1)	-57 563	-90 425
Net Interest Income		-1 108	90 880
Commission income	2)	39 589	116 477
Commission expenses	2)	-8 991	-19 072
Net Commission Income		30 598	97 405
Personal expenses		-46 669	-2 195
<i>Salaries and wages</i>		-34 825	-1 870
<i>Pension expenses and other personnel expenses</i>		-11 844	-325
Other operating expenses	3)	-87 810	-60 841
Administrative expenses		-134 479	-63 036
Depreciation and impairment of tangible and intangible assets	4)	111 723	-185 829
OPERATIONAL PROFIT		6 734	-60 580
Income taxes		-53 247	-45 296
PROFIT FOR FINANCIAL PERIOD		-46 513	-105 876

Balance sheet

EUR	Notes	31.12.2020	31.12.2019
ASSETS			
Receivables from credit institutions, other	6)	9 799	24 743
Receivables from public and public entities	7)	479 421	511 838
Prepayments and accrued income	8)	76 754	71 676
Deferred tax assets		75 444	96 425
TOTAL ASSETS		641 418	704 682
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Bearings to public and general government bodies			
Other	9)	601 724	617 099
Prepayments received and accrued expenses	11)	1 844	735
Other loans	11)	4 887	7 372
SHAREHOLDERS' EQUITY	12)		
Share capital		2 500	2 500
Retained earnings		76 976	182 852
Profit/loss for the financial period		-46 513	-105 876
Shareholders' Equity total		32 963	79 476
TOTAL		641 418	704 682

Cash flow statement

EUR	1.1.-31.12.20	1.1.-31.12.19
Cash flow from operations		
Profit/loss for the financial period	-46 513	-105 876
Change in working capital:		
Accrued interest expenses	57 563	90 425
Income tax adjustments to profit	53 247	45 296
Total adjustments	110 810	135 721
Change in working capital:		
Change in loan and interest receivables	32 417	948 514
Other receivables and prepayments change	-2 457	1 186
Change in trade payables and other debts*1	-1 376	2 359
Total change in working capital	28 584	952 059
Paid income tax	-34 887	-108 519
Net cash flow from financing activities	57 994	873 385
 Cash flow from financing activities		
Loans withdrawn	521 510	28 000
Loan repayments	-532 605	-896 283
Paid interests	-61 843	-86 040
Net cash flow from financing activities	-72 938	-954 323
 Change in cash and cash equivalents	-14 944	-80 938
Cash and cash equivalents at the beginning of financial period	24 743	105 681
Cash and cash equivalents at the end of financial period	9 799	24 743

1) Changes in short-term receivables and liabilities.

Short-term receivables (add)=change in receivables and accrued income.

Non-interest bearing liabilities (add)=change in bearings to public and accrued expenses.

Notes of the Financial Statement

Accounting principles

General

The financial statement has been prepared for the twelve-month period (1.1-31.12.2020). The Financial Statements are prepared in accordance with the standard 2/2016 of the Finnish Financial Supervision. The Financial Statement is presented in Euros.

Cash and cash equivalents are recognized at fair value on the balance sheet. The cash and cash equivalents of the cash flow statement consist of hard cash, cash on bank accounts and deposits that can be drawn on demand.

Accounting principles for credit losses

Receivables are recorded as credit loss when an execution authority finds insolvency.

Receivables are arranged in stages on the basis of days past due. All receivables (including those not yet due) are divided into provision groups and the entire portfolio is subject to a provision of 0-59.38%.

Accounting policies for non-performing receivables

Receivable is deemed to be non-performing when the receivable concerning particular loan agreement has delay in payment more than 90 days, after which the entire credit claim is classified as non-performing.

Interest income and expenses

Interest income is recognized using the effective interest rate. Interest expenses are recognized as an expense on an accrual basis. The recognition of interest income on receivables is suspended when the receivable is classified as non-performing.

Commission income and expenses

Commission expenses are recognized as an expense in the month in which the service related to the commission expense is performed. Fee income includes income related to debt collection, such as payment notes, payment claims and legal costs. Recognition of commission income is suspended if the receivable is classified as non-performing.

Notes (EUR)	1.1.-31.12.20	1.1.-31.12.19
-------------	---------------	---------------

Notes on Income Statement.

The Financial Statement is prepared in accordance with the standard 2/2016 of the Finnish Financial Supervision.

1. Interest income and expenses

Interest income:

Receivables from public and general government bodies

56 455 181 305

Total

56 455 181 305

Interest expenses:

Other interest expenses

-57 563 -90 425

Total

-57 563 -90 425

2. Commission income and expenses

Commissions income:

On the basis of lending

39 589 116 477

Commission expenses:

Other commission expenses

-8 991 -19 072

Total

30 598 97 405

3. Other operating expenses

Computer software and hardware costs

-50 038 -306

Administration services

-26 717 -52 957

Customer acquisition costs

-5 916 -2 037

Business premises costs

-2 800 -3 225

Marketing and travelling expenses

-1 844 -2 310

Other administrative costs

-495 -6

Total

-87 810 -60 841

4. Impairment and loss of credits and other receivables

Credit loss during financial period

+ Credit loss realized during the financial period

25 909 285 044

- Recoveries from losses of previous period

-32 724 -33 250

+/- Provisions made during financial period

-104 908 -65 965

Credit loss recorded in Financial Statements

-111 723 185 829

5. Operation geographically and by field of operation

FIN-Yritysrahoitus Oy operates in Finland only.

Notes (EUR)	1.1.-31.12.20	1.1.-31.12.19
6. Receivables from credit institutions, other		
	Total	Payable on demand
31.12.2020		Other than payable on demand
From Finnish credit institutions:	9 799	9 799
Receivables from credit institutions total:	9 799	9 799
		0
	Total	Payable on demand
31.12.2019		Other than payable on demand
From Finnish credit institutions:	24 743	24 743
Receivables from credit institutions total:	24 743	24 743
		0
7. Receivables from public and general government bodies	31.12.2020	31.12.2019
Companies and households	479 421	511 838
Total	479 421	511 838
Impairment at the beginning of the financial period	482 127	548 092
Impairment written off during the financial period	-104 908	-65 965
Impairment at the end of the financial period	377 219	482 127
Gross debt from public	856 640	993 965
Impairment losses	-377 219	-482 127
Net receivables from public and general government bodies	479 421	511 838
8. Prepayments and accrued income	31.12.2020	31.12.2019
Advance tax payments	74 297	71 676
Other receivables	2 457	0
Total	76 754	71 676
9. Loans	31.12.2020	31.12.2019
Other loans	601 724	617 099

At the end of the 31 December 2020 FIN Yritysrähoitus Oy had loans worth of 601 724 defined both by book and nominal value (31.12.2019: 617 099).

	31.12.2020	31.12.2019
Supernova Group companies	0	379 481
Other shareholder loans and related party loans	154 618	0

Other loans	447 106	237 618
Loans total	601 724	617 099

Liitetiedot (EUR)

10. Receivable items and liability items by age

31.12.2020

Receivable items:	0-3mths	3-12mths	1-5years
Receivables from credit institutions	9 799	0	0
Receivable from public	404 144	51 757	23 520

Debt items:

Other loans	5 106	379 618	217 000
-------------	-------	---------	---------

31.12.2019

Receivable items_	0-3kk	3-12kk	1-5v
Receivables from credit institutions	24 743	0	0
Receivable from public	447 932	61 693	2 213

Debt items:

Other loans	4 385	602 714	10 000
-------------	-------	---------	--------

11. Prepayments received and accrued expenses

	31.12.2020	31.12.2019
Payroll tax and insurance liabilities	1 844	305
Other liabilities and accrued expenses	0	430
Prepayments and accrued income	1 844	735

Account payable	4 887	7 372
Other loans	4 887	7 372

12. Shareholders' Equity

	31.12.2020	31.12.2019
Share capital	2 500	2 500
Profit from previous financial periods 1.1	76 976	182 852
Net profit for the financial period	-46 513	-105 876
Value at the end of the financial period	32 963	79 476

13. Pension coverage for personnel

Statutory employment pension insurances are marked for the Finnish personnel in insurance company Elo. There are no uncovered actuarial liabilities.

Notes (EUR)

14. Average number of personnel

The average number of personnel in FIN Yritysrahoitus Oy during the financial period:

	Beginning of the financial period	End of the financial period	Average
Permanent full-time personnel	0	2	1
Total	0	2	1

15. Financial assets and liabilities and fair value represented at book**31.12.2020**

Financial assets	Book value	Fair value
Receivables from credit institutions	9 799	9 799
Receivables from public	479 421	479 421

Financial liabilities

Yleiseen liikkeeseen lasketut velkakirjat	601 724	601 724
---	---------	---------

31.12.2019

Financial assets	Book value	Fair value
Receivables from credit institutions	24 743	24 743
Receivables from public	511 838	511 838

Financial liabilities

Bearings to public and general government bodies	617 099	617 099
--	---------	---------

16. Notes to the supervised entity belonging to the Group

FIN-Yritysrahoitus Oy belonged during the financial year 2019 to the group (100 %:n) Supernova JV S.à r.l., 2, rue du Fort Bourbon, L-1249 Luxembourg, TVA LU 27830603, www.supernova.lu.

As of 27.01.2020, FIN-Yritysrahoitus Oy is no longer part of the Supernova JV S.à r.l Group.

Signatures

The date of the report of the Board of Directors and the financial statements, the signatures of the members of the Board of Directors and the Managing Director.

In Helsinki 27.05.2021

Ville Kaitue
Board member, CEO

Auditor's Note

An auditing report has been issued today for the audit performed.

In Helsinki 28.05.2021

Tuomas Honkamäki
KHT