



# NEO FINANCE, AB

Interim financial information for 2023 Q1

28 April 2023  
Vilnius



**NEO**  
**Finance**

# **NEO Finance, AB**

## **CONFIRMATION OF THE RESPONSIBLE PERSONS AT THE COMPANY**

28 April 2023  
Vilnius

We hereby confirm that, to the best of our knowledge, that sales report for Q1 2023 is a true and fair representation of the quarterly performance.

Head of Administration, NEO Finance AB

**Evaldas Remeikis**

Chief Financial Officer, NEO Finance AB

**Tomas Savickas**

A low-angle photograph of a modern building's interior. The ceiling features several large, circular skylights that allow natural light to filter through. The structure is supported by white, cylindrical columns. The building's facade is composed of dark-framed glass windows and panels of reddish-brown perforated metal. The overall aesthetic is clean, architectural, and bright.

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COMPANY'S 2023 Q1  
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## **NEO Finance, AB HEAD OF ADMINISTRATION**

In Q1 2023, NEO Finance, AB continued to increase the volume of all business segments. The company's income increased by 28% during the Q1 of 2023 and reached 1 014 thousand EUR. By comparison, in Q1 2022 it amounted to EUR 793 thousand. Revenue growth was mainly driven by peer-to-peer (P2P) lending activities, which grew by 34%. In addition, income related to payment activities grew by 21%. The income from P2P lending activity increased the most due to the increase in the administered loan portfolio, which reached 57.7 million EUR at the end of the quarter. Operating costs increased by 36%, from EUR 337 thousand in Q1 2022 to EUR 460 thousand in Q1 this year. The company's EBITDA and pre-tax profit grew by 130% and 911% respectively in the first quarter of the year, reaching EUR 167 thousand and EUR 72 thousand. For comparison, in 2022 Q1, these indicators respectively reached 73 thousand and 7 thousand EUR.

The results of the Q1 are optimistic. In addition to generating steadily growing profits, the company invests in improving risk management, information security, internal audit, money laundering prevention activities and improving processes in order to maximise compliance with laws and regulations applicable to the company. In addition, the company devotes human and financial resources to upgrades of internal and external IT systems and the introduction of new modules in order to keep up with the pace of modern software development. At the beginning of this year, the customer identification solution was made more efficient and now become even simpler and more convenient for new customers. It is also important to note that the number of employees grew rapidly, with an increase of around 20% compared to last year. The median salary of employees, who worked a full month, reached almost EUR 2,900 in March and significantly exceeded last year's result. In a tight labour market, the Company's management is trying to adapt to the current challenges as much as possible and is raising salaries and offering other benefits to employees, for example: starting from March of this year, all employees of the company who have worked for at least 6 months are covered by health insurance at the expense of the company.

### **Paskolų Klubas**

In Q1 2023, Paskolų Klubas granted loans worth EUR 9.95 million, an increase of 41% compared to Q1 2022. In March, we enjoyed an all-time record of loan applications approved in a single day, with the amount of loans listed for investment reaching EUR 345 660. In the Paskolų Klubas business segment, with the growth of loan volumes, the administered portfolio and the income of this segment, the Company generated a positive EBITDA, which reached EUR 389 thousand in the first quarter of this year. In order to reduce the risk of insolvency of borrowers, we offer them payment insurance solutions, which we continue to improve, automating the processes related to this service.

### **Neopay**

In Q1 2023, the volume of payment initiation services with Neopay customers completing almost 6.5 million transactions, an increase of 41% compared to Q1 2022, when 4.7 million transactions were completed. In March, we achieved another solid record: we initiated 2.43 million transactions in a month. Most transactions were initiated from Swedbank and SEB banks. Although the majority of transactions are generated in the markets of Lithuania and Latvia, the number of customers and transactions in other foreign markets, especially in Estonia and Poland, is gradually increasing. In February, the Neopay team participated in the largest telecommunications exhibition, Mobile World congress, during which we increased the awareness of the Neopay brand and found new business partners. In February, we launched two new products: Neopay PayForYou (POS Lending) and Neopay 3 (Buy Now, Pay Later). We actively carried out the communication of these new services in the target segment of the Lithuanian market and signed the first contracts with e-shops. In order to gain a stronger foothold in the Polish market, we concluded a cooperation agreement with one of the largest international banks operating in Poland and completed the integration with one of the largest payment service providers in the country. In the near future, we plan to strengthen the sales team in the Polish market. In the open banking business segment, we not only earned record quarterly revenues, of EUR 287,307 thousand in the Q1 of the year, but also recorded a six-digit EBITDA value, while maintaining a rapid growth in the number of transactions.

### **FinoMark**

The crowdfunding platform FinoMark mediated the issuance of business loans for 1.5 million EUR in Q1 2023, compared to EUR 0.5 million in Q1 2022. The company's income reached EUR 773 thousand in Q1 2023 compared to EUR 35 thousand in Q1 2022. As Finomark UAB is still in a start-up phase, the positive EBITDA and pre-tax profit figures of EUR -27 thousand and EUR -41 thousand respectively have not yet been achieved this quarter.

We can be pleased that the team is performing well and this is reflected in the results. Sales revenue and loan portfolio

grew steadily every quarter, and the platform continues to be improved, with the introduction of new functionalities, keeping the company's cost consumption optimal. We take the necessary steps to attract larger new investors and maintain close relations with existing and new smaller investors. For individuals and legal entities, who can also invest through the platform, we disclose as much targeted project information as possible, so that investors can choose the projects that best suit their needs. Today's challenge is to attract larger and institutional investors to invest larger sums through the platform, which is why we are open to various forms of cooperation that would allow us to grow faster. We are actively working on borrower administration with the aim of continuing to maintain the level of overdue loans of around 5-6%, based on the volume of issues.

# COMPANY STRUCTURE

NEO Finance AB is currently conducting its activities under three different brands: Paskolų Klubas, Neopay and FinoMark.

In 2016, the company was the first to be included on the Bank of Lithuania's list of P2P lending platforms. NEO Finance AB's Paskolų Klubas brand provides P2P lending services in Lithuania. Citizens of the European Union, the Free Trade Association and the European Economic Area, for whom services are provided under the NEO Finance brand, may also invest in loans.

In 2017, the company obtained an electronic money institution license, which allows it to provide services throughout the European Union. Payment initiation and account information services were launched under the Neopay brand.

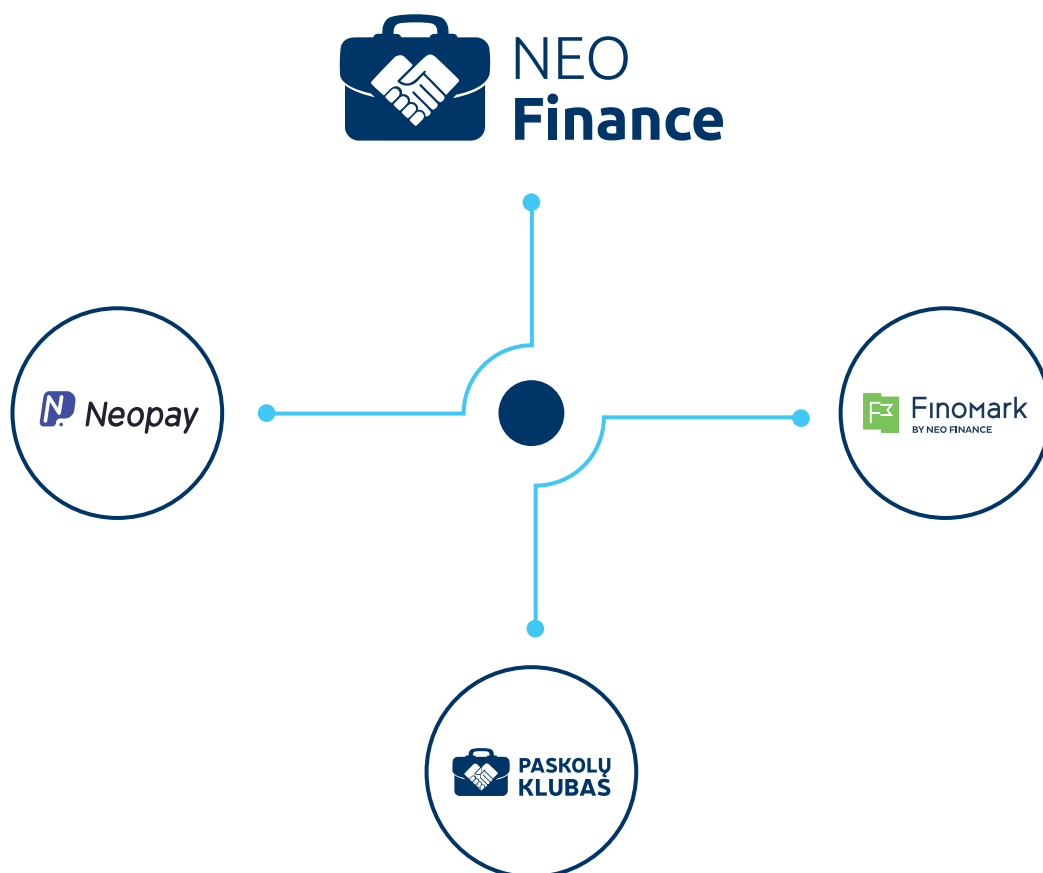
In 2020, NEO Finance AB acquired the FinoMark crowdfunding platform, which began operations in February 2021 when the Bank of Lithuania included it on its list of crowdfunding platform operators.

In 2019, the Dutch subsidiary NEO Finance B.V. was established, as a basis to attract investors from the Benelux countries for loans issued on NEO Finance's inter-lending platform.

As at the date of publication of this report, NEO Finance AB owns 94.63% of the shares of FinoMark UAB.

The company has no branches and/or representative offices.

## FIELDS OF ACTIVITY





## **P2P LENDING PLATFORM**

Services:

Investing for natural people and legal entities:

- High return for investors 8-16%;
- No hidden commissions fees;
- Fast, convenient and online service.

Consumer loans for natural people:

- Loan's interest from 5%;
- No upfront fees;
- Fast, convenient and online service.

## **OPEN BANKING**

Services:

Payment initiation, account information and other payment services:

- Fast contract signing process and easy integration;
- Collection of payments from the banks;
- Instant payments;
- Application for customers business needs;
- API integration for more than 200 financial institutions;
- Automatic payouts and refunds;
- Recurring and bulk payments;
- Payments via active payment link and barcode;
- Card payments;
- Account information service;
- POS lending (NeopayPayForYou) and BNPL solutions (Neopay 3)

## **CROWDFUNDING PLATFORM**

Services:

Investing for natural people and legal entities:

- Investments of more than 500 EUR per loan are possible;
- Average interest 12%;
- Personal consulting.

Loans for legal entities:

- SME loans up to 500 K EUR;
- Interest reimbursement under INVEGA instrument;
- Loans for more 12 months operating companies;
- Evaluation of applications within 24 hours.

# KEY DEVELOPMENTS

## Q1 2023 DEVELOPMENTS AT NEO FINANCE AB:

- An agreement has been concluded with one of the leading providers of technological solutions for verification and monitoring of customer and payment transactions due to sanctions, politically vulnerable (affected) persons and negative information.
- Signed Letters of Intent for stock options with the senior managers - Head of IT and Head of Legal and Compliance.
- The annual internal audit report of the Company and the annual internal audit plan were approved.
- The contract with KPMG Baltics, a Nasdaq-certified international advisor, was extended.



# EVENTS

## ON 2ND OF FEBRUARY, AN ONLINE PASKOLŲ KLUBAS SEMINAR WAS HELD WITH THE DEBT COLLECTION COMPANY LEGAL BALANCE.

During the online seminar, debt collection from insolvent borrowers was discussed, and experts from the company Legal Balance talked about:

- pre-trial recovery.
- debt award and deadlines.
- enforcement practices and the most common situations: debtor's death, bankruptcy, emigration, etc.
- current debt collection trends and future projections.
- also answered questions of interest.

## ON 20TH OF MARCH, KARJEROS PIETŪS WAS HELD AT MYKOLAS ROMERIS UNIVERSITY.

Evaldas Remeikis told the students why it is worth working for our company, and Jūratė Kūgytė, the head of the legal and compliance department, not only shared what a lawyer's day in fintechs looks like, but also refuted many long-standing myths and stereotypes about the legal profession.

## ON 29TH OF MARCH, HEAD OF ADMINISTRATION EVALDAS REMEIKIS GAVE A SPEECH AT THE INVESTING WOMEN'S CLUB - W INVEST.

During the presentation, investing in consumer loans was presented to members of the investment club and the advantages and disadvantages of such investment were highlighted.



**SEMINARAS**  
Kaip vyksta skolų išieškojimas?

 **2023 02 02**  
18:00

Svečiuose skolų išieškojimo įmonė  
**Legal Balance**

Teisės skyriaus vadovė <b>Julija Žiūkaitė</b>	Išieškojimo skyriaus vadovas <b>Žilvinas Vidugiris</b>	Operacijų vadovas <b>Šarūnas Šimkus</b>
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PASKOLŲ KLUBAS  
ŽINOS ŠIOLINĄ PIGIAI

# MAIN NEO FINANCE, AB 2023 Q1 FINANCIAL INDICATORS

According to unaudited data, the company's revenue amounted to 1 013 thousand EUR in Q1 2023, representing a 28% increase compared to the revenue in Q1 2022.



BASED ON UNAUDITED DATA, IN THE FIRST QUARTER  
OF 2023 THE COMPANY'S REVENUE REACHED

EUR **1 013** K

COMPARED TO Q1 OF 2022 REVENUE  
GREW

**28 %**

- Loans granted for EUR 9 956. Compared to the same period in 2022, the volume of issued loans grew by 41%.
- Cost of sales increased by 26%, from EUR 383 K up to EUR 481 K.
- Operating costs increased by 36%, from EUR 337 K up to EUR 460 K.
- EBITDA increased by 130% from EUR 72 512 to EUR 166 559.
- The profit before taxes in Q1 2023 amounted to 71 902 EUR, whereas in Q1 2022, the profit before taxes amounted to 7 110 EUR.

	2023 Q1	2022 Q1	2023 Q1 / 2022 Q1. Δ, %	2021 Q1	2023 Q1. / 2021 Q1. Δ, %
<b>Loans granted, EUR</b>	<b>9 956 043</b>	<b>7 075 335</b>	<b>41%</b>	<b>5 729 250</b>	<b>74%</b>
<b>Income, EUR</b>	<b>1 013 626</b>	<b>793 048</b>	<b>28%</b>	<b>734 875</b>	<b>38%</b>
<i>Income related to peer-to-peer lending activities, EUR</i>	689 280	515 542	34%	486 088	42%
<i>Income related to issuing and handling e-money, EUR</i>	287 643	238 452	21%	197 560	46%
<i>Income from investment activities, EUR</i>	36 703	39 054	-6%	51 228	-28%
<b>Cost of sales, EUR</b>	<b>(481 273)</b>	<b>(383 183)</b>	<b>26%</b>	<b>(319 627)</b>	<b>51%</b>
<b>Total revenue, EUR</b>	<b>532 353</b>	<b>409 865</b>	<b>30%</b>	<b>415 249</b>	<b>28%</b>
<b>Operating costs, EUR</b>	<b>(460 451)</b>	<b>(337 353)</b>	<b>36%</b>	<b>(269 150)</b>	<b>71%</b>
<b>EBITDA, EUR</b>	<b>166 559</b>	<b>72 512</b>	<b>130%</b>	<b>146 098</b>	<b>14%</b>
<b>Profit / loss before tax, EUR</b>	<b>71 902</b>	<b>7 110</b>	<b>911%</b>	<b>92 059</b>	<b>-22%</b>
<b>EBITDA margin, %</b>	<b>16%</b>	<b>9%</b>		<b>13%</b>	
<b>Return on equity ratio (ROE), %</b>	<b>3%</b>	<b>0%</b>		<b>6%</b>	

# FINANCIAL REPORTING ON THE PRINCIPLE OF BUSINESS MANAGEMENT

Platform intermediary income is not generated at the time of transaction. The actual income is distributed over the entire loan period and is collected by repaying the monthly installment to the borrower. Most of the costs to earn this income (marketing, administration, etc.) are incurred in the year of the transaction. For a better comparability of costs and revenues, the total revenues received from financing transactions entered into in the respective years and the costs for those years are presented below.

	2023 Q1	2022 Q1	2023 Q1 / 2022 Q1 Δ, %	2021 m. Q1	2023 Q1 / 2021 Q1 Δ, %
<b>Loans granted, EUR</b>	<b>9 956</b>	<b>7 075</b>	<b>41%</b>	<b>5 729</b>	<b>74%</b>
Intermediary fee income, EUR	1 510	755	100%	619	144%
Intermediary fee / Loans granted, %	15%	11%	42%	11%	40%
Other income, EUR	487	478	2%	571	-15%
Total revenue, EUR	1 997	1 233	62%	1 190	68%

## CAPITAL OF NEO FINANCE, AB



AT THE END OF 2023 Q1, THE COMPANY'S AUTHORIZED CAPITAL AND SHARE ADDITIONS REACHED

**EUR 3 805 782**

EQUITY CAPITAL AT THE END OF 2023 Q1 REACHED

**EUR 2 426 882**

THE COMPANY'S CAPITAL WAS NOT INCREASED DURING 2023.

NEO Finance, AB, being an electronic money institution, must have a minimum of 350 thousand equity capital of EUR. As equity approaches this amount, shareholders must immediately make decisions on its increase. When calculating the capital adequacy of an e-money institution in accordance with the above-mentioned resolution of the Board of the Bank of Lithuania, the amount of intangible assets and deferred tax assets are subtracted from the amount of equity capital. In 2022 at the end of the year, the equity capital calculated in the company's balance sheet amounted to 2.5 million EUR, and in order to meet the capital requirements approved by the Board of Lietuvos bankas, the company's own capital, which is calculated according to the requirements for calculating the own capital of an electronic money institution, amounted to 615 thousand EUR and exceeded the minimum equity requirement.



**PASKOLŲ KLUBAS**

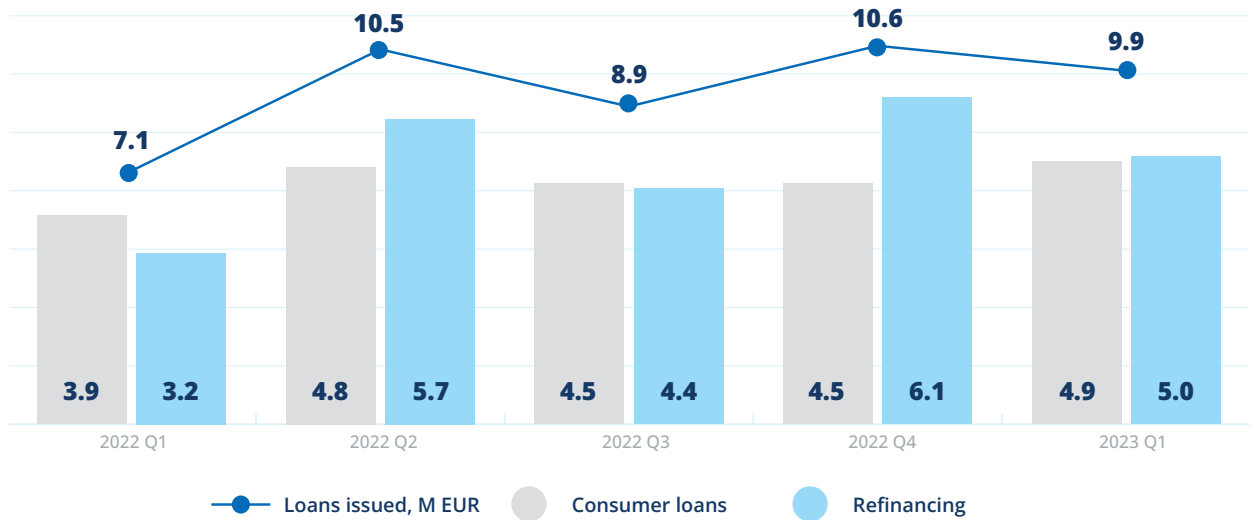
# P2P LENDING PLATFORM PASKOLŲ KLUBAS

Paskolų Klubas, which is operated by NEO Finance AB, is the largest P2P lending platform in Lithuania. The platform unites customers who want to borrow with those who can lend and want to invest in consumer credit and thus earn a return on investment.

## **Paskolų Klubas MAIN EVENTS OF THE 1ST QUARTER OF 2023:**

- On March 14, a record of loan requests was achieved - even EUR 345,660 worth of credits were placed on the market in one day.
- Integrated new identification tool. From now on, the process of identifying customers has become simpler and clearer, and the tool ensures the accuracy and reliability of identification even better.
- A refinancing calculator was created, using which existing or potential customers can estimate how much they can save by transferring their existing obligations in Paskolų klubas.
- Buyback conditions in contracts have been changed - from now on, we will be able to warn about price changes in a shorter period of time.
- In March, a new advertising campaign was launched: "If we do not offer better conditions - we will serve you coffee".
- Partially automated loan payment insurance process, which makes it easier to insure payments.
- In March, a delegation of investors from the Netherlands visited Paskolų klubas.
- Nasdaq award received - The best Investor relations on First North Share List in Lithuania.
- In March, we received the conclusion of the Consumer Credit internal audit, which states that the Consumer Credit Risk Management, the internal control system for the implementation of internal control procedures, information and communication and monitoring in Paskolų Klubas operate effectively and are assessed as adequate in most cases.
- In March, loan pricing was changed – interest rates increased by 1-3%.

## P2P lending platform, loans issued, M EUR

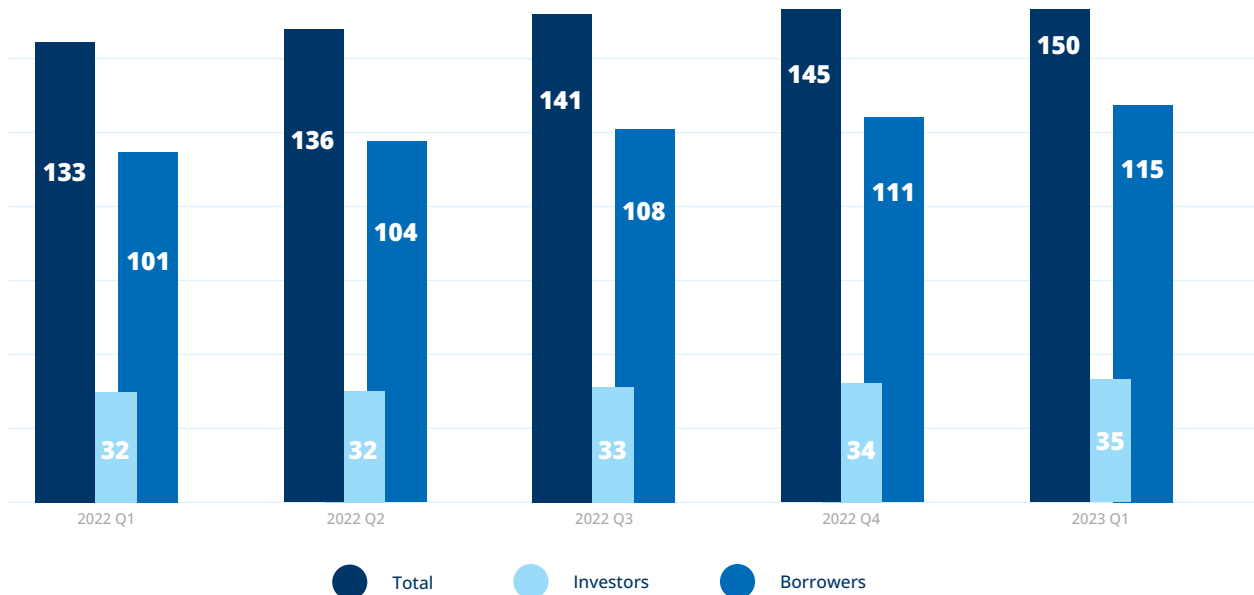


In Q1 2023, EUR 9.95 M of loans were issued through NEO Finance's Paskolų Klubas P2P platform, which is 41% more than in Q1 2022.

In Q1 2023 the largest number of consumer credits were granted in January through Paskolų Klubas for EUR 3.5 M.

During the Q1 of 2023, the number of registered users grew by 3.3 percent. Growth in the number of consumer credit recipients was 3.4 percent, investors - 3.2 percent. Total user growth in Q1 of 2023 was 4 805 new customers.

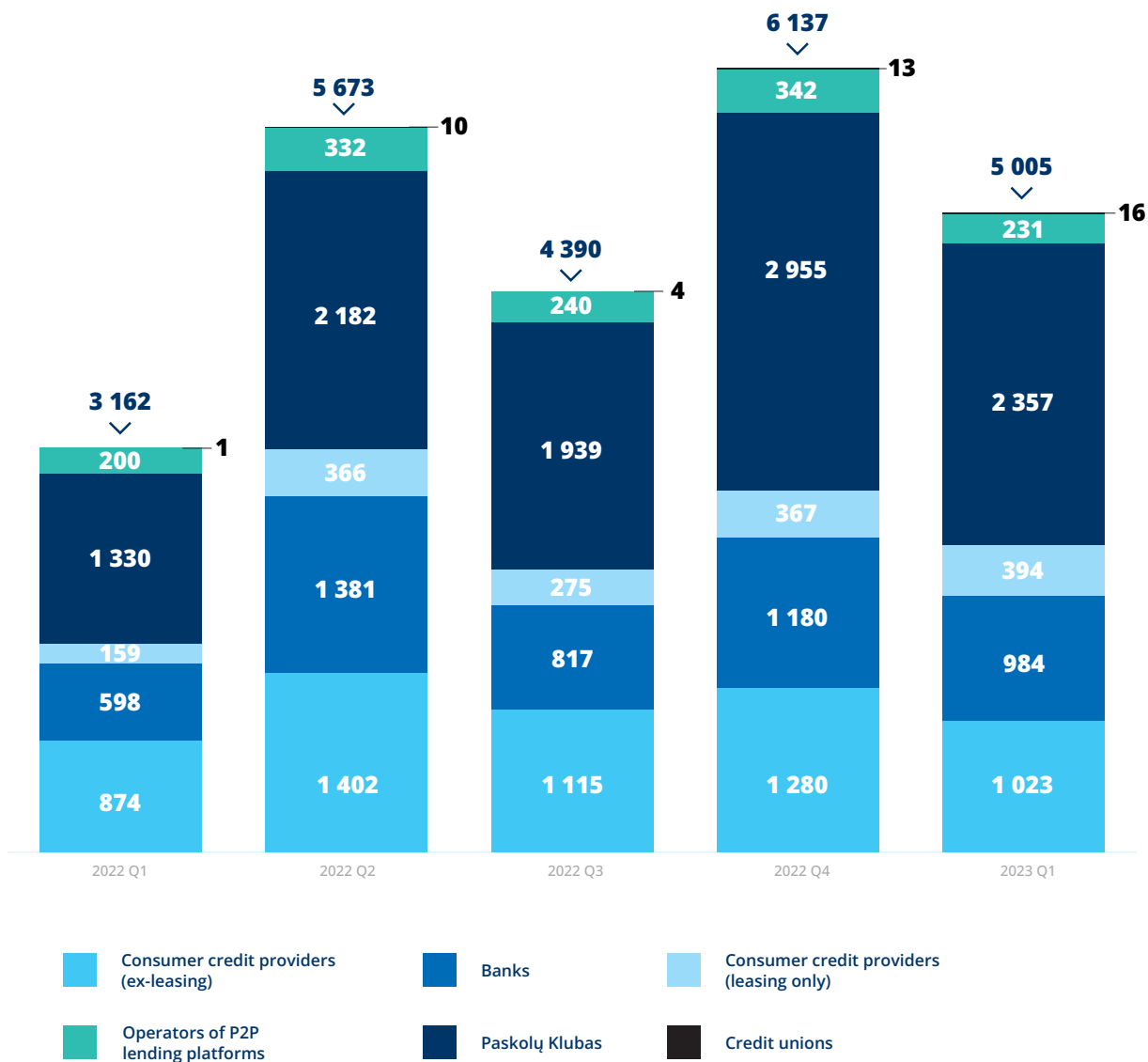
## Registered users



# REFINANCING

Of the EUR 9.95 M of loans financed in Q1 2023, EUR 5.0 M were financing loans. For the recipients of these loans, the P2P lending platform Paskolų Klubas helped the recipients of those loans reduce their monthly payment and/or the amount of interest paid so far.

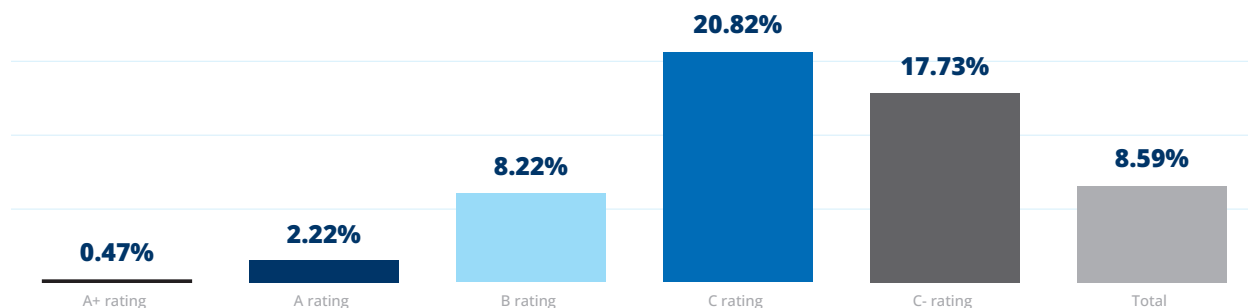
## Refinancing distribution, K EUR



## OVERDUE LOANS

At the end of Q1 2023, out of 39 551 outstanding loans, 3 349 (8.47%) were overdue for more than 90 consecutive days. Of the EUR 138 M of loans issued, loans for EUR 11.8 M (8.59%) were more than 90 days overdue. During Q1 2023, EUR 546 K were recovered and distributed to investors.

### Loans, overdue >90 days, %

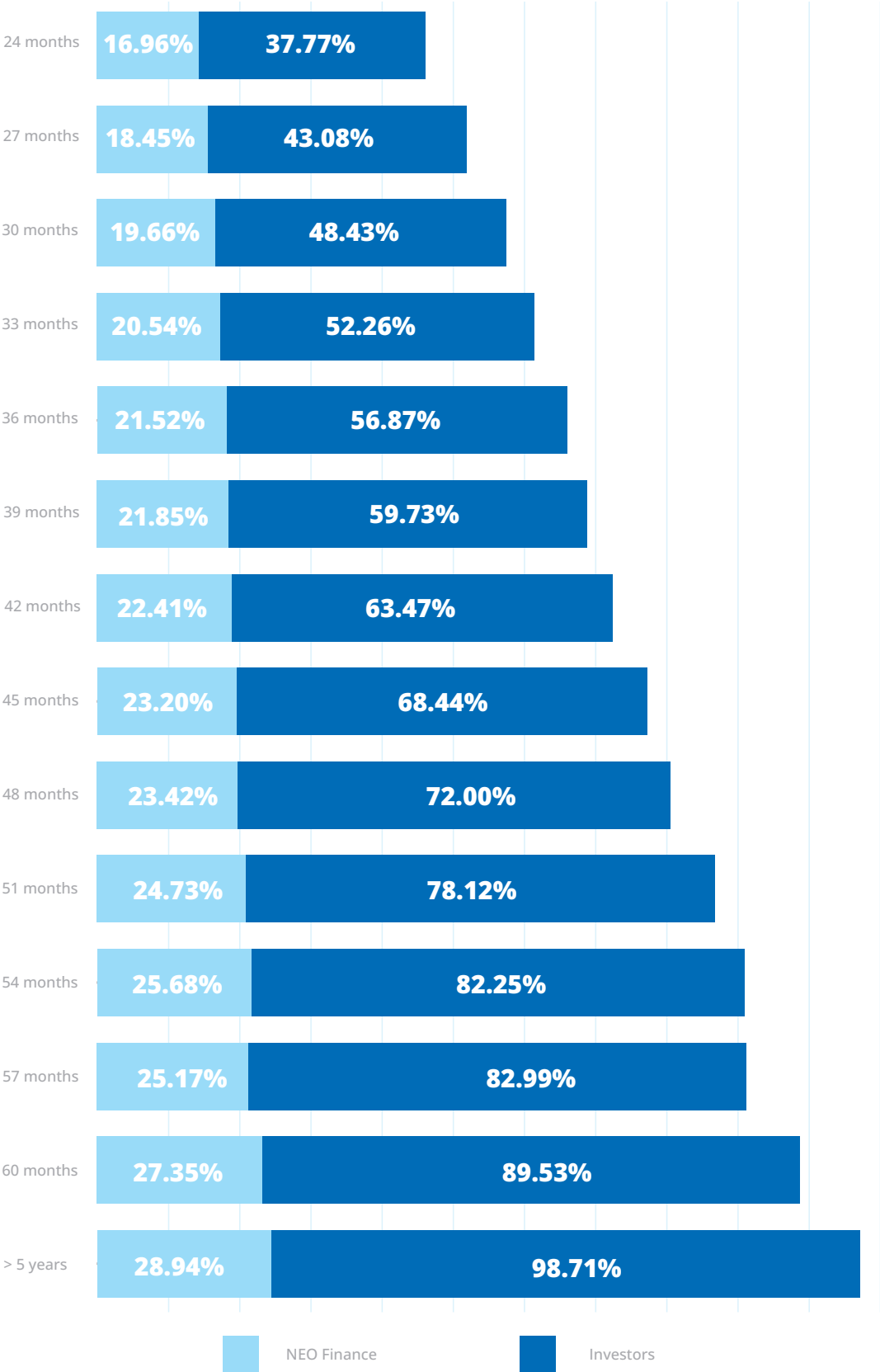


### Amount recovered, K EUR

	2022 Q1	2022 m. Q2	2022 m. Q3	2022 Q4	2023 Q1
Recovered amount, K EUR	459	556	651	629	546
Overdue (>90days) loan amount, K EUR	9 583	9 793	10 319	11 000	11 856



### Recovered % of principal outstanding at termination

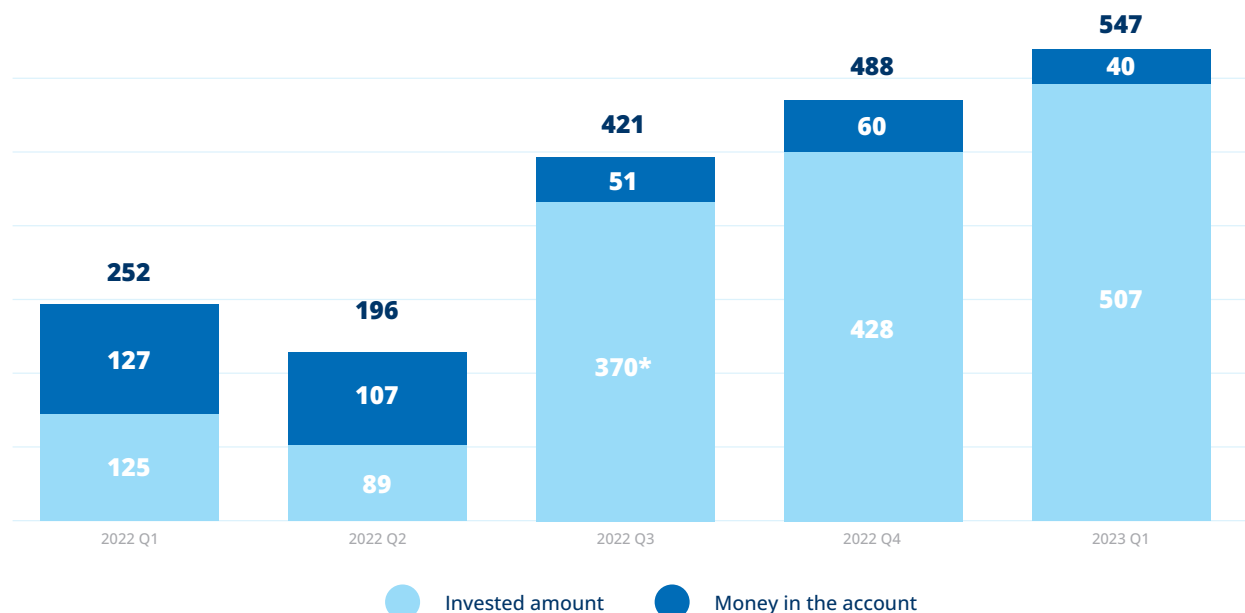


<b>Months after termination</b>	<b>Principal at termination</b>	<b>No. of loans</b>
<b>24 months</b>	9 351 530	2 863
<b>27 months</b>	8 621 858	2 683
<b>30 months</b>	7 963 210	2 488
<b>33 months</b>	6 977 100	2 183
<b>36 months</b>	6 162 128	1 946
<b>39 months</b>	5 399 929	1 682
<b>42 months</b>	4 475 977	1 398
<b>45 months</b>	3 672 957	1 156
<b>48 months</b>	2 883 283	917
<b>51 months</b>	2 233 416	735
<b>54 months</b>	1 726 112	579
<b>57 months</b>	1 185 740	418
<b>60 months</b>	879 039	332
<b>&gt; 5 years</b>	1 632 300	732

# PROVISION FUND

The provision fund lets lenders reduce investment risk. If a loan defaults, the provision fund secures the repayment of the invested amount. In Q1 2023, EUR 70 049 was paid out to lenders from the provision fund.

## Provision fund, K EUR



To manage liquidity risk, NEO Finance AB calculates the sufficiency of its funds for covering provision fund liabilities. Since Q3 2019, some of those funds have been invested in loans, with the remainder held in a separate bank account. The purpose of this account is to support the company's internal cash flow management. To fulfil its obligations to lenders, the company may, if necessary, use other of its assets.

\*The Provision Fund investment statistics were updated on September 23, 2022. After the updates, the invested amount consists of the net value of NEO Finance, AB's investments in loans and from this amount all NEO Finance, AB's liabilities (issued bonds, taken loans) have been subtracted.

At the end of Q1 2023, the amount accumulated in the provision fund account was EUR 547 K and the total guaranteed amount was EUR 962 K. The coverage ratio was thus 57%.

## Guaranteed amount, K EUR

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
<b>Guaranteed amount, K EUR</b>	<b>2 113</b>	<b>1 726</b>	<b>1 427</b>	<b>1 156</b>	<b>962</b>

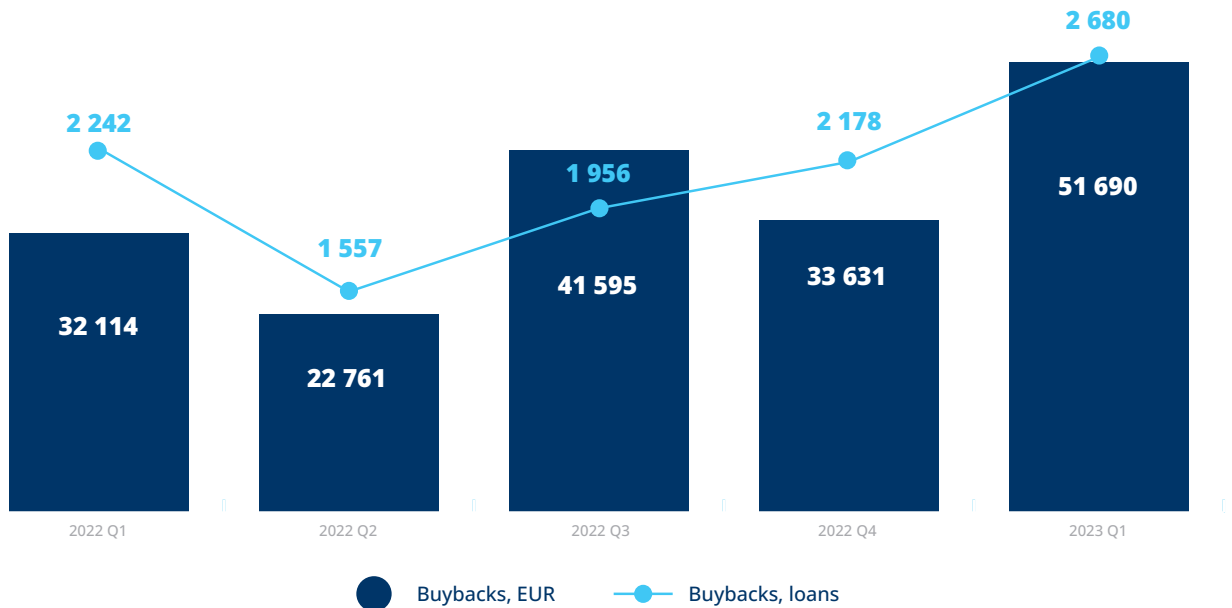
Provision fund service for new investments abolished as of 1 March 2022.

# BUYBACK SERVICE

When an agreement with a borrower is terminated, the buyback service gives lenders the opportunity, within 30 days, to sell their investment to NEO Finance AB at 50-100% of its remaining face value.



IN Q1 2023, LENDERS SOLD 2 680 INVESTMENTS TO NEO FINANCE AB FOR  
**EUR 51 690**



# SECONDARY MARKET

In the secondary market, lenders can buy and sell investments. The secondary market allows lenders to actively manage investments along with credit and liquidity risks.



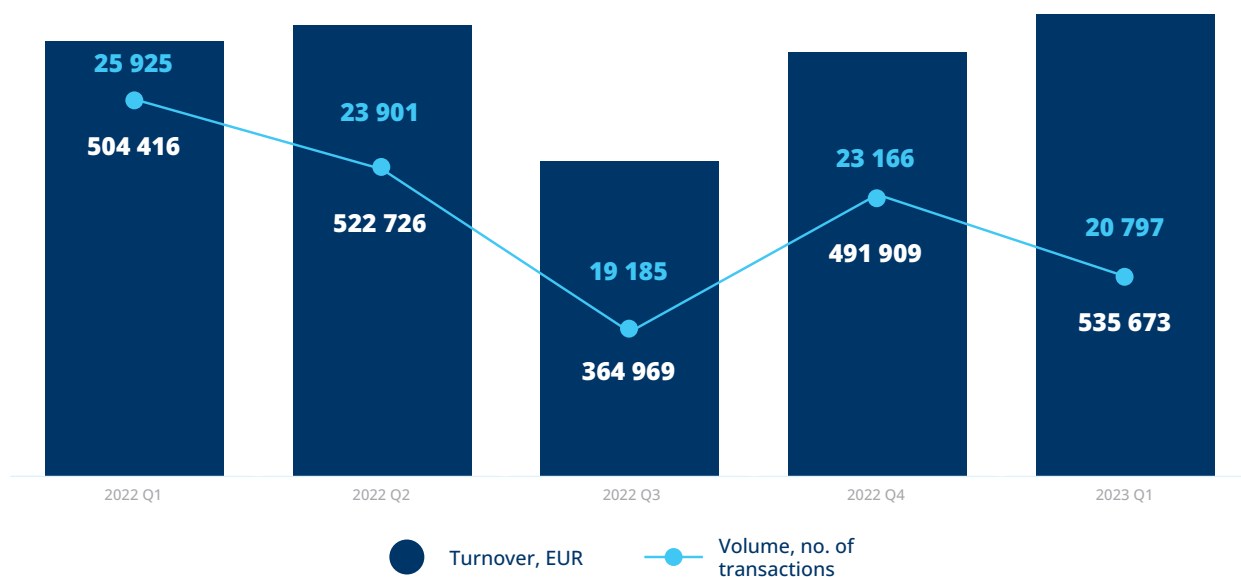
SECONDARY MARKET TURNOVER IN Q1  
2023 TOTALLED

EUR **535 673**

THE AVERAGE TRANSACTION AMOUNT  
WAS

EUR **25.76**

## Secondary market



# NEO FINANCE AB'S INVESTMENTS

NEO Finance AB, as a provider of consumer credit, can also invest in loans on the Paskolų Klubas P2P lending platform along with other registered lenders. By investing in loans, the company aims to increase the speed with which loans are financed, thereby ensuring the platform's attractiveness for both borrowers and lenders.

As the amount of credit requests on the Paskolų Klubas market increases and in order to finance them faster, from May 20, 2022, a decision was made to increase the limit of NEO Finance, AB, which allows the company to invest in loans.

NEO Finance, AB had the opportunity to finance up to 50% of all loans placed on the market on the Paskolų Klubas platform. Due to the growing supply of loans, it was decided to increase the investment limit of NEO Finance, AB to 80% of the initial consumer credit amount. When a credit rating of A+ or A is granted to a consumer credit recipient - NEO Finance, AB can immediately grant a consumer credit of up to EUR 15,000, if a credit rating of B is granted - up to EUR 8,800, but not more than 80 percent of the initial amount of the consumer credit. NEO Finance may not adhere to the above maximum investment amounts and grant consumer credit to consumer credit recipients of all credit ratings, if the investors have already financed at least 20 percent of the consumer credit amount and at least 24 hours have passed since the application for consumer credit was submitted to the loan market.

NEO Finance, AB can invest in C and C-rated loans only when other investors finance at least 20 percent of loan amount and at least 48 hours have passed from the submission of the application for consumer loan on the loan market.

**IN THE Q1 OF 2023 NEO FINANCE, AB INVESTED IN LOANS**

**EUR 240 000**

NEO Finance AB's investments, K EUR	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
	78	85	273	153	240

The company's policy on avoiding conflicts of interest is available [here](#).

# INSTITUTIONAL INVESTOR

In August 2021, the company began collaborating with the institutional investor nordIX, a German fixed income asset manager.

According to the agreement, "nordIX" invests by acquiring a portfolio of loans that NEO Finance, AB forms on the Paskolų klubas platform according to criteria agreed in advance with the institutional investor.



AS OF THE END OF 2023 Q1, THE PORTFOLIO THAT  
NORDIX HAD ACQUIRED FROM NEO FINANCE AB HAD A  
TOTAL SIZE OF

EUR **10.2** M.

nordIX  
fixed income & derivatives

## NORDIX'S INVESTMENTS, EUR

	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Invested amount, EUR	1 523 144	4 177 636	2 033 186	3 389 821	2 041 928

Hamburg, Germany-based nordIX specializes in fixed income investments, with a focus on bonds and derivatives. The company manages several mutual and special funds and develops intelligent investment opportunities. Besides its asset management work, nordIX also advises institutional customers regarding bonds and other fixed income products. The company supports institutional investors in Germany, Austria and Switzerland and manages several hundred million euros in a variety of different investment funds.



**NEOPAY**

# NEOPAY

NEO Finance AB is a licensed provider of payment initiation, account information services and other payment solutions. These services are provided under the Neopay brand.

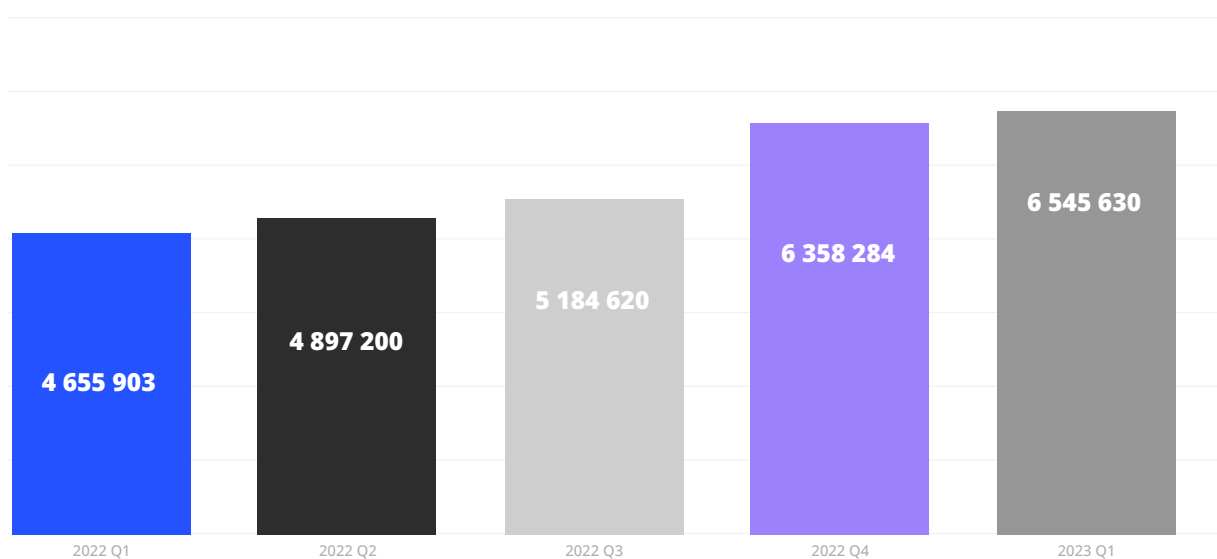
Neopay provides payment initiation, account information services and other payment solution services through secure open APIs with banks and other financial institutions as required by the Law on Payments of the Republic of Lithuania and the Payment Services Directive 2 (PSD2).

At the end of the first quarter of 2023, Neopay services were available in Lithuania, Latvia, Estonia, Finland, Sweden, Norway, Denmark, the Netherlands, Poland, Greece, Romania, Spain, Croatia, Bulgaria and Slovakia, integrated with more than 200 financial institutions. The latest list by country can be found [here](#).

## Q1 2023 DEVELOPMENTS AT NEOPAY:

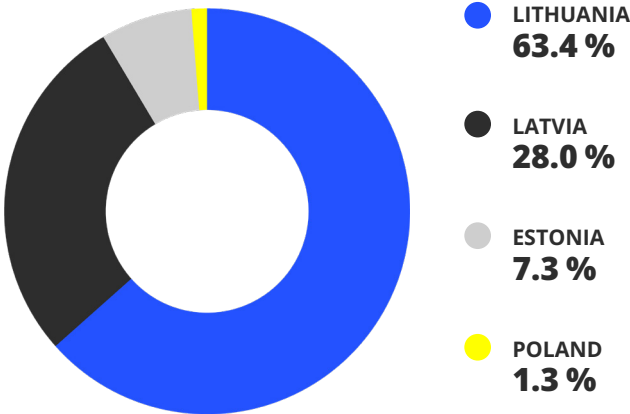
- In March, we achieved a solid record: we initiated 2.43 million transactions per month. This is a new record for Neopay. Most transactions were initiated from Swedbank and SEB banks.
- In February, we participated in the biggest exhibition Mobile World congress, during which we increased the awareness of Neopay and looked for new business partners.
- We also launched two new products in February: Neopay PayForYou and Neopay 3 (Buy Now, Pay Later). We actively communicated these products in the target segment of the Lithuanian market.
- We concluded a cooperation agreement with one of the largest international banks on the Polish market.
- We are actively working on the sales of the newly released product Automatic Refund. Based on market trends and customer interest, we see that this product is relevant to our customers and they are excited to install it. The main benefit that clients receive is time saving and efficiency of operational processes. Our solution greatly facilitates the operation and efficiency of e-businesses.

## Payment transactions





### COUNTRY SHARE



In addition to payment initiation and account information services, Neopay offers SEPA Instant Credit Transfers, bulk payments, recurring payments, fee collection and allocation, active payment links, ID verification, and 1-click payment capabilities. It offers 'white label' solutions, with a secure payment window tailored to the customer's brand design, and open banking interface testing for financial institutions. From 2023 Neopay offers POS lending (NeopayPayForYou) and BNPL solutions (Neopay 3). Some services are only provided in specific countries and/or through supporting banks.



**FinoMark**

# FinoMark

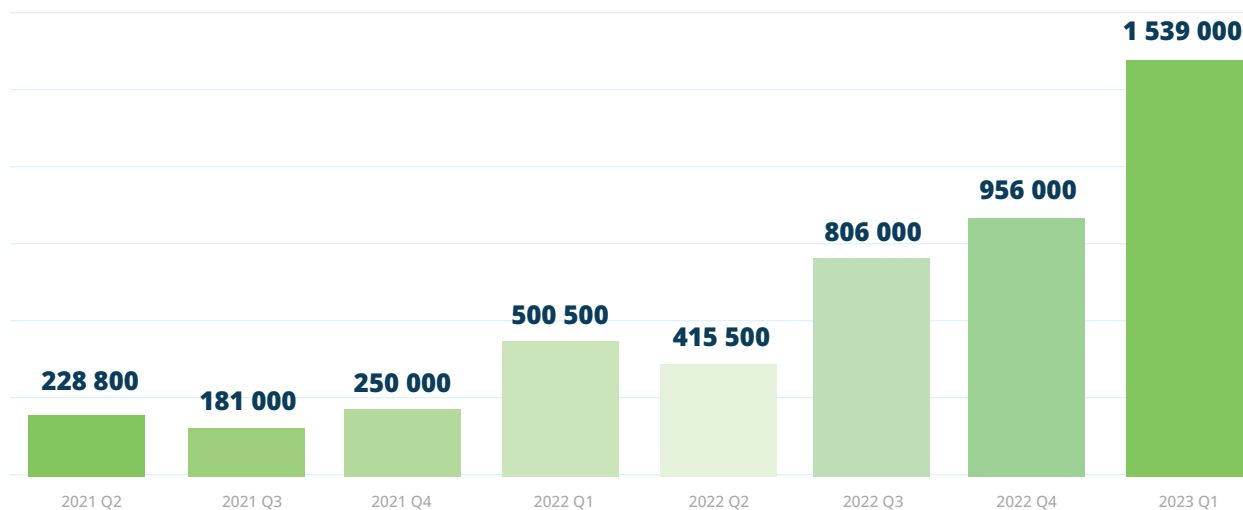
In February 2021, after assessing FinoMark UAB's business model, the Bank of Lithuania gave the platform permission to carry out crowdfunding activities.

When it launched, VIP lenders from the Paskolų Klubas P2P lending platform were given an exclusive opportunity to get acquainted with projects published on the platform and invest in them. In June 2021, the crowdfunding platform was presented publicly and became accessible to all investors.

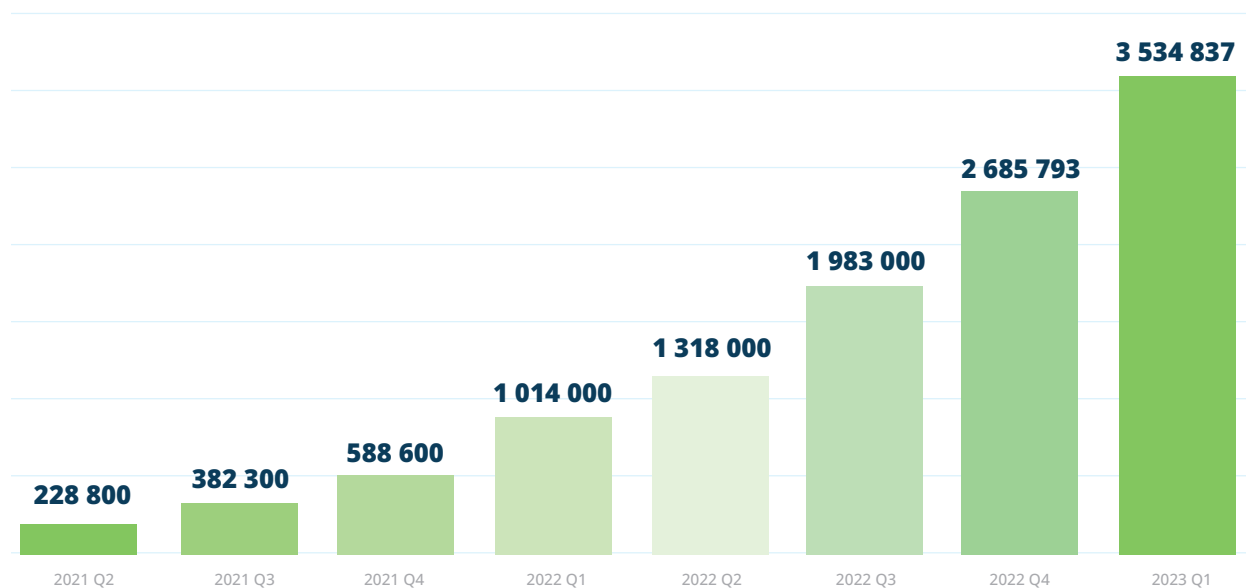
## Q1 2023 DEVELOPMENTS AT FINOMARK:

- The monthly record of issues through the FinoMark platform was achieved - loans for EUR 683 000 were financed.
- Marketing campaign Contract fee discount.
- The customer registration form has been adjusted, allowing external partners to fill out the registration form completely.
- Changed the identification provider.
- Borrowers now have the opportunity to submit the company's bank statements for evaluation through the SIP functionality, which allows it to be done even faster.
- The first payments of the Referral program were made.

## „FinoMark“ ISSUED LOANS AMOUNT, EUR



## Active investor's portfolio amount, EUR



Average loan term	Interest paid	Average loan amount	Average interest rate
30.6 month	EUR 238 912	EUR 25 168	11.17%

## Key Finomark, UAB 2023 Q1 financial indicators

	2023 Q1	2022 Q1	Δ, %
Loans granted, EUR	1 539 000	500 500	207%
Revenue, EUR	77 351	35 479	118%
Cost of sales, EUR	(7 541)	(12 835)	-41%
Gross profit, EUR	69 810	22 644	208%
General and administrative, other operating and interest expenses, EUR	(111 127)	(114 902)	-3%
Pre-tax profit/loss, EUR	(41 317)	(92 258)	-55%

**NEO FINANCE, AB  
FINANCIAL STATEMENTS**

# 2023 Q1 CONDENSED BALANCE SHEET, EUR

Item	2023-03-31	2022-12-31
<b>ASSETS</b>		
<b>FIXED ASSETS</b>	<b>3 070 299</b>	<b>2 996 146</b>
Intangible assets	1 004 309	956 254
Other intangible assets	1 004 309	956 254
Tangible assets	26 681	30 374
Other devices, appliances and tools	26 681	30 374
Financial assets	1 754 392	1 724 602
Shares of companies of the group of companies	809 138	779 138
Accounts receivable within one year	945 254	945 464
Other financial assets	-	-
Other fixed assets	284 917	284 917
Deferred tax assets	284 917	284 917
<b>CURRENT ASSETS</b>	<b>12 030 119</b>	<b>14 143 650</b>
Reserves	81 632	28 666
Paid advances	81 632	28 666
Accounts receivable within one year	1 045 182	666 083
Buyers' debts	139 238	156 895
Other receivables	905 945	509 188
Cash and cash equivalents	10 903 304	13 448 901
Expenses of future periods and accrued income	4 795	2 296
<b>ASSETS TOTAL:</b>	<b>15 105 212</b>	<b>17 142 092</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Capital	1 848 934	1 848 934
Authorized (subscribed) or authorized capital	1 848 934	1 848 934
Share Premium	1 956 848	1 956 848
Retained earnings/loss	(1 210 213)	(1 282 115)
Profit (loss) for the reporting year	71 902	103 895
Profit (loss) of previous years	(1 282 115)	(1 386 010)
<b>PROVISIONS</b>	<b>63 827</b>	<b>86 012</b>
Other provisions	63 827	86 012
<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>	<b>12 431 075</b>	<b>14 517 561</b>
Accounts payable after one year and other long-term liabilities	1 012 101	891 294
Debt obligations	989 956	865 000
Other payables and long-term liabilities	22 145	26 294
Accounts payable within one year and other short-term liabilities	11 418 974	13 626 267
Debt obligations	250 496	250 365
Advances received	10 136	5 761
Debt to suppliers	221 309	173 530
Obligations related to labor relations	174 545	169 040
Current Amounts Payable and Liabilities	10 762 488	13 027 571
EXPENSES ACCRUED AND EXPENSES OF FUTURE PERIODS	14 742	14 853
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>15 105 213</b>	<b>17 142 092</b>

# 2023 Q1 PROFIT AND LOSS STATEMENT, EUR

Item	2023 Q1	2022
Sales revenue	1 013 626	3 530 460
Cost of sales	(481 273)	(1 650 676)
<b>GROSS PROFIT/LOSS</b>	<b>532 353</b>	<b>1 879 784</b>
General and administrative expenses	(478 669)	(1 740 972)
Other operative expenses	18 272	428
Income from investment in share of parent company, subsidiaries, and affiliated undertakings	-	-
Income from other long-term investments and loans	-	-
Other income from interest and other income	49	20 059
Impairment of financial assets and short-term investments	-	-
Interest and similar expenses	(103)	(692)
PROFIT/LOSS BEFORE TAX	71 902	158 608
INCOME TAX	-	(54 713)
<b>NET PROFIT/LOSS</b>	<b>71 902</b>	<b>103 895</b>

# 2023 Q1 CHANGES IN EQUITY STATEMENT, EUR

	Paid up authorised or primary capital	Share premium account	Retained profit (loss)	Total
<b>Balance at the end of the reporting (yearly) period before previous</b>	<b>1 784 436</b>	<b>1 653 415</b>	<b>(1 386 010)</b>	<b>2 051 841</b>
Result of changes in accounting policies				-
Result of correcting material errors				-
<b>Recalculated balance at the end of the reporting (yearly) period before previous</b>	<b>1 784 436</b>	<b>1 653 415</b>	<b>(1 386 010)</b>	<b>2 051 841</b>
Net profit (loss) of the reporting period			103 895	103 895
Increase (decrease) of other authorised or primary capital	64 498	303 433		367 931
<b>Balance at the end of the previous reporting (yearly) period</b>	<b>1 848 934</b>	<b>1 956 848</b>	<b>(1 282 115)</b>	<b>2 523 667</b>
Net profit (loss) of the reporting period			71 902	71 902
Increase (decrease) of other authorised or primary capital				-
<b>Balance at the end of the reporting period</b>	<b>1 848 934</b>	<b>1 956 848</b>	<b>(1 210 213)</b>	<b>2 595 569</b>



# 2023 Q1 CASH FLOW STATEMENT, EUR

Article	2023 01-03	2022
<b>Cash flows from operating activities</b>		
Net profit (loss)	71 902	103 895
Depreciation and amortisation expenses	99 002	336 931
Elimination of results of disposals of fixed tangible and intangible assets	(238)	(589)
Elimination of results of financing and investing activities	54	(19 367)
Decrease (increase) in assets of the deferred tax on profit	-	45 289
Decrease (increase) in advance payments	(52 966)	(12 463)
Decrease (increase) in trade debtors	17 657	(29 504)
Decrease (increase) in other debtors	(396 757)	(39 809)
Decrease (increase) in prepayments and accrued income	(2 499)	(2 159)
Increase (decrease) in provisions	(22 184)	(108 703)
Increase (decrease) in trade of long-term creditors and prepayments received on account	(4 149)	(16 596)
Increase (decrease) in trade with short-term creditors and prepayments received on account	52 154	30 325
Increase (decrease) in liabilities of tax on profit	-	(15 871)
Increase (decrease) in liabilities related to employment relations	5 505	13 691
Increase (decrease) in other amounts payable and liabilities	(2 265 219)	2 524 781
Increase (decrease) in accruals and deferred income	5	(327)
<b>Net cash flows from operating activities</b>	<b>(2 497 733)</b>	<b>2 809 524</b>
Acquisition of fixed assets (excluding investments)	(144 618)	(563 133)
Disposal of fixed assets (excluding investments)	1 493	700
Acquisition of long-term investments	(29 790)	(321 587)
Other increases in cash flows from investing activities	-	15 319
<b>Net cash flows from investing activities</b>	<b>(172 915)</b>	<b>(868 701)</b>
Cash flows related to entity's owners	-	367 931
Issue of shares	-	367 931
Cash flows related to other financing sources	230 000	121 446
Increase in financial debts	315 000	200 000
Loans received	315 000	200 000
Decrease in financial debts	(85 000)	(78 554)
Loans returned	(85 000)	(78 554)
<b>Net cash flows from financing activities</b>	<b>230 000</b>	<b>489 377</b>
<b>Adjustments due to exchange rates on the balance of cash and cash equivalents</b>	<b>54</b>	<b>(291)</b>
<b>Increase (decrease) of net's cash flows</b>	<b>(2 440 594)</b>	<b>2 429 909</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>13 448 901</b>	<b>11 018 992</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11 008 307</b>	<b>13 448 901</b>

