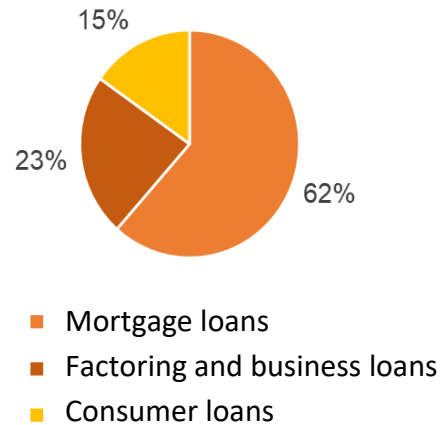


## Period highlights

### Portfolio saw an increase of nearly 29% within a year

- Total loan portfolio close to €5.9M
- Largest annual increase recorded in factoring and mortgage loans



Portfolio as of 30.06.2018

### Funding has improved

- Equity has been increased in 6 months by ca **400,000€**
- In 12 months, equity has been increased **sevenfold**
- March saw a successful **refinancing** of bonds worth €4M, additional emission of 420,000€ was completed in Q2

### Profitability on the rise

- Total revenue has increased nearly 25% YoY and more than 15% over the past 6 months
- There are no significant changes in operational expenses
- This period's EBTDA was the largest of recent years and has increased 164% over the past 12 months

### Contact for additional information

Andrus Alber

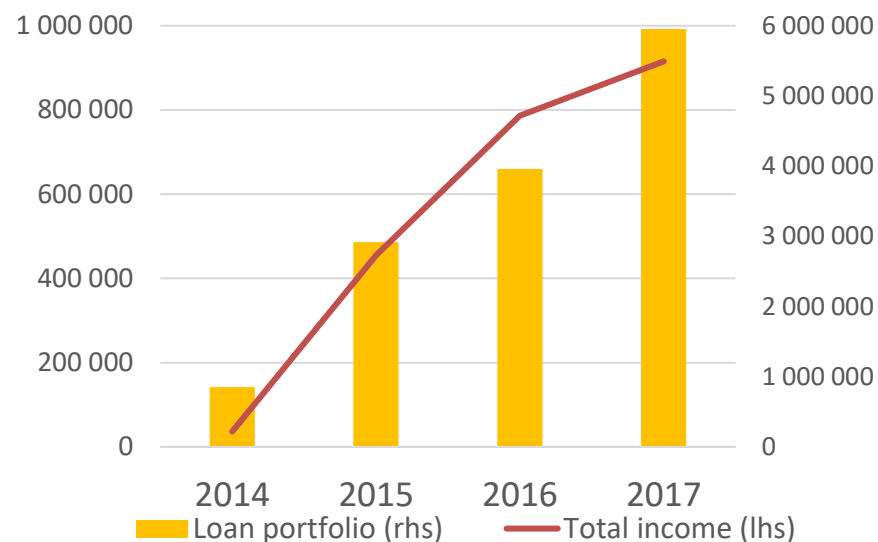
E-mail: [andrus.alber@finoracapital.eu](mailto:andrus.alber@finoracapital.eu)

Phone: +372 658 1300

## 2018 half-year results

By the end of the first six months of 2018, Finora's loan portfolio is at €5.9M. Compared to the second half of 2017, a slight decline can be seen in mortgage loans whereas **factoring** has increased **by 50%**. YoY growth of mortgage loans was 32% and in factoring above 50%.

Due to the rapid growth of factoring as well as the introduction of a new loan product for smaller businesses, the first half of 2018 saw a record of over **€2M in new loan sales**.



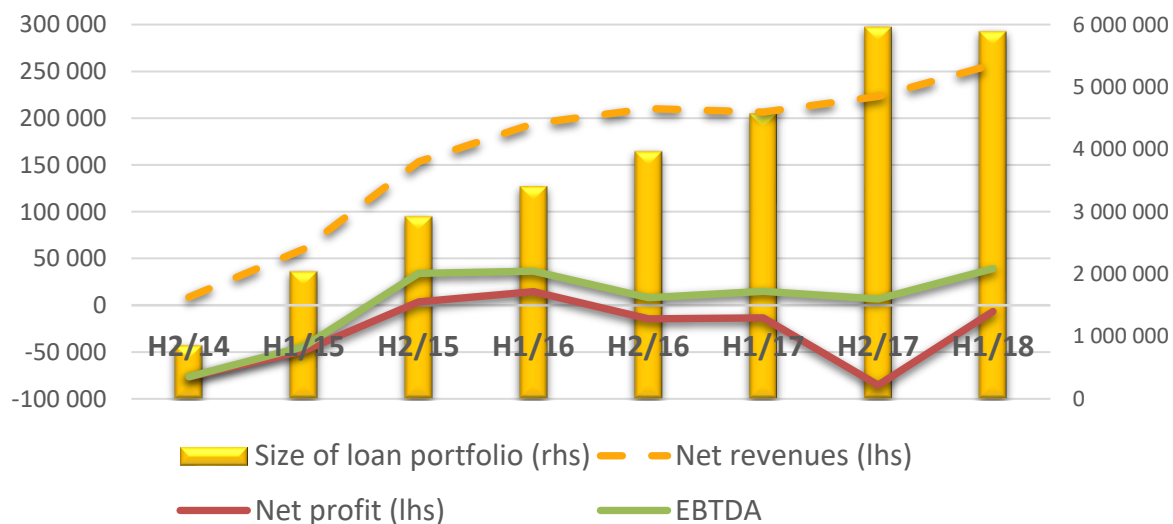
Changes in portfolio volume over previous years

|                         | H1 2018 | H2 2017 | H1 2017 |
|-------------------------|---------|---------|---------|
| <b>Efficiency ratio</b> | 84,8%   | 97,0%   | 92,8%   |
| <b>ROA</b>              | -0,10%  | -1,43%  | -0,27%  |
| <b>ROE</b>              | -1,00%  | -31,82% | -11,52% |

### On ratios

- Ratios are presented as a three-period comparative table
- Returns on Assets/Equity calculated from net income of 6 months
- Efficiency ratio – costs (excl interest expense) divided by net revenues

- The first six months of 2018 saw an income (interest & other) close to **€530,000** and net revenue (including interest expenses) just below **€260,000**. Q2 recorded Finora's largest quarterly revenue. Most of the company's revenue comes from interest income, of which over 50% is from mortgage loan interest. There have been no remarkable changes over the past six months in interest-related expenses and the YoY increase was kept under 10%.
- **Operational expenses** declined nearly **8%** in the course of the first six months of the year, YoY increase remained **under 9%**. Due to vital additions to the team and moving to a new office (in August 2017), labour expenses have increased compared to the figures from a year ago. **Financing expenses declined** significantly, compared both to 6 months as well as a year ago – Finora Capital currently has only one bond and new investments are mainly gathered without external intermediaries.
- Close to a **sixfold increase** over six months in **EBDTA** and a near triple increase compared to a year ago meant the **largest pre-impairment profit** for Finora in recent years. In spite of increases in loan provisions, Q2 recorded a quarterly profit.



# Financial statements

## Income statement (unaudited), EUR

## Balance sheet (unaudited), EUR

|   | H1 2017         | H2 2017         | H1 2018         |                                       | 30/06/2017       | 31/12/2017       | 30/06/2018       |
|---|-----------------|-----------------|-----------------|---------------------------------------|------------------|------------------|------------------|
| Interest income                                 | 396,888         | 444,490         | 453,740         | Cash                                  | 247,997          | 292,055          | 245,619          |
| Mortgage backed loans                           | 263,446         | 286,402         | 273,298         | Mortgage loans                        | 2,743,243        | 3,979,711        | 3,621,167        |
| Factoring and business loans                    | 74,849          | 96,682          | 123,143         | Other loans to clients                | 1,822,610        | 1,874,113        | 2,262,399        |
| Consumer loans                                  | 58,593          | 61,406          | 57,299          | <i>Factoring claims and bus.loans</i> | 878,086          | 993,880          | 1,365,208        |
| Interest expense                                | -223,230        | -267,987        | -270,262        | <i>Consumer credit claims</i>         | 944,524          | 880,233          | 897,191          |
| <b>Net interest income</b>                      | <b>173,658</b>  | <b>176,503</b>  | <b>183,479</b>  | Claims to subsidiary                  | 27,690           | 54,661           | 190,386          |
| Other income                                    | 32,764          | 46,702          | 73,825          | Other receivables                     | 139,126          | 205,994          | 264,877          |
| <b>Total revenue</b>                            | <b>206,422</b>  | <b>223,204</b>  | <b>257,304</b>  | Tangible fixed assets                 | 250,542          | 254,914          | 9,072            |
| Labor expenses                                  | -61,484         | -69,271         | -82,524         | Intangible fixed assets               | 19,671           | 18,168           | 12,896           |
| Operating expenses                              | -130,135        | -147,336        | -135,634        | <b>TOTAL ASSETS</b>                   | <b>5,250,878</b> | <b>6,679,616</b> | <b>6,606,416</b> |
| <i>IT expenses</i>                              | -25,864         | -25,815         | -25,513         | Bank loans                            | 335,158          | 272,019          | 1,097,873        |
| <i>Marketing expenses</i>                       | -23,192         | -21,820         | -18,286         | Bonds                                 | 4,281,799        | 4,961,539        | 4,116,186        |
| <i>Legal costs</i>                              | -15,957         | -22,812         | -19,632         | Other loans                           | 450,000          | 925,000          | 425,000          |
| <i>Accounting, including audit</i>              | -12,060         | -12,580         | -11,936         | Interest payables                     | 23,153           | 26,059           | 42,552           |
| <i>Financing fees</i>                           | -23,607         | -24,040         | -14,482         | Other payables                        | 49,837           | 69,434           | 55,723           |
| <i>Other operating expenses</i>                 | -29,455         | -40,270         | -45,785         | <b>Total liabilities</b>              | <b>5,139,947</b> | <b>6,254,051</b> | <b>5,737,335</b> |
| <b>Total expenses</b>                           | <b>-191,619</b> | <b>-216,607</b> | <b>-218,158</b> | Share capital                         | 250,000          | 263,146          | 279,812          |
| <b>Profit before impairment (EBTDA)</b>         | <b>14,803</b>   | <b>6,597</b>    | <b>39,146</b>   | Share premium                         |                  | 360,746          | 748,466          |
| Depreciation and amortization                   | -8,559          | -10,050         | -10,095         | Retained earnings                     | -125,503         | -99,403          | -152,712         |
| Changes in loan impairment reserve              | -19,808         | -81,905         | -35,346         | Net profit for the year               | -13,567          | -98,924          | -6,485           |
| <b>Net profit (loss) for the financial year</b> | <b>-13,564</b>  | <b>-85,358</b>  | <b>-6,485</b>   | <b>Total equity</b>                   | <b>110,931</b>   | <b>425,566</b>   | <b>869,081</b>   |
|   |                 |                 |                 | <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>5,250,878</b> | <b>6,679,616</b> | <b>6,606,416</b> |