



Presentation of Finto Capital for Income Marketplace and its investors

February 2022

Financial results (annual and YTD)

Balance sheet, EUR

	Dec 19	Dec 20	Dec 21
ASSETS			
Cash	130 256	62 094	27 403
Lease portfolio	645 494	888 535	1 534 440
Other	365 408	364 106	173 346
TOTAL ASSETS	1 141 157	1 314 734	1 735 189
LIABILITIES & EQUITY			
Borrowings	673 795	946 977	1 429 694
Accounts payable	13 185	2 497	3 919
Other	33 119	37 951	61 723
Impairment allowance	64 549	115 510	184 335
Share capital	425 000	425 000	425 000
Retained earnings	- 68 490	- 213 199	- 369 482
TOTAL LIAB. & EQUITY	1 141 157	1 314 734	1 735 189

Income statement, EUR

	FY 2019	FY 2020	FY 2021
Interest and similar income	159 578	286 560	433 082
Cost of funding	- 80 622	- 137 741	- 211 311
Impairment	- 64 549	- 50 960	- 68 826
Gross profit	14 406	97 859	152 946
Personnel expenses	- 17 859	- 102 364	- 89 106
Operational expenses	- 67 135	- 66 095	- 94 209
One-off expenses*	-	-	- 64 456
EBITDA	10 034	67 141	116 484
<i>Adjusted EBITDA*</i>	<i>10 034</i>	<i>67 141</i>	<i>180 941</i>
Depreciation & amortization	- 6 581	- 74 083	- 61 424
Reported net profit / (loss)	- 77 168	- 144 683	- 156 251
<i>Adjusted net profit / (loss)*</i>	<i>- 77 168</i>	<i>- 144 683</i>	<i>- 91 794</i>

- Company offers car leasing services for consumers. Company's lease portfolio has exceeded EUR 1.5M in December 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.
- 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 in 2020 and beginning of 2021 was rather 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 additional financing of EUR 400k from an investment fund to finance the growth of lease portfolio.
- The company plans to reach the lease portfolio growth rate of 90% in 2022.

Financial results (quarterly data)

Quarterly Income statement, EUR

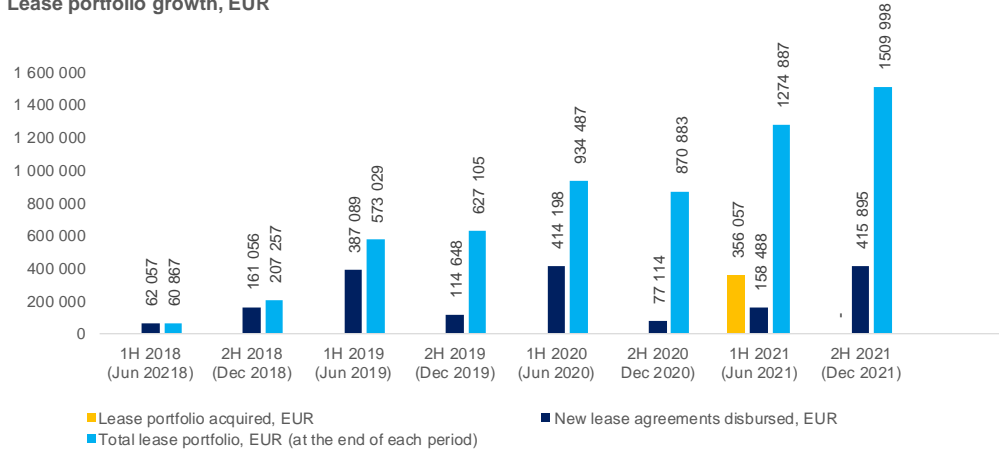
	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Interest and similar income	67 756	105 882	128 105	131 338
Cost of funding	- 37 328	- 56 278	- 59 749	- 57 956
Impairment	- 14 431	- 22 182	- 26 197	- 6 015
Gross profit	15 997	27 422	42 159	67 367
Personnel expenses	- 17 809	- 20 435	- 23 952	- 26 911
Operational expenses	- 18 247	- 21 851	- 28 945	- 25 166
One-off expenses*	-	- 57 514	- 5 890	- 1 053
Reported EBITDA	17 269	- 16 099	43 121	72 193
Adjusted EBITDA*	17 269	41 415	49 011	73 246
Depreciation & amortization	- 15 315	- 15 315	- 15 381	- 15 414
Reported net profit / (loss)	- 35 374	- 87 691	- 32 009	- 1 176
Adjusted net profit / (loss)*	- 35 374	- 30 178	- 26 119	- 124

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.

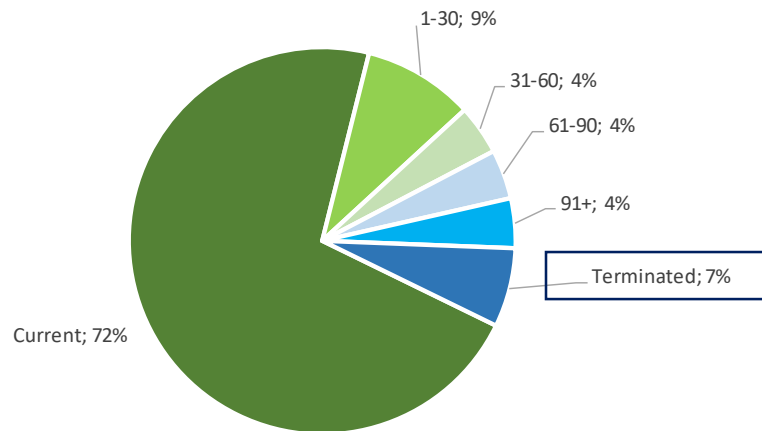
- In 2021 the company has reached its operational break-even point and since then has continued to increase its lease portfolio.
- The management of the company expects that Finto Capital will become fully profitable in 2022.
- In order to facilitate the growth and to limit the competition in the local 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.

Performance of Lease portfolio

Lease portfolio growth, EUR



Lease portfolio split by days past due



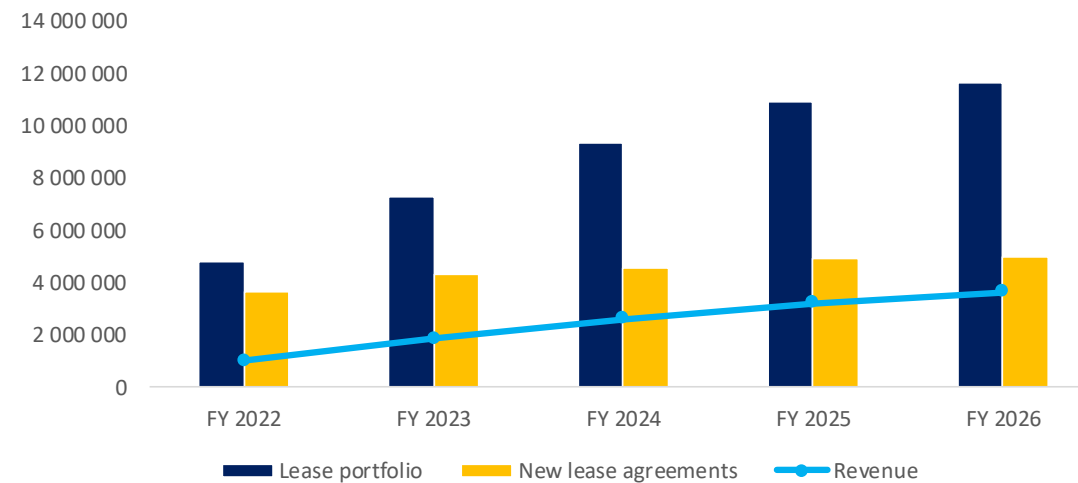
- The Company has gradually increased its lease portfolio up to ca. EUR 1.5M and expects to grow it by 6x – 7x in the next 48 – 60 months.
- The performance of lease agreements are being constantly analyzed and back-tested with aim to improve risk underwriting procedures and overall performance of lease agreements disbursed.
- By testing the underwriting procedures and monitoring the key performance metrics of the lease agreements the quality of company's lease portfolio has improved notably and as of the end of February 2022 only 7% of total lease gross portfolio comprises of agreements, which have been terminated.
- In a case of a default the company recover more than 90% 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 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenue	991 611	1 854 032	2 610 965	3 221 177	3 628 377
EBITDA	147 542	439 966	889 888	1 390 776	1 752 239
Net profit / (loss)	79 537	364 205	806 875	1 303 584	1 660 347
Lease portfolio	4 780 664	7 310 635	9 349 604	10 908 931	11 634 651
New lease agreements	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:

Rihards Behmanis

CEO

finto@finto.lv

Riga, Latvia, Berzaunes Str. 1, LV-1039