



**Presentation of Finto Capital for Income Marketplace and its investors**

August 2021

# Financial results (annual and YTD)

## Balance sheet, EUR

	Dec 19	Dec 20	May 21
<b>ASSETS</b>			
Cash	130 256	62 094	167 669
Lease portfolio	645 494	888 535	1 242 188
Mortgage loan portfolio	-	-	786 622
Other	365 408	364 106	143 288
<b>TOTAL ASSETS</b>	<b>1 141 157</b>	<b>1 314 734</b>	<b>2 339 767</b>
<b>LIABILITIES &amp; EQUITY</b>			
Borrowings	673 795	946 977	2 029 821
Accounts payable	13 185	2 497	27 250
Other	33 119	37 951	36 806
Impairment allowance	64 549	115 510	115 510
Share capital	425 000	425 000	425 000
Retained earnings	- 68 490	- 213 199	- 294 619
<b>TOTAL LIAB. &amp; EQUITY</b>	<b>1 141 157</b>	<b>1 314 734</b>	<b>2 339 767</b>

## Income statement, EUR

	FY 2019	FY 2020	5M 2021
Interest and similar income	159 578	286 560	133 488
Cost of funding	- 80 622	- 137 741	- 72 260
Impairment	- 64 549	- 50 960	- 9 339
Gross profit	14 406	97 859	51 888
Personnel expenses	- 17 859	- 102 364	- 30 146
Operational expenses	- 67 135	- 66 095	- 32 312
One-off expenses*	-	-	- 54 712
EBITDA	- 70 588	- 70 600	- 65 282
<i>Adjusted EBITDA*</i>	<i>- 70 588</i>	<i>- 70 600</i>	<i>- 10 569</i>
Depreciation & amortization	- 6 581	- 74 083	- 25 525
Reported net profit / (loss)	- 77 168	- 144 683	- 90 807
<i>Adjusted net profit / (loss)*</i>	<i>- 77 168</i>	<i>- 144 683</i>	<i>- 36 094</i>

- Company offers car leasing services for consumers. Company's lease portfolio has exceeded EUR 1.2M in May 2021. As a result of lease transactions the company becomes the owner of the car leased to its customers, therefore, the lease portfolio is fully backed by car collateral.
- The company also owns mortgage loan portfolio of EUR 786k. The company manages mortgage loan portfolio and does not offer new mortgage loans to its customers. The LTV of mortgage loan portfolio is 19%.
- Due to the overall uncertainty and unstable credit risk during the Covid19 the company tightened its credit underwriting procedures and focused its resources on managing its existing loan portfolios, therefore, the growth of its lease portfolio was very limited.
- In 2021 the company finalized additional capital raising round and obtained additional EUR 600k of subordinated capital from company's shareholders, out of which EUR 500k were utilized to refinance existing secured loan capital.
- Additionally, in 2021 the company acquired EUR 400k from an investment fund to finance the growth of lease portfolio via acquisition of lease portfolio from another market player

# Financial results (monthly YTD)

## Monthly Income statement, EUR

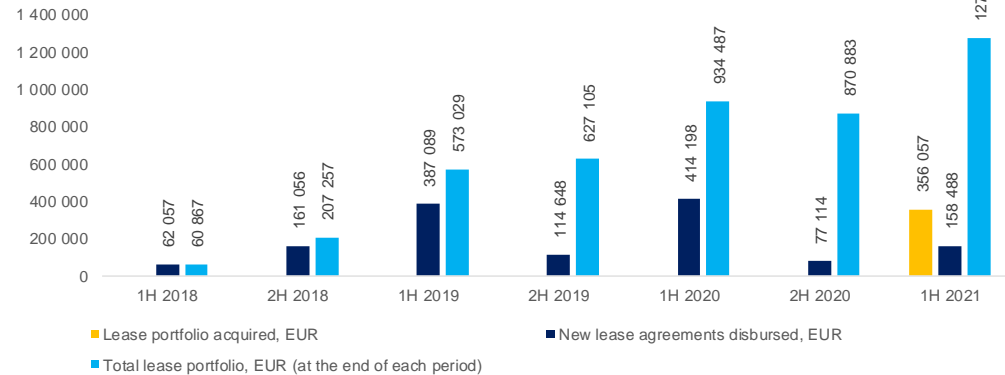
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021
Interest and similar income	21 252	22 575	23 828	26 370	39 464
Cost of funding	- 11 784	- 12 029	- 13 516	- 15 269	- 19 663
Impairment	- 1 868	- 1 868	- 1 868	- 1 868	- 1 868
Gross profit	7 600	8 678	8 444	9 232	17 933
Personnel expenses	- 6 146	- 4 897	- 6 767	- 6 372	- 5 964
Operational expenses	- 5 079	- 6 128	- 7 213	- 7 447	- 6 445
One-off expenses*	-	-	-	-	- 54 712
Reported EBITDA	- 3 625	- 2 346	- 5 535	- 4 587	- 49 189
Adjusted EBITDA*	- 3 625	- 2 346	- 5 535	- 4 587	5 524
Depreciation & amortization	- 5 105	- 5 105	- 5 105	- 5 105	- 5 105
Reported net profit / (loss)	- 8 730	- 7 451	- 10 640	- 9 692	- 54 294
Adjusted net profit / (loss)*	- 8 730	- 7 451	- 10 640	- 9 692	419

One-off expenses\* – in May 2021 the company acquired the lease portfolio from another market player and refinanced its secured loan capital into subordinated loan capital and as a result the company had one-off type of expenses related to lease portfolio acquisition and commission expenses for early repayment of a secured loan capital.

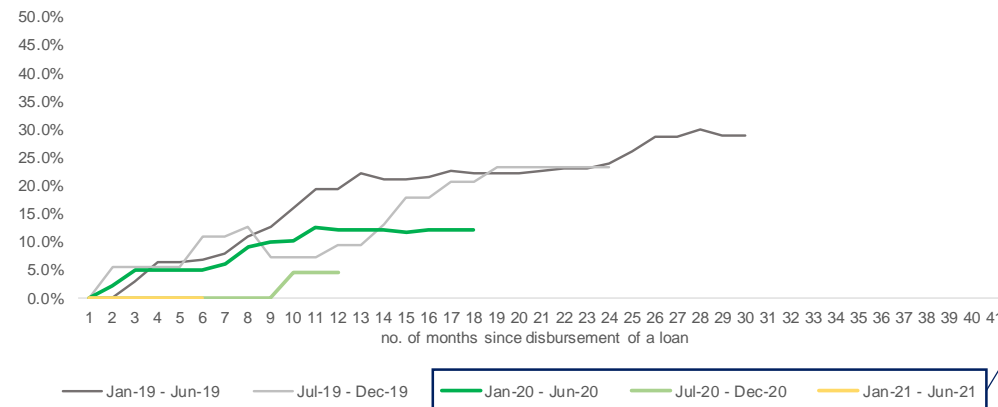
- In May 2021 the company has reached its operational break-even point and since then has continued to increase its lease portfolio.
- In order to facilitate the growth and to limit the competition in the local market the company has acquired the performing part of lease portfolio from another market player. The nominal value of acquired lease portfolio was ca. EUR 350k.
- Within the second quarter of 2021 the company has also increased its lending volumes and in May and June combined the company has disbursed more than EUR 100k into new lease agreements.
- The management of the company expects to close the second half of the year with operational profit.

# Performance of Lease portfolio

Lease portfolio growth, EUR



Default rates by time-since-issue (% , loans terminated vs loans distributed)



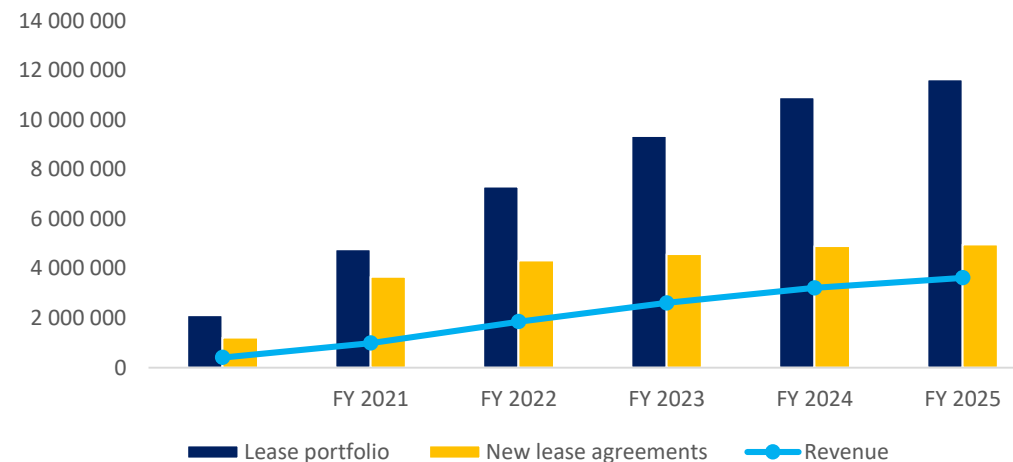
- The Company has gradually increased its lease portfolio up to ca. EUR 1.3M at the end of June 2021 and expects to grow it by 6x – 7x in the next 48 – 60 months.
- The performance of lease agreements are being constantly analyzed and back-tested with aim to improve risk underwriting procedures and overall performance of lease agreements disbursed.
- By testing the underwriting procedures and monitoring the key performance metrics of the lease agreements the company has managed to improve the overall performance of the lease agreements.
- The lease agreements disbursed since the beginning of 2020 perform significantly better due to improved underwriting procedures.
- Green and yellow lines represent the performance of the lease agreements disbursed since the beginning of 2020.
- In a case of a default the company recover more than 85% of disbursed loan amount by a proceeds from the sale of a car and by payments collected from its customers.

# Five year forecast

## Forecasts of Latvian business

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenue	407 584	991 611	1 854 032	2 610 965	3 221 177	3 628 377
EBITDA	36 325	147 542	439 966	889 888	1 390 776	1 752 239
Net profit / (loss)	(26 313)	79 537	364 205	806 875	1 303 584	1 660 347
Lease portfolio	2 115 053	4 780 664	7 310 635	9 349 604	10 908 931	11 634 651
New lease agreements	1 208 299	3 663 337	4 328 613	4 587 811	4 911 809	4 976 608

## Forecasted growth of lease portfolio and revenues, EUR



# Thank you



This presentation is made for Income Marketplace and its investors by Finto Capital SIA. In case of any inquiries:

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