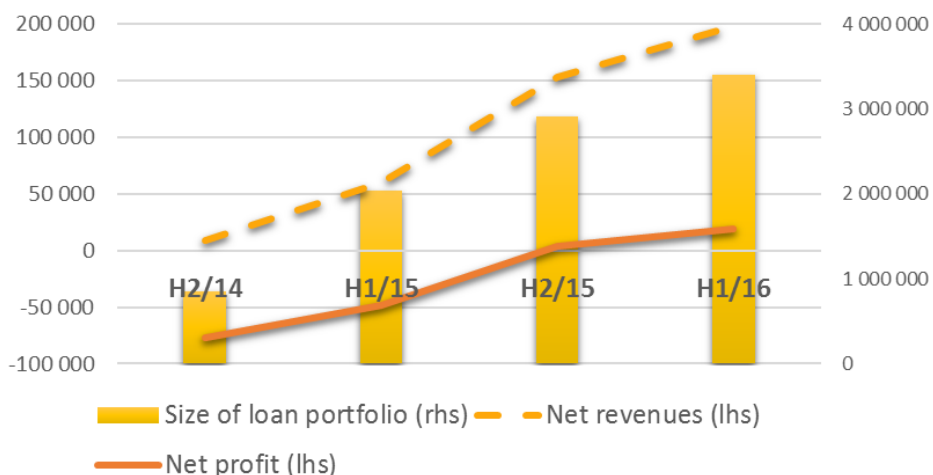


- **Loan portfolio increased to 3,4 mio EUR. Main growth came from factoring and consumer credit areas.**
- **In order to represent credit providers' interests better in the creation of new legislation a new working group was established early April under the umbrella of Finance Estonia. The working group has currently 7 member companies and is chaired by Finora Capital.**

6 months 2016 results

- Total portfolio of various loan products increased to 3,4 mio EUR. Although the largest growth was in the areas of factoring and consumer credit (hire purchase and small loans) then the largest part of the portfolio is still mortgage backed loans.
- In May a 0,5 mio EUR portfolio of small loans was acquired from a loan provider that exited Estonian market. Through that Finora Capital entered the market of small uncollateralized loans. The aim is to increase the profitability of the total portfolio without increasing the risks noticeably. We will continue with a conservative scoring model. Our 2 months' track record indicates that only ca 15-20% of small loan applicants receive financing from us.
- Including the sale of bonds in the beginning of July, in total bonds worth 3,8 mio EUR have been issued. All covenants of the bonds are fulfilled
- In 6 mo of 2016 net revenues of ca 200 000 EUR were earned. This is largest half-year net revenue in the history of Finora Capital. Net revenues grew yoy over 3 times and operational expenses increased over 50%. Growth in costs was mainly related with costs associated with the growth of loan portfolio, e.g. increase in staff, IT development, notary fees, inquiries to databases etc.



During the 2 operational years net revenues and the size of the portfolio have grown steadily every 6 months (amounts in EUR)

Income statement (unaudited), in EUR

	H1/15	H2/15	H1/16
Interest income	149 548	295 456	325 613
Interest costs	-91 435	-150 167	-167 520
Net interest income	58 113	145 289	158 093
Service fees and other income	2 100	8 215	40 385
Net revenues	60 214	153 503	198 478
Personnel expense	-44 987	-38 534	-50 668
IT expenses	-18 868	-14 135	-31 855
Marketing expenses	-12 530	-18 991	-20 937
Other expenses	-28 089	-47 937	-54 334
<i>Premises</i>	-2 871	-5 088	-5 088
<i>Legal costs</i>	-5 623	-11 752	-9 190
<i>Accounting, including audit</i>	-6 595	-4 200	-5 100
<i>Financing fees</i>	-7 956	-16 322	-18 073
<i>Other expenses</i>	-5 043	-10 574	-14 597
Operating expenses TOTAL	-104 474	-119 598	-157 793
EBTDA	-44 260	33 906	40 685
Depreciation, NPL	-4 348	-30 317	-21 753
Net profit	-48 608	3 589	18 932

Balance sheet (unaudited), in EUR

	30.06.15	31.12.15	30.06.16
Cash	310 819	156 066	195 850
Mortgage loans	1 659 439	2 290 046	2 085 776
Other loans	375 029	627 411	1 314 161
Factoring claims	125 086	265 349	500 915
Consumer credit claims	249 943	362 062	813 246
Other receivables	10 604	77 794	61 443
Tangible fixed assets	2 552	1 995	323 911
Intangible fixed assets	25 056	20 136	17 358
TOTAL ASSETS	2 383 499	3 173 449	3 998 499
Bonds	966 347	2 456 595	3 325 966
Other loans	1 273 033	574 233	299 617
Shareholders' loans	28 872	12 065	12 065
Interest payables	32 604	20 679	17 552
Other payables	48 484	37 130	251 637
Total liabilities	2 349 341	3 100 701	3 906 837
Share capital	50 000	50 000	50 000
Reserve capital	113 426	148 426	148 426
Retained earnings	-80 660	-80 660	-125 679
Net profit for the year	-48 608	-45 019	18 916
Total equity	34 158	72 747	91 663
TOTAL LIABILITIES AND EQUITY	2 383 499	3 173 449	3 998 499