

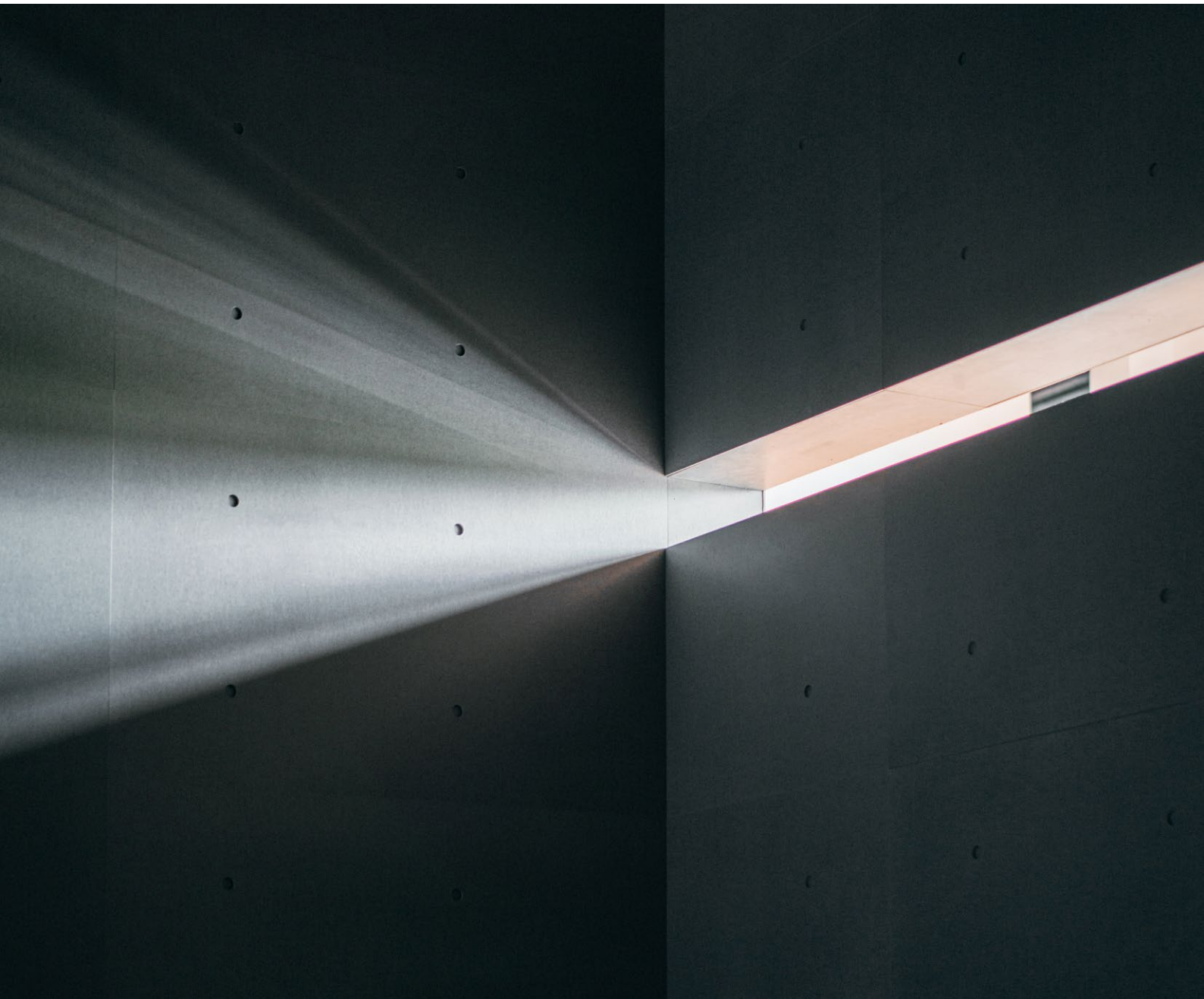
NEO Finance, AB

Interim financial information

for 2023 H1

Vilnius

2023-07-31



NEO Finance, AB Confirmation of the responsible persons at the Company

We hereby confirm that, to the best of our knowledge, that NEO Finance, AB Interim financial information for 2023 H1 is a true and fair representation of the quarterly performance.

NEO Finance, AB
Head of Administration
Evaldas Remeikis

NEO Finance, AB
Chief Financial Officer
Tomas Savickas

31 July 2023
Vilnius

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NEO Finance, AB manager's comment



The company's revenues in Q2 2023, compared to Q2 2022, surged by an impressive 45%, reaching EUR 1,094 thousand.

In the second quarter of 2023, NEO Finance, AB, experienced continued growth across all business segments, similar to the first quarter. The company's revenues in Q2 2023, compared to Q2 2022, surged by an impressive 45%, reaching EUR 1,094 thousand. The significant boost in revenues can be attributed to a substantial increase of 47% in

income from peer-to-peer lending activities. Additionally, with the rise in demand for consumer loans and active investments in consumer loans to ensure speedy loan financing, investment-related income skyrocketed by an outstanding 124%, reaching EUR 53.9 thousand. Furthermore, payment-related revenues saw a commendable growth of 27% during the comparative period.

The administered loan portfolio in the peer-to-peer lending business reached EUR 62.6 million by the end of the second quarter, marking a considerable increase of EUR 4.9 million from EUR 57.7 million at the

beginning of the quarter. Operating expenses also experienced a moderate rise of 3.9%, from EUR 444 thousand in Q2 2022 to EUR 461 thousand in the second quarter of this year. The company's EBITDA for Q2 2023 impressively surged by 281%, reaching EUR 200 thousand, whereas it was merely EUR 52.5 thousand in Q2 2022. Moreover, NEO Finance continues to successfully enhance its pre-tax profit line, achieving a pre-tax profit of EUR 99.9 thousand in Q2 2023, as opposed to a loss of EUR 19.4 thousand in the same quarter of 2022.

It is worth noting that NEO Finance has not only improved the operational scale of all business segments but has also managed to increase revenues and profitability, despite the constant tightening of regulatory requirements for Fintech companies. The company remains committed to elevating investments in compliance, risk management, internal control, information security, and anti-money laundering and terrorist financing prevention. During Q2, NEO Finance significantly enhanced the processes related to international sanctions implementation and improved the necessary technical measures to ensure compliance with these requirements.

As the business volumes continue to grow and in order to tackle the challenges arising from increased regulation, NEO Finance is further expanding its workforce, with an approximately 10% increase in staff during the quarter and over 20% increase year-on-year. At the end of Q2, the company had 42 employees, whereas on the reporting date, the number reached 44.

Furthermore, in line with its strategic goal to expand and strengthen market positions in different business directions, NEO Finance successfully issued the first tranche of non-public bonds with a maturity of 2 years on June 27. The value of the issued bonds in the first tranche amounted to EUR 640 thousand.

Paskolų klubas

Despite the rising EURIBOR interest rate index, which influences increasing interest rates on the "Paskolų Klubas" platform, we observe that the demand for loans is not diminishing but rather growing. The second quarter saw a surge in consumer loan demand, leading us to assume that a challenging economic situation has affected a larger portion of Lithuanian residents. As the economic

recession continues, we can expect the demand for consumer loans to keep increasing. It is important to emphasize that the loan delinquency rate at the end of the second quarter was only 8.44%, compared to 8.59% at the end of the first quarter. This indicates that the "Paskolų klubas" team effectively manages risk. During Q2, we continued to focus significantly on improving customer experience and refining internal processes to ensure a smooth and efficient investment and loan application procedure.

The first-half results reflect excellent growth and successful operational performance. The total amount of loans co-financed on the "Paskolų Klubas" platform during this period exceeded EUR 20.8 million, which is 19% more compared to the same period last year when the total co-financed loans reached EUR 17.6 million. The "Paskolų Klubas" team remains actively engaged in creative efforts to attract loan seekers, and with favorable market conditions, we continue to increase our market share in the consumer lending segment and successfully compete with established peers.

During this half-year, intermediary and other platform-related revenues reached EUR 1.406 million, marking a remarkable growth of 40% compared to the same period last year. We are particularly pleased with the second quarter of this year, as we achieved several records. Firstly, we listed more than EUR 354,900 worth of credits on the primary market in a single day – historically the highest number of consumer loan applications. In June, the platform co-financed a record-breaking amount of loans – over EUR 4.2 million. Additionally, in June, we paid a record amount of interest to investors, surpassing EUR 600 thousand.

Accrued future intermediary fees reached EUR 9.708 million at the end

of the first half. This amount is not reflected in the Company's balance sheet.

All these facts indicate that we are heading in the right direction and successfully advancing our business. We are hopeful that in the future, we will achieve even more successful results and strengthen our position in the market.

Neopay

NEOPAY's second quarter of this year proved to be quite successful, as the transaction volume increased by 36% compared to the same quarter in 2022. We took another step forward in the Polish market by successfully adding a new product - BLIK - to our portfolio. This payment settlement product already holds over 70% of the market share. With the introduction of this product into our existing offering, we expect faster expansion and consolidation in the Polish market.

Furthermore, this quarter marked the emergence of the first customers who integrated the "Neopay 3" ("Buy now - pay later") service into their online stores. The Baltic countries and Poland remain our largest markets in terms of transaction volume. We are delighted to see our foothold in the Polish market growing stronger.

FinoMark

The crowdfunding platform "FinoMark" acted as an intermediary for issuing business loans amounting to EUR 930 thousand in Q2 of 2023, compared to EUR 416 thousand of business loans financed in the same quarter of 2022. The company's revenues for the first half of 2023 reached EUR 163 thousand, whereas they amounted to EUR 68 thousand in the first half of 2022. As "FinoMark" is still in the early stages of its operation, it has not yet generated positive pre-tax profit for the first half of 2023, which amounted to EUR -68.3 thousand.

The key factor ensuring stable and sustainable growth of the platform is the “FinoMark” team. Thanks to their efforts, we continue to increase sales revenues and expand the loan portfolio every quarter. The team’s innovative approach and eagerness to grow allow us to quickly and efficiently adapt technological solutions, creating services that meet the needs of modern investors and loan recipients.

One of the main unique aspects of our operations is the continuous investment in visitor experience,

resulting in higher satisfaction and loyalty. We consistently improve the user interface, optimize processes, and offer personalized investment opportunities. “FinoMark” fosters a growing and loyal community of investors who trust the platform and build their investment portfolios, with an average investment amount. Additionally, we remain actively committed to managing borrowers’ debts, maintaining a 5-6% level of non-performing loans from issuance volumes, thus achieving one of our

strategic objectives.

Despite the unstable geopolitical environment and challenges posed by the rise of EURIBOR, “FinoMark” demonstrates its ability to adapt to changing market conditions. Through risk management strategies and proactive adjustments to investment offerings, the platform has managed to maintain a competitive advantage while safeguarding the interests of our investors.



NEO Finance, AB 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.

NEO Finance



 **Paskolų klubas**
P2P lending platform

 **Neopay**
Open banking

 **FinoMark**
Crowdfunding platform



P2P Lending platform

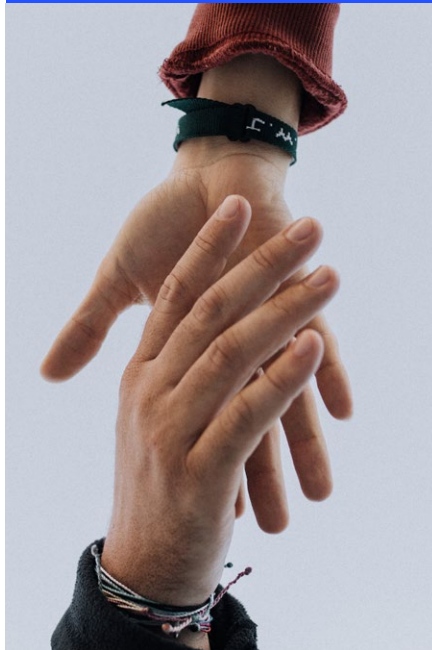
Services:

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.

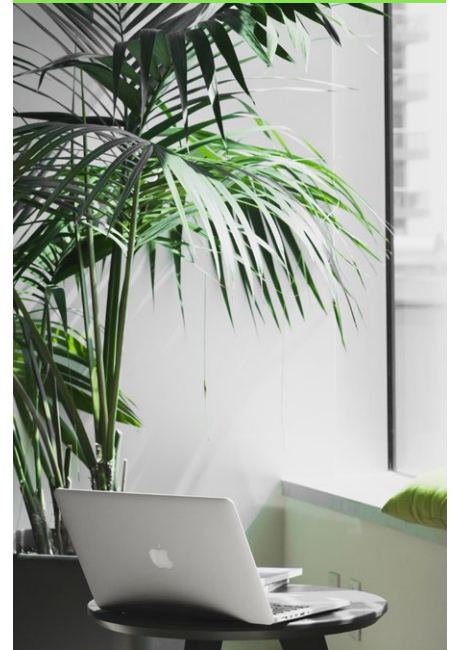


Open banking

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);
- BLIK payments.



Crowdfunding platform

Services:

Investing for natural people and legal entities:

- Investments of more than 500 EUR per loan are possible;
- Average interest 13%;
- Personal consulting.

Consumer 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.

Q2 2023 developments at NEO Finance, AB

Authorized representatives of legal entities now have the possibility to approve orders on-site instead of relying solely on the manager's approval, which was the previous practice.

On June 27th, the company successfully distributed the first part of a 2-year non-public bond issuance. The value of the first part of the bond issuance amounted to 640 thousand euros.

NEO Finance, AB acquired 2 000 000 units of NEO Finance, AB, newly issued shares of FinoMark, UAB. Following the acquisition, NEO Finance, AB's shareholding in FinoMark, UAB increased to 94,76 %.

A new agreement has been concluded with one of the leading technology solution providers for automated client PPTF risk assessment and payment transaction monitoring and verification for financial crimes, money laundering, and fraud.

An Information Security and Technology Internal audit has been conducted.

Further cooperation with the audit firm Grand Thornton Baltic UAB is confirmed. The auditor has been entrusted with the audit of the company for the financial years 2023 and 2024.

Events

NEO Finance, AB Chief Executive Officer Evaldas Remeikis participated in the event "CEO Meets Investors 2023" in June, where he shared insights about the company's performance and addressed various questions.



The graphic is a blue-themed event schedule for "CEO Meets Investors 2023" on June 8th, 2023, at the Nasdaq. It lists the following sessions:

Baltic Regulated market:		First North market:	
14:00-14:30	Ignitis grupė	15:30-16:00	NEO Finance
14:30-15:00	Enefit Green	16:00-16:30	K2 LT
15:00-15:30	INDEXO	16:30-17:00	East West Agro

Join us on June 8th, 2023!

Main NEO Finance, AB 2023 H1 financial indicators



EUR 2.1 M

According to unaudited data, the company's revenue amounted in H1.



+36.4%

Representing a 36.4% increase compared to the revenue in H1 2022.

+18.5%

Loans granted amounted to 20 861 thousand EUR. This indicates an 18.5% increase in the volume of loans granted

+31%

The cost of sales increased by 31%, from 774 thousand EUR to 1 014 thousand EUR.

+18%

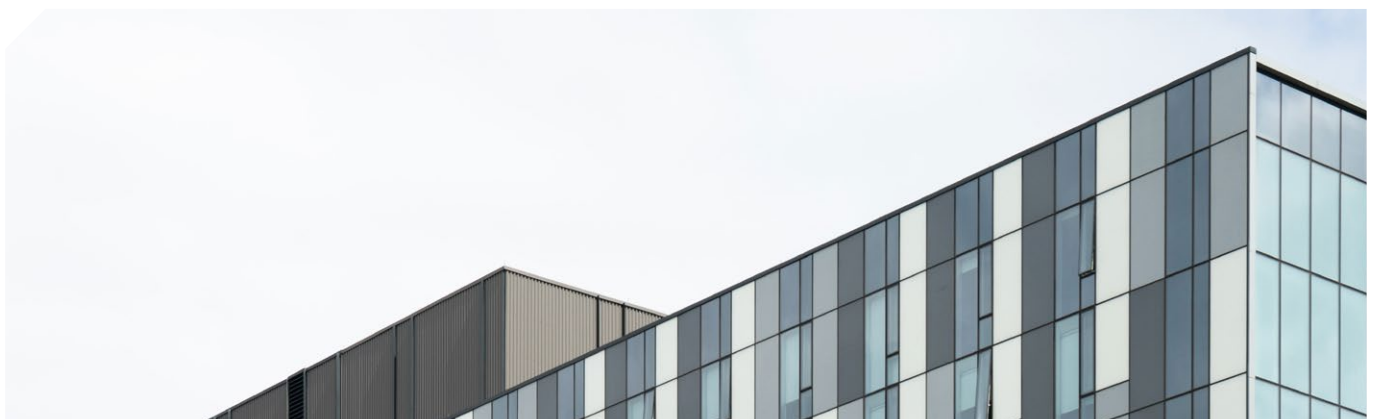
Operating expenses increased by 18%, from 781 thousand EUR to 922 thousand EUR.

+193.2%

EBITDA increased by 193.2% from EUR 125 021 to EUR 366 601.

EUR 171 807

The profit before taxes in H1 2023 amounted to 171 807 EUR, whereas in H1 2022, loss before taxes amounted to 12 286 EUR.



NEO Finance, AB Interim financial information for 2023 H1

	2023 H1	2022 H1	2023 H1 / 2022 H1 Δ, %	2021 H1	2023 H1 / 2022 H1 Δ, %
Loans granted, EUR	20 861 211	17 609 213	18.5%	12 830 862	62.6%
Revenue, EUR	2 107 903	1 544 972	36.4%	1 583 262	33.1%
<i>Income P2P lending, EUR</i>	<i>1 406 280</i>	<i>1 002 159</i>	<i>40.3%</i>	<i>1 045 309</i>	<i>34.5%</i>
<i>Income from e-money issuance and management, EUR</i>	<i>611 024</i>	<i>479 721</i>	<i>27.4%</i>	<i>408 838</i>	<i>49.5%</i>
<i>Income from investment activity, EUR</i>	<i>90 599</i>	<i>63 093</i>	<i>43.6%</i>	<i>129 116</i>	<i>(42.6%)</i>
Cost of sales, EUR	(1 014 207)	(774 166)	31%	(716 488)	41.6%
Gross profit, EUR	1 093 696	770 806	41.9%	866 774	26.2%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(921 889)	(781 482)	18%	(671 860)	37.2%
EBITDA, EUR	366 601	125 021	193.2%	312 317	17.4%
Pre-tax profit/loss, EUR	171 807	(12 286)		189 095	(10%)
EBITDA Margin, %	17.4%	8.1%		19.7%	
Return on Equity (ROE), %	6.4%	(0.5%)		7%	

Main NEO Finance, AB 2023 Q2 financial indicators



EUR 1.09 M

According to unaudited data, the company's revenue amounted.



+45.5%

representing a 45.5% increase compared to the revenue in Q2 2022.

+3.5%

Loans granted amounted to 10 905 thousand EUR. This indicates a 3.5% increase in the volume of loans granted.

+36.3%

The cost of sales increased by 35.3%, from 391 thousand EUR to 533 thousand EUR.

+3.9%

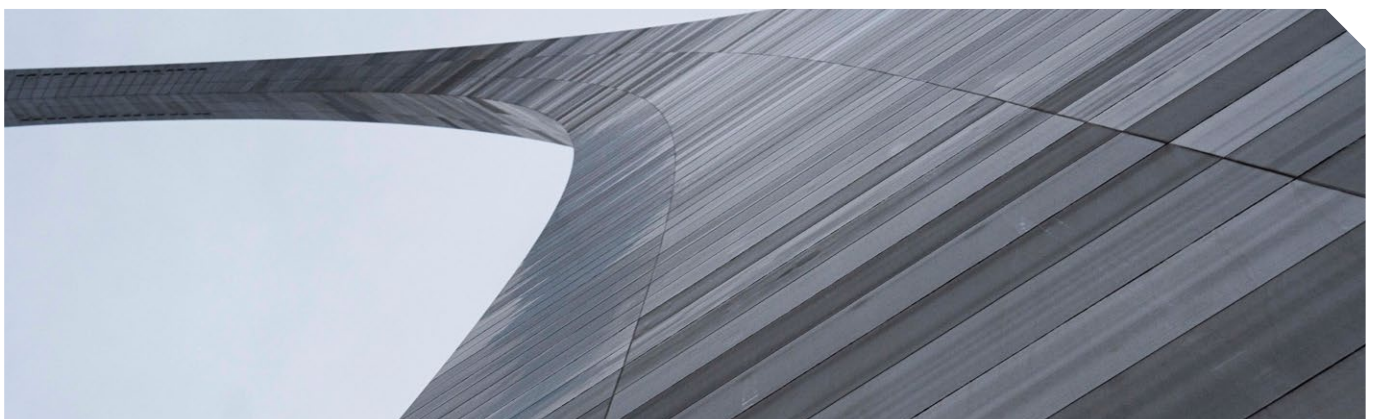
Operating expenses increased by 3.9%, from 444 thousand EUR to 461 thousand EUR.

+280.9%

EBITDA increased by 290.9% from EUR 52 509 to EUR 200 041.

EUR 99 905

The profit before taxes in Q2 2023 amounted to 99 905 EUR, whereas in Q2 2022, loss before taxes amounted to 19 396 EUR.

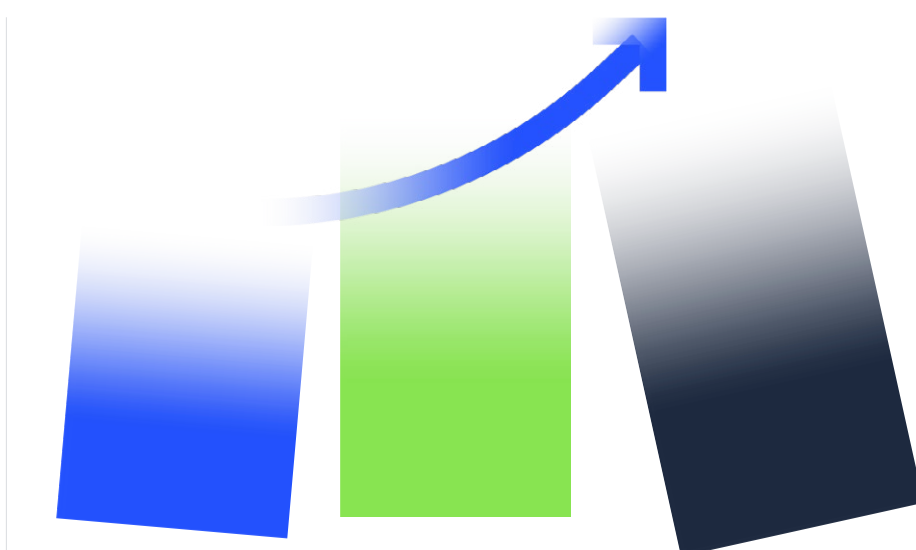


NEO Finance, AB Interim financial information for 2023 H1

	2023 Q2	2022 Q2	2023 H1 / 2022 H1 Δ, %	2021 Q2	2023 H1 / 2022 H1 Δ, %
Loans granted, EUR	10 905 168	10 533 878	3.5%	7 101 612	53.6%
Revenue, EUR	1 094 277	751 924	45.5%	848 387	29%
<i>Income P2P lending, EUR</i>	<i>717 000</i>	<i>486 617</i>	<i>47.3%</i>	<i>559 221</i>	<i>28.2%</i>
<i>Income from e-money issuance and management, EUR</i>	<i>323 381</i>	<i>241 269</i>	<i>34%</i>	<i>211 278</i>	<i>53.1%</i>
<i>Income from investment activity, EUR</i>	<i>53 896</i>	<i>24 039</i>	<i>124.2%</i>	<i>77 888</i>	<i>(44.5%)</i>
Cost of sales, EUR	(532 934)	(390 983)	36.3%	(396 861)	34.3%
Gross profit, EUR	561 343	360 941	55.5%	451 525	24.3%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(461 438)	(444 129)	3.9%	(402 710)	14.6%
EBITDA, EUR	200 041	52 509	280.9%	166 219	20.3%
Pre-tax profit/loss, EUR	99 905	(19 396)		97 036	3%
EBITDA Margin, %	18%	7%		20%	
Return on Equity (ROE), %	3.7%	(1%)		6%	

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 H1	2022 H1	2023 H1 / 2022 H1 Δ, %	2021 H1	2023 H1 / 2022 H1 Δ, %
Loans granted, EUR	20 861 211	17 609 214	18.5%	12 830 862	62.6%
Intermediary fee income, EUR	3 176 451	2 437 959	30.3%	1 338 729	137.3%
Intermediary fee / Loans granted, %	15.23%	13.84%		10.43%	
Other income, EUR	1 372 392	792 766	73.1%	1 124 345	22.1%
Cost of sales, EUR	(1 014 207)	(774 166)	31%	(716 488)	41.6%
General and administrative. other operating and interest expenses (depreciation excluded), EUR	(921 889)	(781 482)	18%	(671 860)	37.2%
Total revenue, EUR	2 612 747	1 810 774	44.3%	1 074 726	143.1%

Capital of NEO Finance, AB

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 553 thousand EUR and exceeded the minimum equity requirement.



At the end of 2023 Q2, the company's authorized capital and share additions reached

EUR 3 805 782

The company's capital was not increased during 2023.

Equity capital at the end of 2023 Q2 reached

EUR 2 695 474

P2P lending platform 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.

H1 2023 DEVELOPMENTS AT PASKOLŲ KLUBAS:

In June, a new record was achieved - loans totaling 4 198 310 EUR were financed.

Several platform modules related to determining the age of users, providing loan offers, and facilitating user experience have been improved.

The Paskoluklubas.lt page has been translated into Dutch to attract a larger number of investors from the Netherlands.



On May 24th, a record number of loan applications was reached - credits worth up to 354 900 EUR were submitted to the primary market in just one day.



Investors were paid a record amount of interest in June - 615 000 EUR.



The "Invite a Friend" program has been updated.

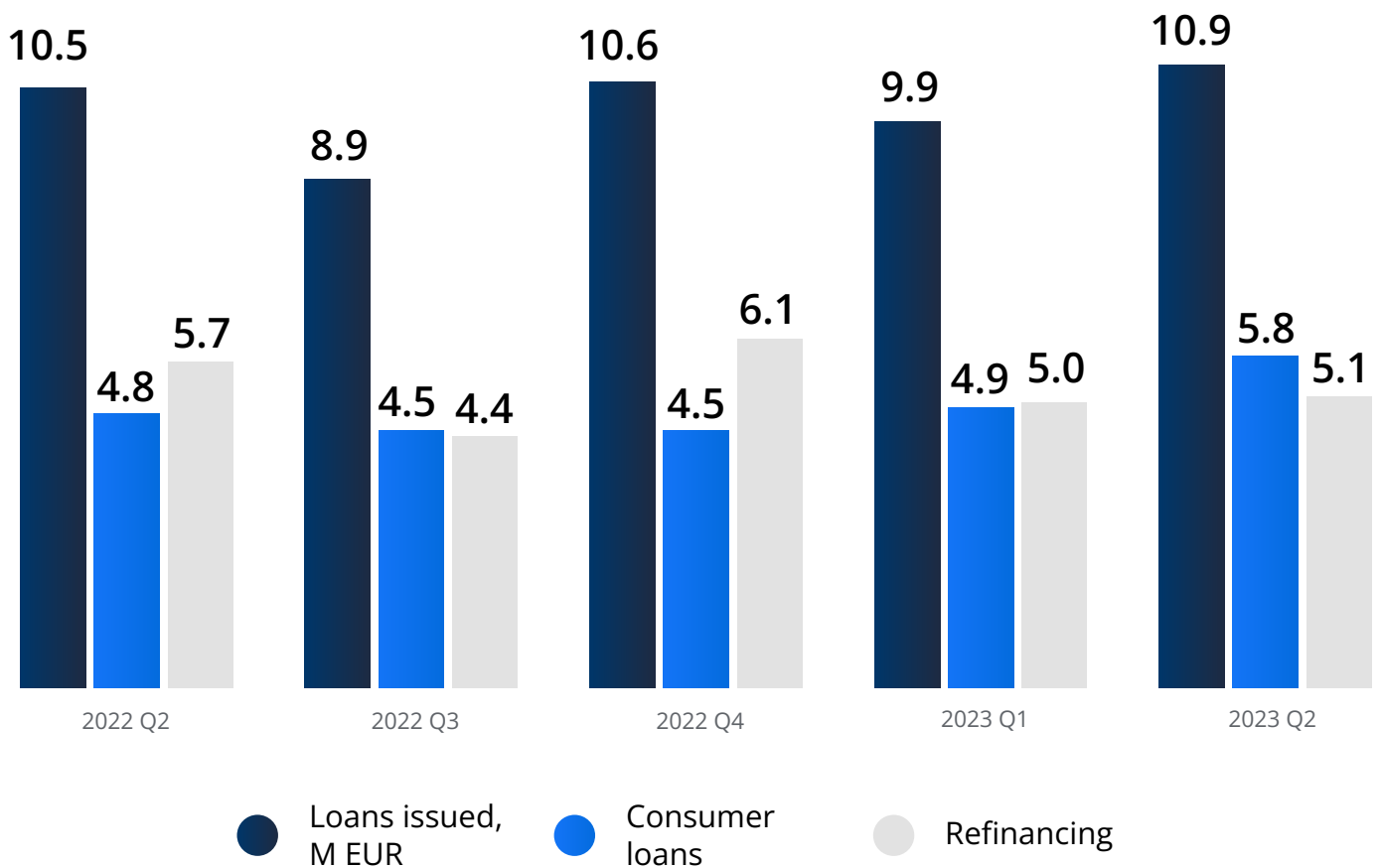


In order to expand the partnership program, cooperation agreements have been signed with two new partners, which will add value to the "Paskolų klubas" platform users and generate more income from existing platform users.

P2P lending platform, loans issued, M EUR

In Q2 2023, EUR 10.9 M of loans were issued through NEO Finance’s Paskolų Klubas P2P platform, which is 3,8% more than in Q2 2022.

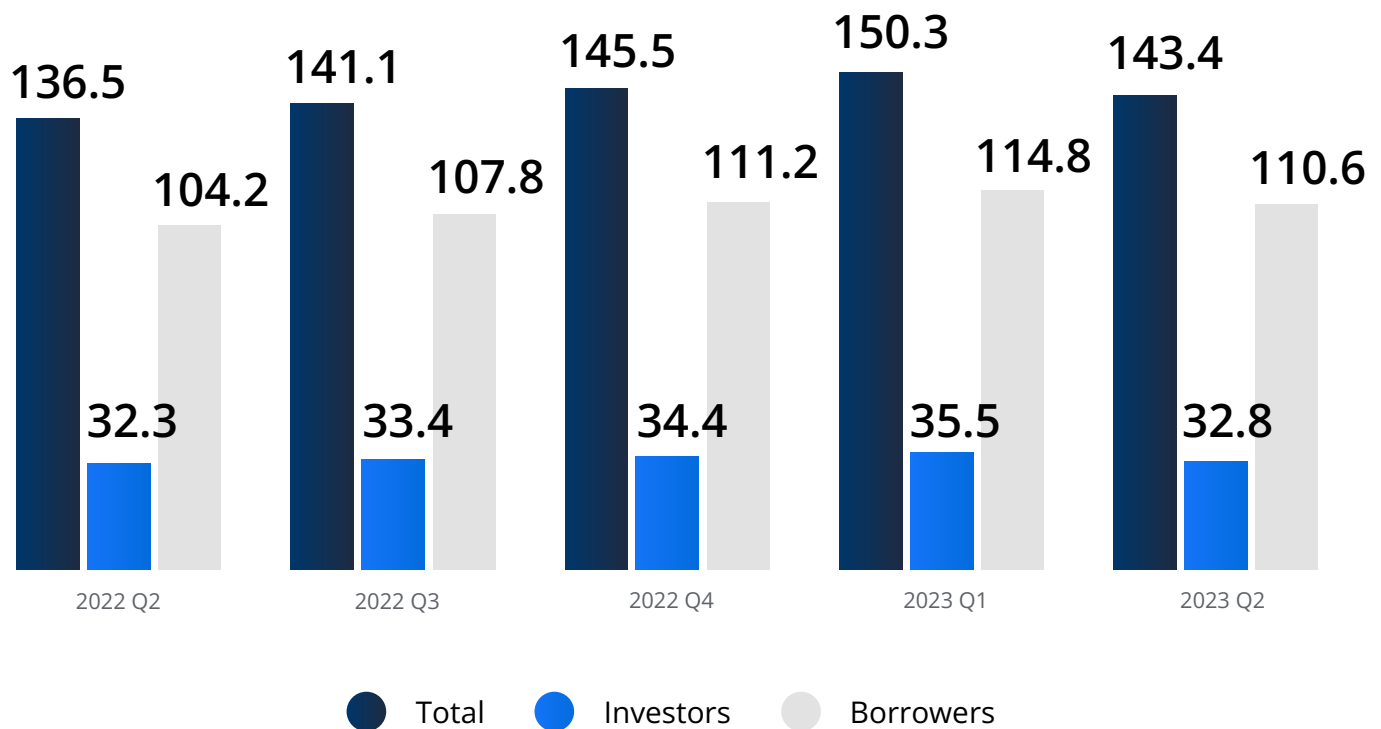
In Q2 2023 the largest number of consumer credits were granted in June through Paskolų Klubas for EUR 4.2 M.



Registered users

During the Q2 of 2023, the number of registered users decreased by 4.6 percent. The decrease in the number of consumer credit recipients was 3.7 percent, investors - 7.7 percent.

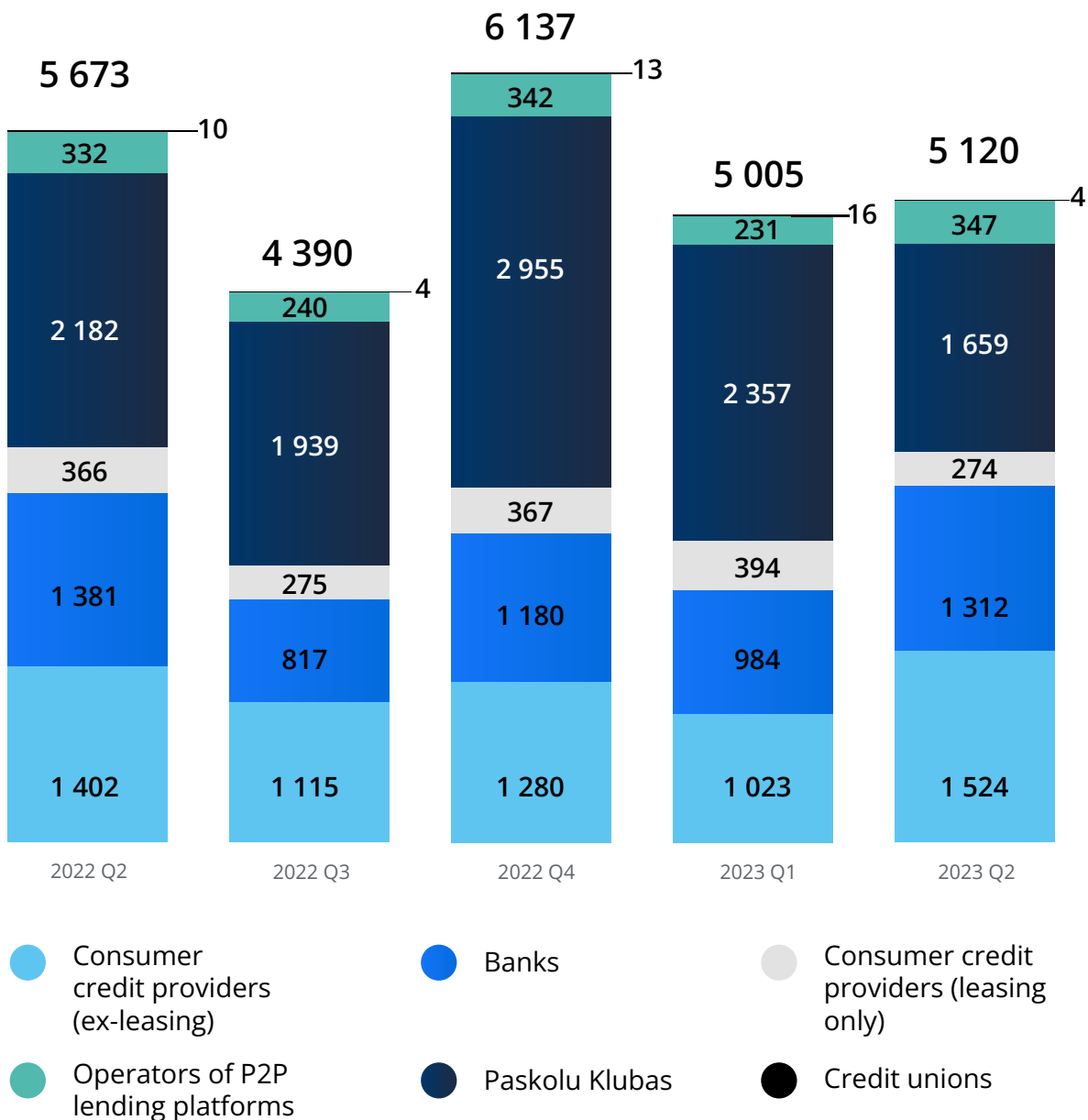
The decrease in the number of registered users was due to the closure of inactive accounts.



Refinancing

EUR 10.9M of loans financed in Q2 2023, EUR 5.1M 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.

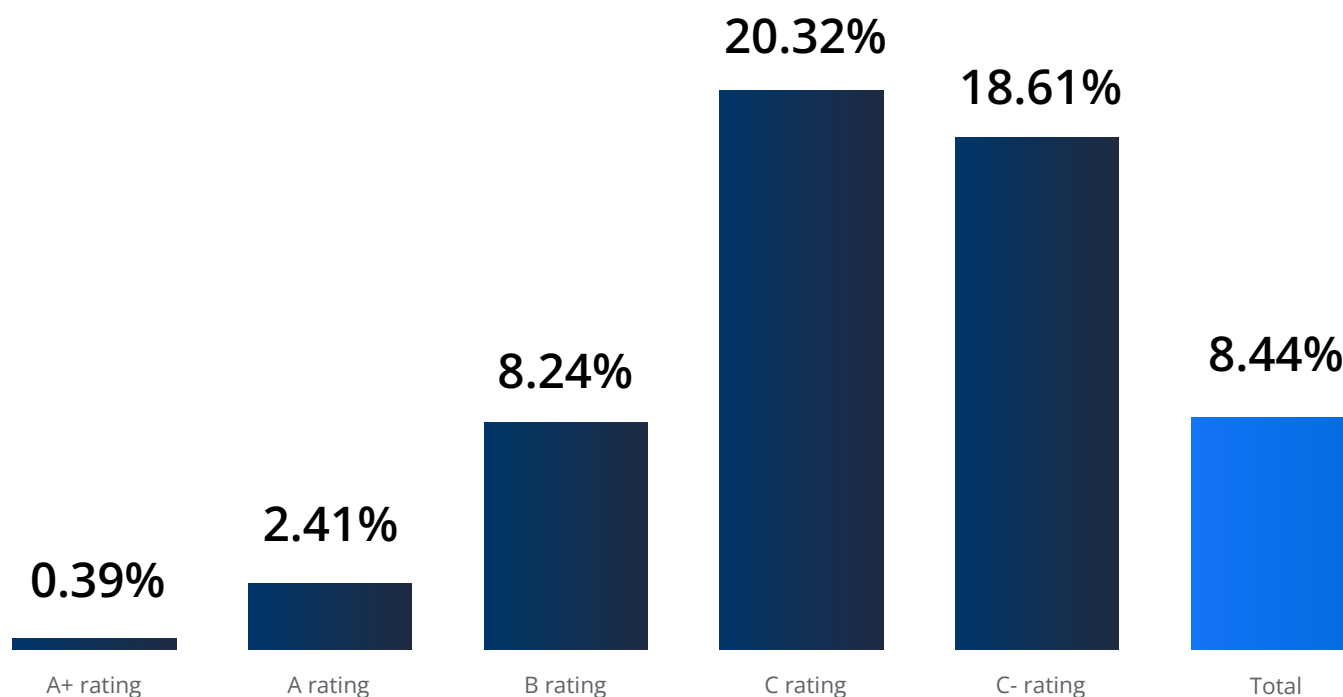
Refinancing distribution, K EUR



Overdue loans

At the end of Q2 2023, out of 41 838 outstanding loans, 3 466 (8.28%) were overdue for more than 90 consecutive days. Of the EUR 148 M of loans issued, loans for EUR 12.6 M (8.51%) were more than 90 days overdue. During Q2 2023, EUR 661 K were recovered and distributed to investors.

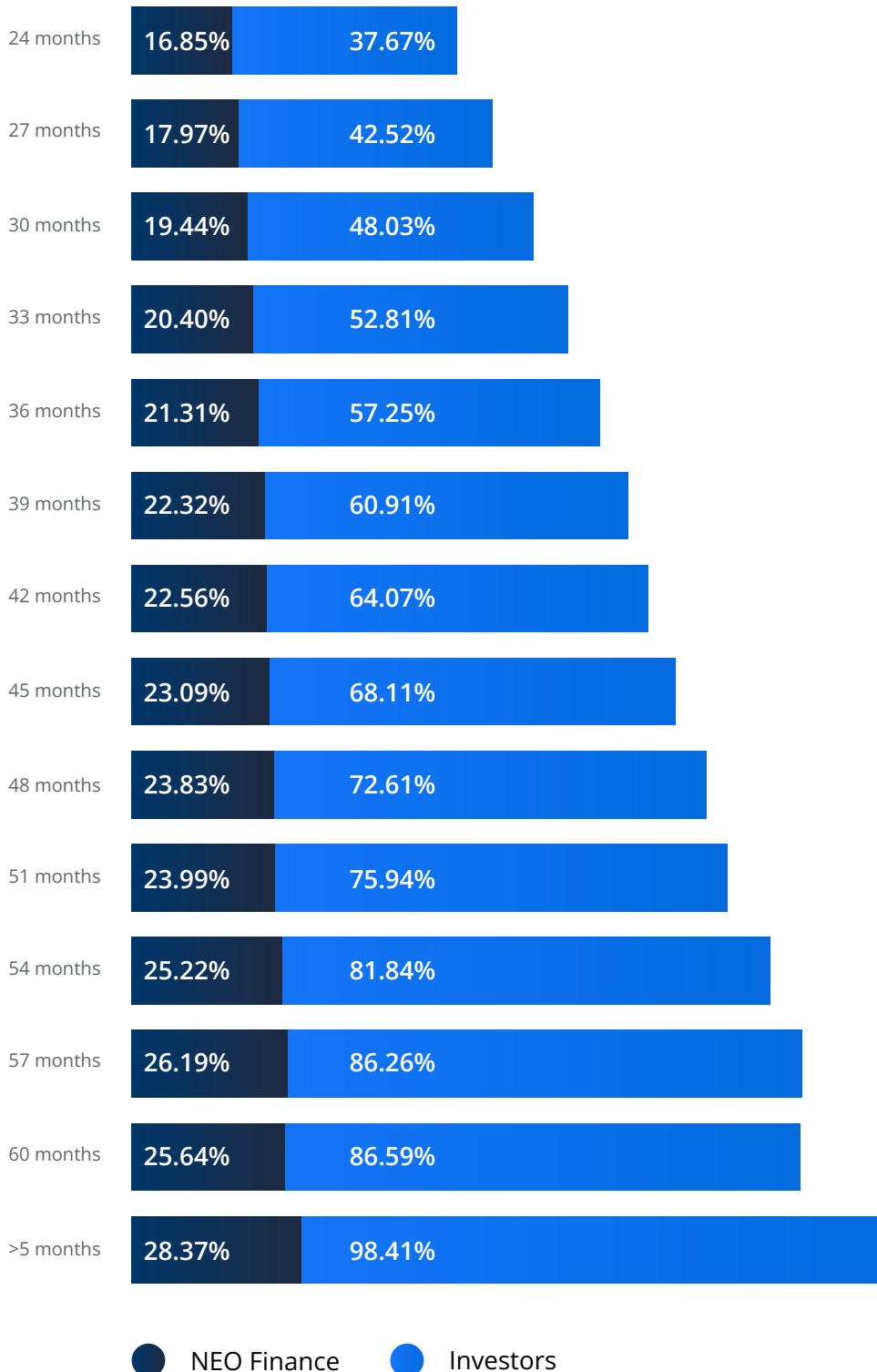
Loans, overdue >90 days, %



Amount recovered, K EUR

	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Recovered amount, K EUR	556	651	629	546	661
Overdue (>90days) loan amount, K EUR	9 793	10 319	11 000	11 856	12 561

Recovered % of principal outstanding at termination



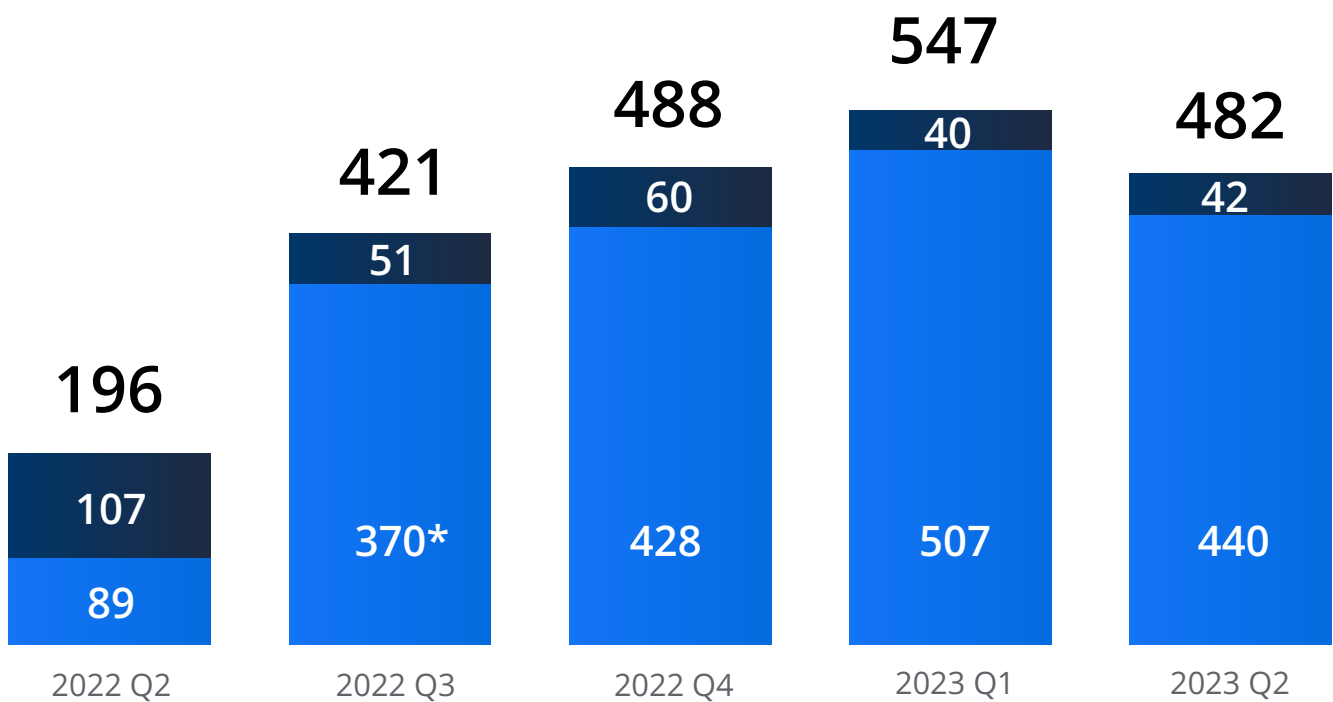
Months after termination

Months after termination	Principal at termination	No. of loans
24 months	9 775 849	2 988
27 months	9 351 530	2 863
30 months	8 621 858	2 683
33 months	7 963 210	2 488
36 months	6 977 100	2 183
39 months	6 162 128	1 946
42 months	5 399 929	1 682
45 months	4 475 977	1 398
48 months	3 672 957	1 156
51 months	2 883 283	917
54 months	2 233 416	735
57 months	1 726 112	579
60 months	1 185 740	418
>5 months	2 511 338	1 064

Provision fund

The provision fund lets lenders reduce investment risk. If a loan defaults, the provision fund secures their payment of the invested amount. In Q2 2023, EUR 58 627 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

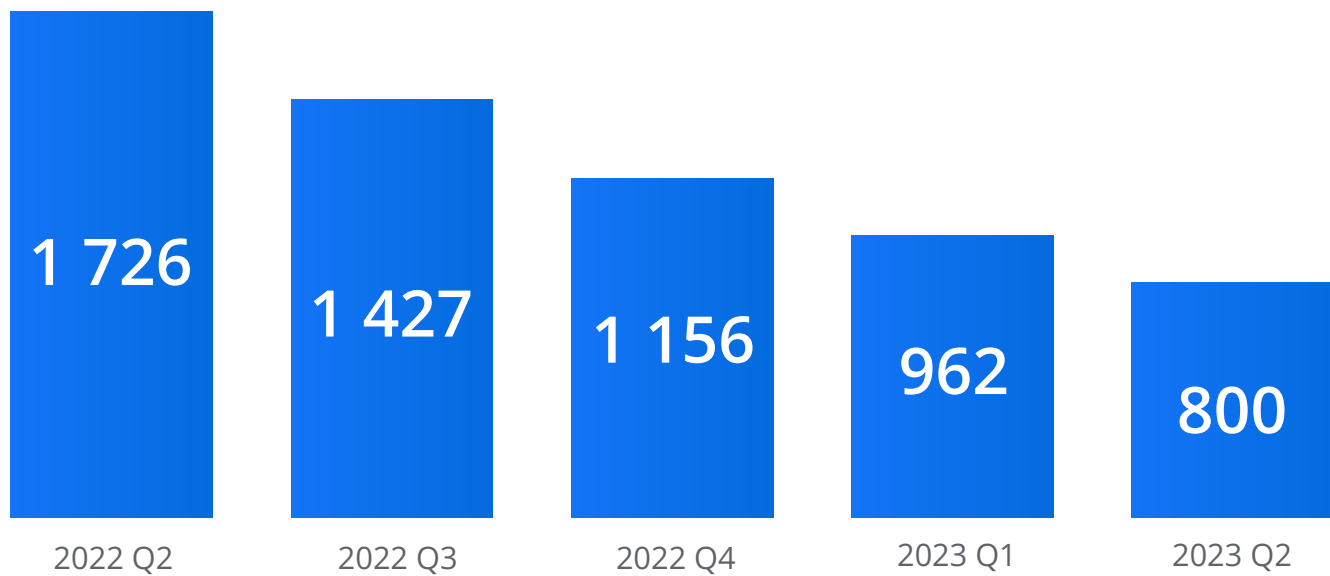
to lenders, the company may, if necessary, use other of its assets.

*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 H1 2023, the amount accumulated in the provision fund account was EUR 482 K and the total guaranteed amount was EUR 800 K. The coverage ratio was thus 60%.

Guaranteed amount, K EUR

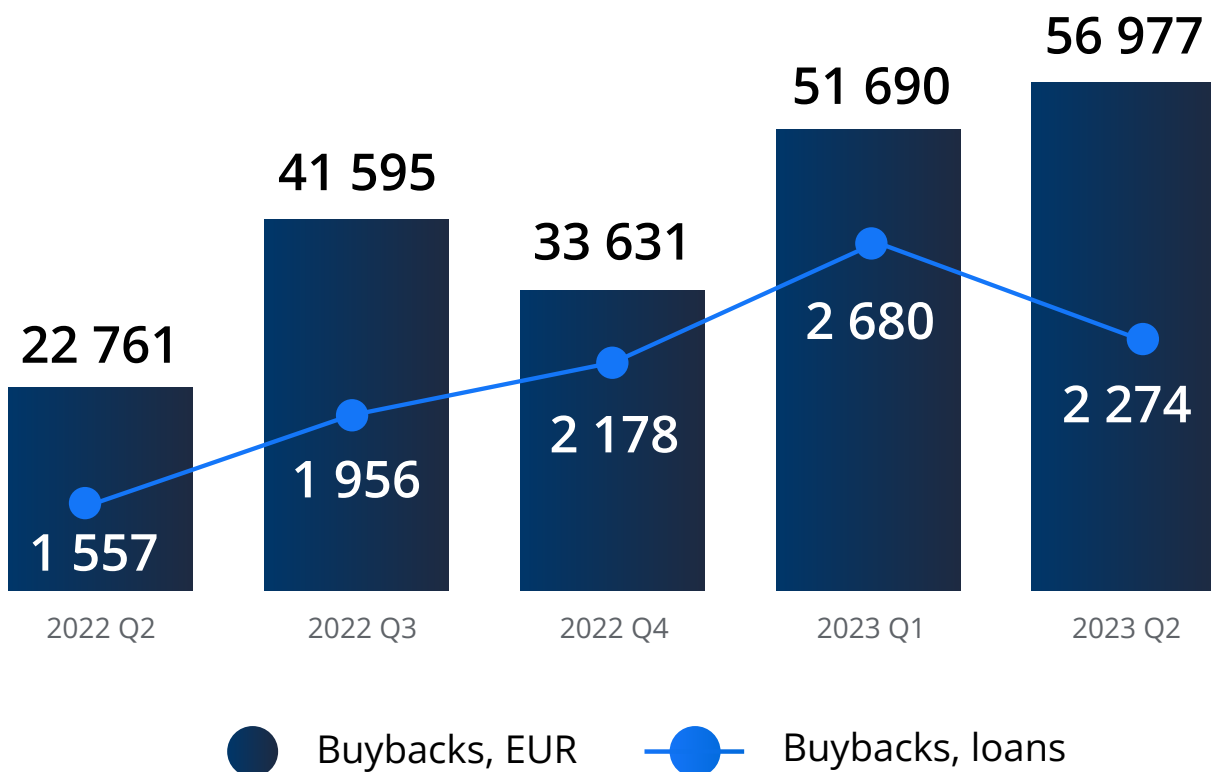


Provision fund service for new investments abolished as of 1 March 2022.

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 Q2 2023, LENDERS SOLD 2 274 investments to NEO Finance, AB for EUR 56 977.

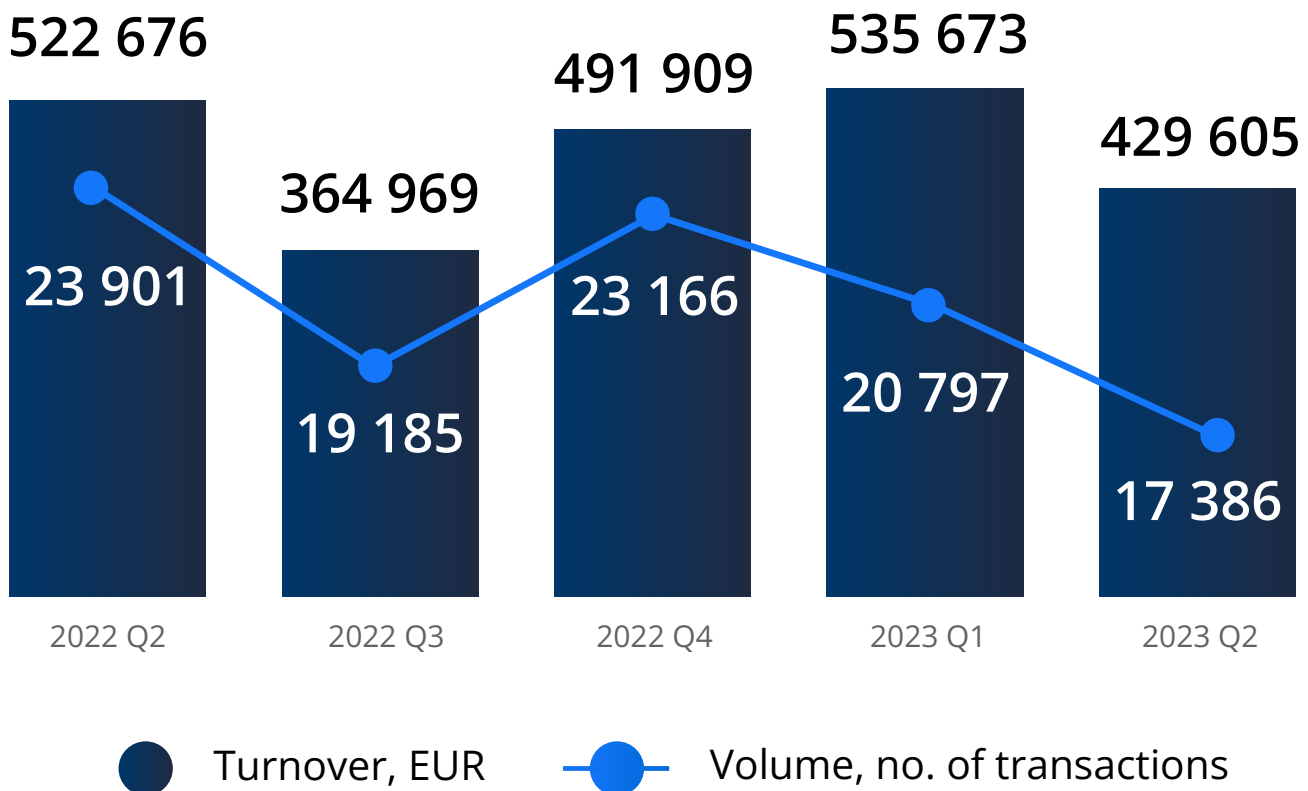


Secondary market

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 Q2 2023 totalled EUR 429 605.

The average transaction amount was EUR 24.71.



NEO Finance, AB's investments

In Q2 of 2023 NEO Finance, AB invested in loans EUR 968 000.

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

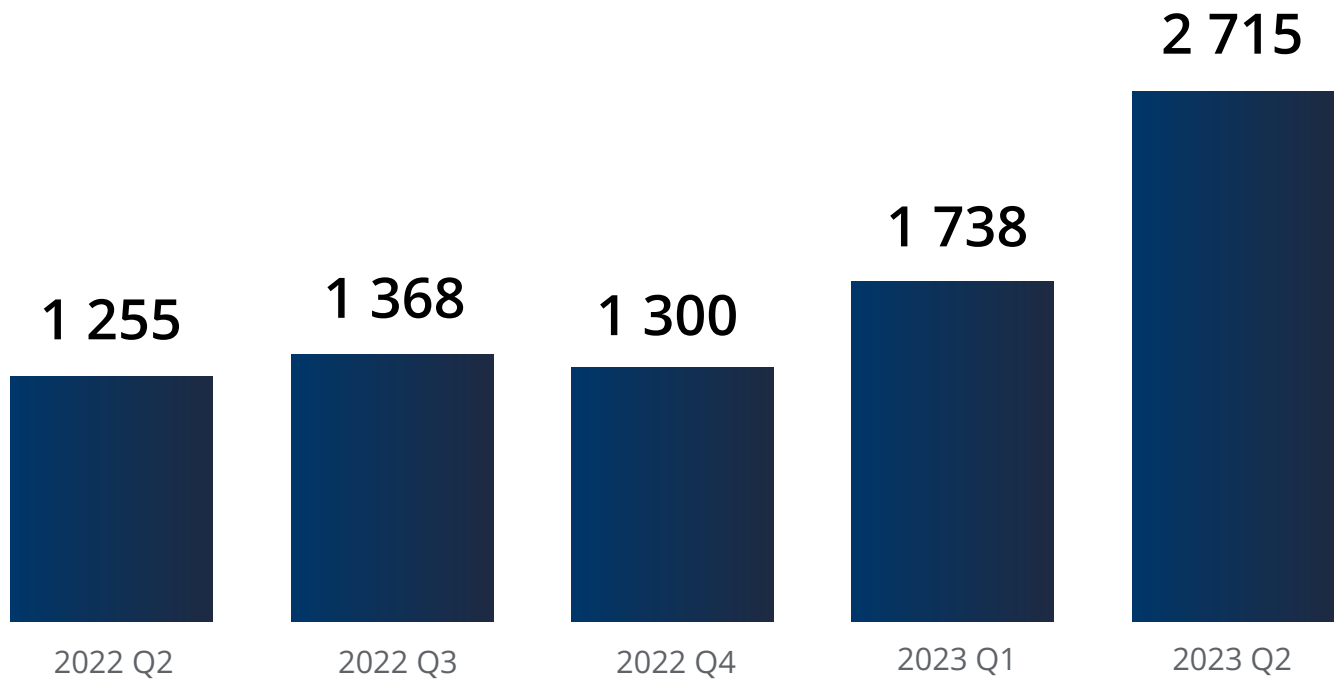
consumer credit. NEO Finance may not adhere to the above maximum investment amounts and grant consumer credit to consumer credit recipients of all credit ratings, if the investors have already financed at least 20 percent of the consumer credit amount and at least 24 hours have passed since the application 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.

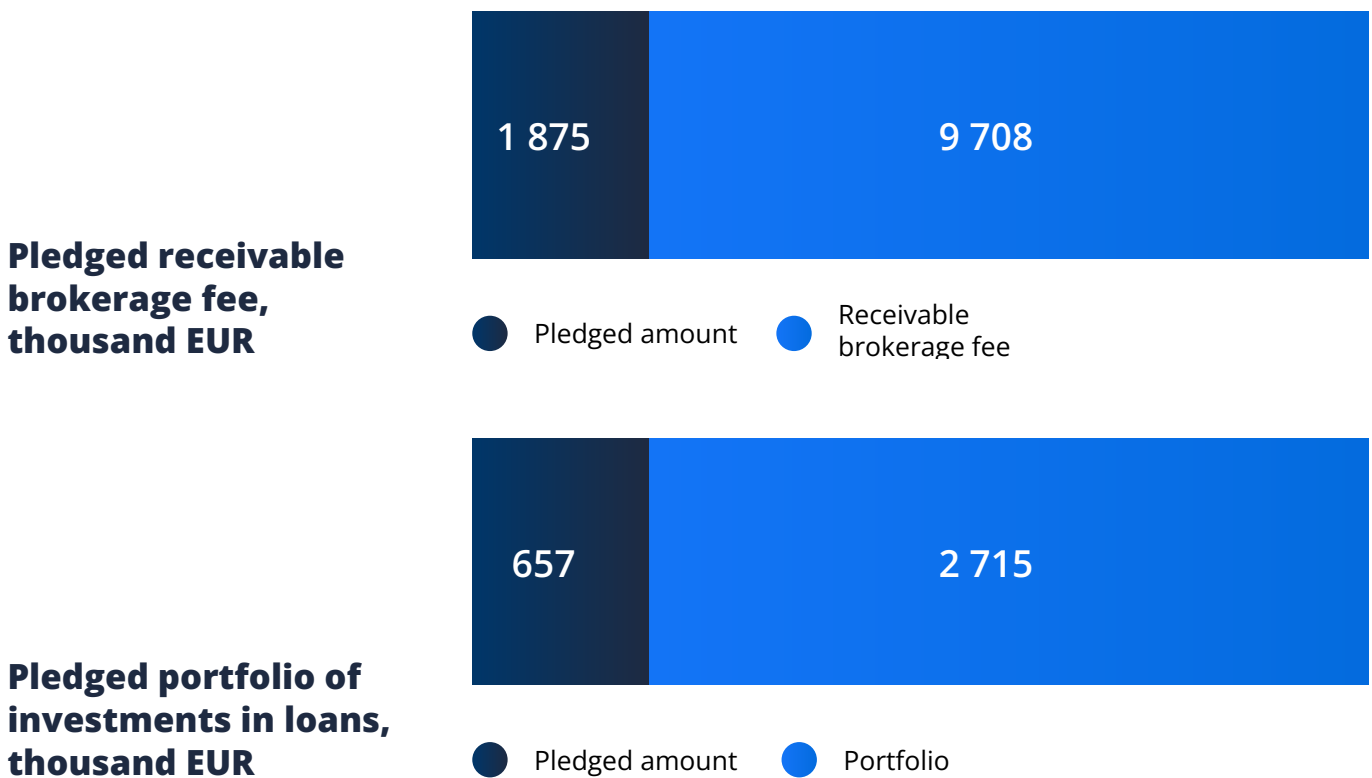
NEO Finance, AB's investments, K EUR

2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
85	273	153	240	968

NEO Finance, AB Portfolio of investments in loans, K EUR



NEO Finance, AB pledged assets



Institutional investor

As of the end of 2023 H1, the portfolio that nordIX had acquired from NEO Finance, AB had a total size of EUR 10.4 M.

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.

NordIX's investments, EUR

2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
4 177 636	2 033 186	3 389 821	2 041 928	1 183 171



**Open banking
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 second 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.

H1 2023 DEVELOPMENTS AT NEOPAY:

The product basket has been successfully supplemented with a new product on the Polish market - BLIK. This payment settlement product occupies over 70% of the market share in Poland. By introducing this product into the existing product basket, faster growth can be expected in the Polish market in the near future.

A new customer service specialist has joined the Neopay team to meet the increasing customer demand in the future.

The first customers have installed the "Neopay 3" ("Buy now - pay later") service in their online stores.

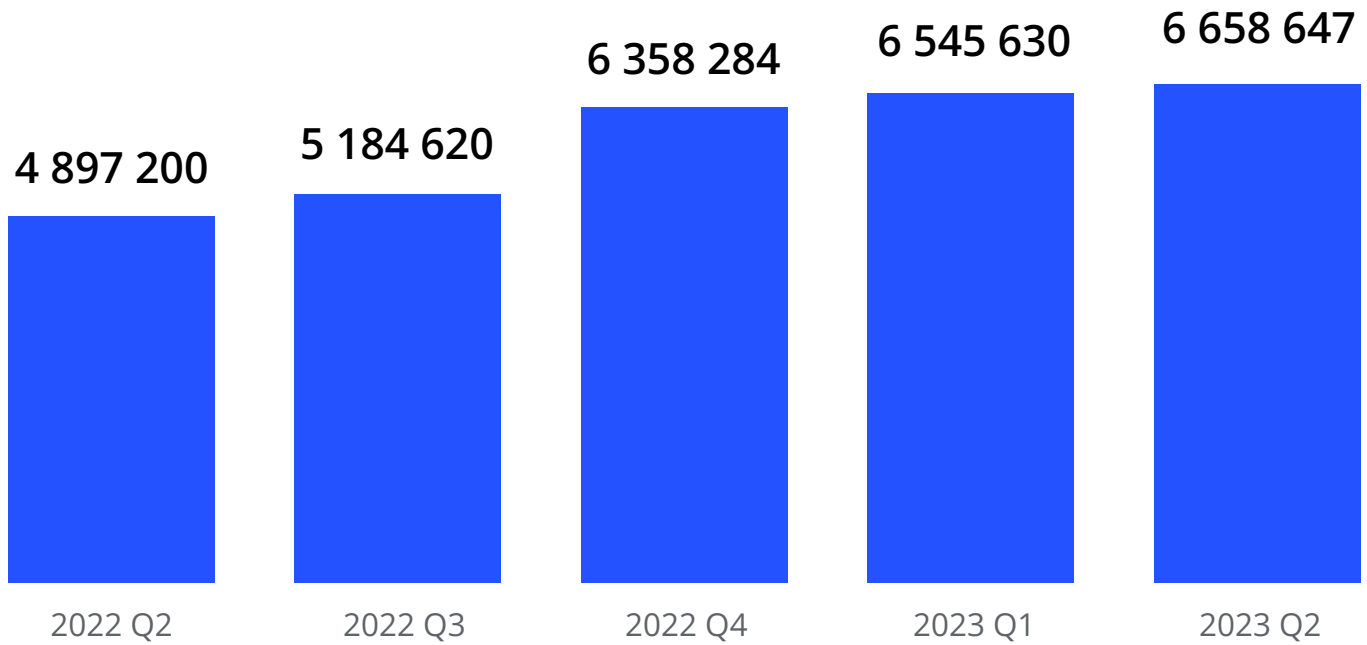
The number of payment initiation transactions grew by 36% in the second quarter of this year, compared to the same quarter in 2022.

The latest list by country can be found

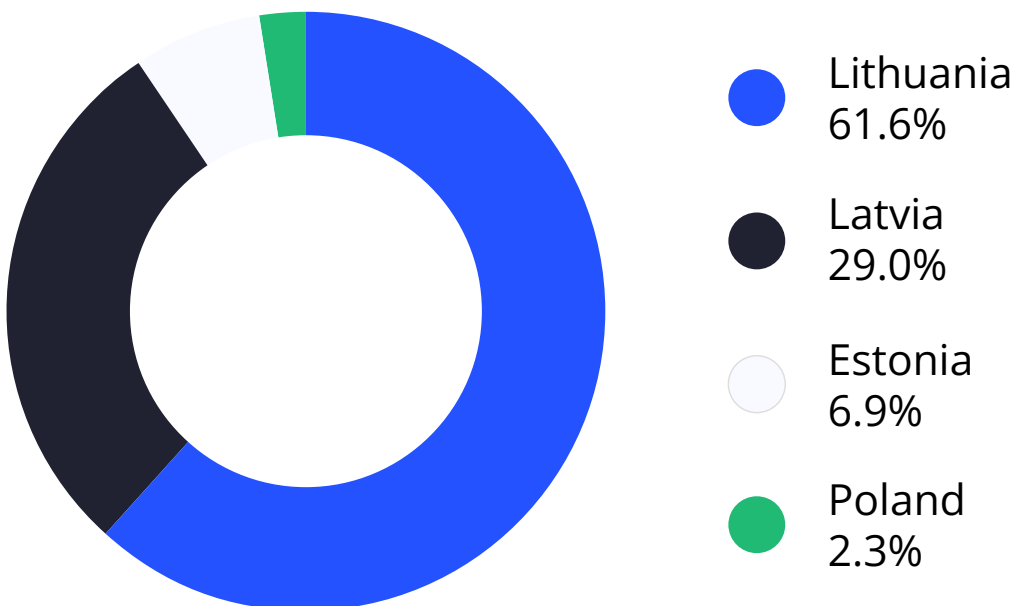
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Payment transactions, pcs.



Country share



Crowdfunding platform 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.

H1 2023 DEVELOPMENTS AT FINOMARK:

Updated statistics – “Loan statistics by issuance years.”

The team has been joined by a Communications Specialist and a Sales Manager.



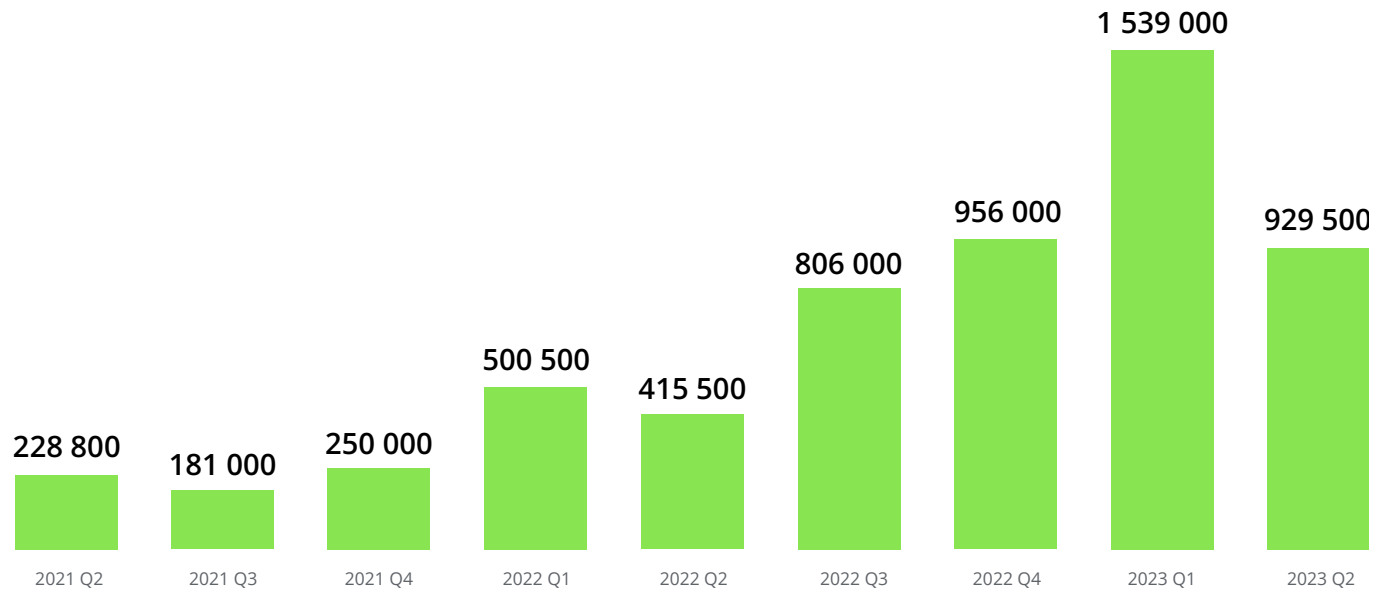
Improving communication with investors, from now on, monthly and weekly portfolio reviews are sent to investors.



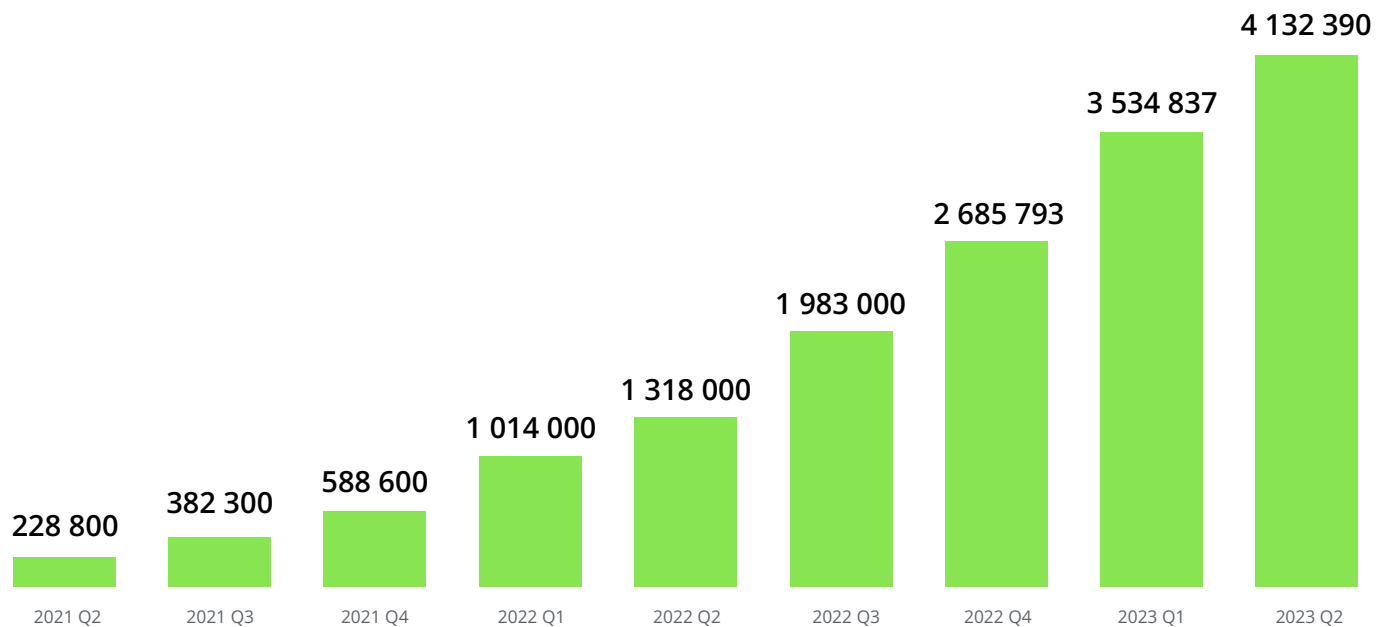
To enhance user experience, the “Personal Manager” feature has been implemented - upon filling out an application, customers are assigned a Personal Manager.

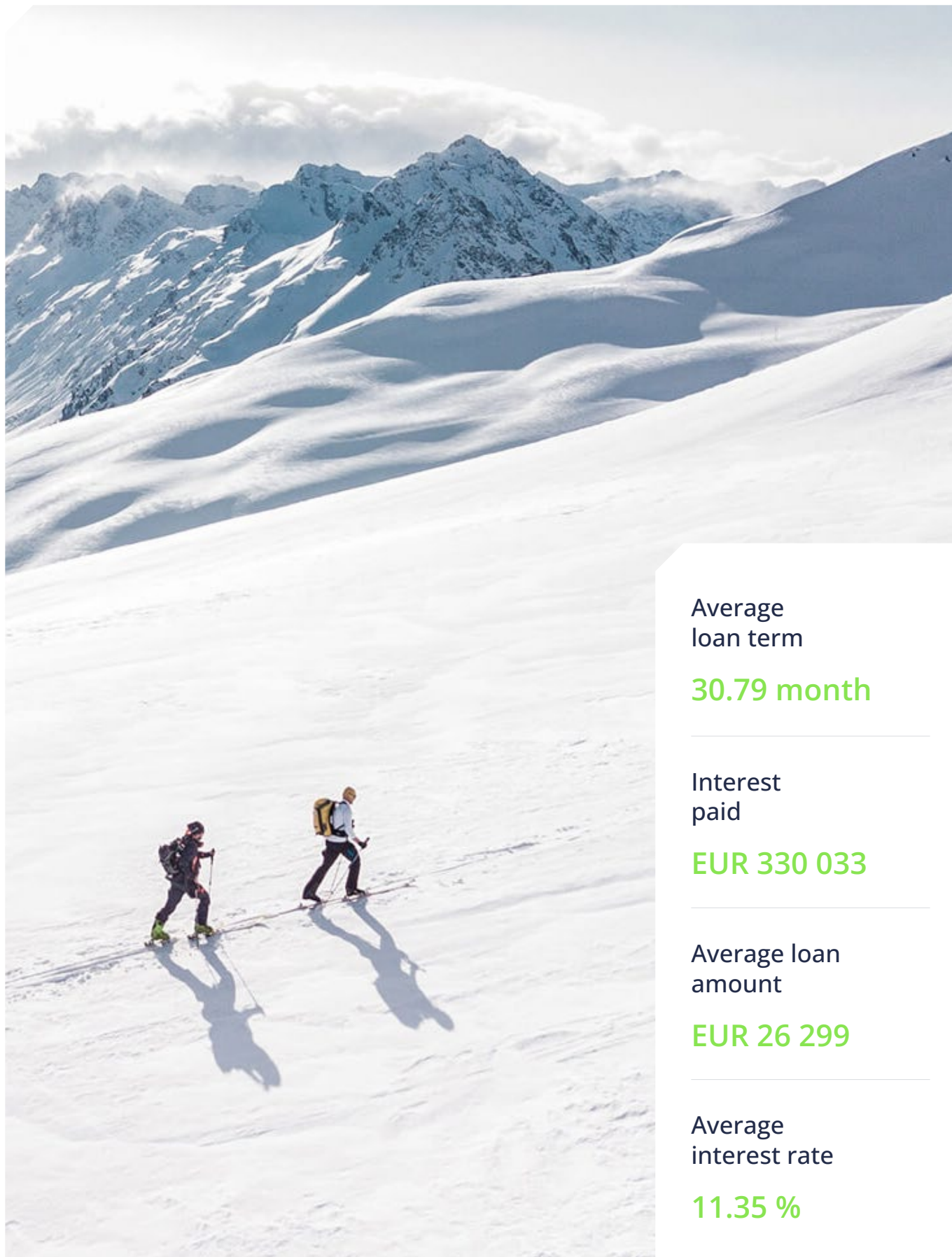


FinoMark issued loans amount, EUR



Active investor's portfolio amount, EUR





Average
loan term

30.79 month

Interest
paid

EUR 330 033

Average loan
amount

EUR 26 299

Average
interest rate

11.35 %

Key Finomark, UAB 2023 H1 financial indicators

	2023 H1	2022 H1	Δ, %
Loans granted, EUR	2 468 500	916 000	169%
Revenue, EUR	162 950	67 767	140%
Cost of sales, EUR	(15 190)	(6 998)	117%
Gross profit, EUR	147 760	60 769	143%
General and administrative, other operating and interest expenses, EUR	(216 025)	(265 941)	-19%
Pre-tax profit/loss, EUR	(68 265)	(205 172)	-67%

NEO Finance, AB

financial statements

2023 H1 condensed balance sheet, EUR

	2023-06-30	2022-12-31
ASSETS		
FIXED ASSETS	3 112 915	2 996 146
Intangible assets	1 036 350	956 254
Other intangible assets	1 036 350	956 254
Tangible assets	27 405	30 374
Other devices, appliances and tools	1 818	
Financial assets	25 587	30 374
Shares of companies of the group of companies	1 764 242	1 724 602
Accounts receivable within one year	829 138	779 138
Other financial assets	935 105	945 464
OTHER FIXED ASSETS	284 917	284 917
Deferred tax assets	284 917	284 917
CURRENT ASSETS	12 900 198	14 143 650
RESERVES	39 353	28 666
Paid advances	39 353	28 666
AMOUNTS RECEIVED IN ONE YEAR	1 970 957	666 083
Buyers' debts	152 469	156 895
Other receivables	1 818 488	509 188
Cash and cash equivalents	10 889 889	13 448 901
EXPENSES OF FUTURE PERIODS AND ACCRUED INCOME	10 419	2 296
ASSETS TOTAL:	16 023 532	17 142 092
EQUITY AND LIABILITIES		
EQUITY	2 695 474	2 523 667
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	(1 110 308)	(1 282 115)
Profit (loss) for the reporting year	171 807	103 895
Profit (loss) of previous years	(1 282 115)	(1 386 010)
PROVISIONS	50 458	86 012
Other provisions	50 458	86 012
ACCOUNTS PAYABLE AND OTHER LIABILITIES	13 265 526	14 517 561
Accounts payable after one year and other long-term liabilities	1 622 952	891 294
Debt obligations	1 604 956	865 000
Other payables and long-term liabilities	17 996	26 294
Accounts payable within one year and other short-term liabilities	11 642 574	13 626 267
Debt obligations	675 029	250 365
Advances received	18 857	5 761
Debt to suppliers	199 715	173 530
Obligations related to labor relations	191 516	169 040
Current Amounts Payable and Liabilities	10 557 457	13 027 571
EXPENSES ACCRUED AND EXPENSES OF FUTURE PERIODS	12 074	14 853
TOTAL EQUITY AND LIABILITIES:	16 023 532	17 142 092

2023 H1 profit and loss statement, EUR

Item	2023 01-06	2022
Sales revenue	2 107 903	3 530 460
Cost of sales	(1 014 207)	(1 650 676)
GROSS PROFIT/LOSS	1 093 696	1 879 784
General and administrative expenses	(957 040)	(1 740 972)
Other operative expenses	35 151	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	220	20 059
Impairment of financial assets and short-term investments	-	-
Interest and similar expenses	(220)	(692)
PROFIT/LOSS BEFORE TAX	171 807	158 608
INCOME TAX	-	(54 713)
NET PROFIT/LOSS	171 807	103 895

2023 H1 changes in equity statement, EUR

	Apmokėtas įstatinis arba pagrindinis kapitalas	Akcijų priedai	Nepaskirstytasis pelnas (nuostoliai)	Iš viso
1. Balance at the end of the reporting (yearly) period before previous	1 784 436	1 653 415	(1 386 010)	2 051 841
2. Result of changes in accounting policies				-
3. Result of correcting material errors				-
4. Recalculated balance at the end of the reporting (yearly) period before previous	1 784 436	1 653 415	(1 386 010)	2 051 841
5. Net profit (loss) of the reporting period			103 895	103 895
6. Increase (decrease) of other authorised or primary capital	64 498	303 433		367 931
7. Balance at the end of the previous reporting (yearly) period	1 848 934	1 956 848	(1 282 115)	2 523 667
8. Net profit (loss) of the reporting period			171 807	171 807
9. Increase (decrease) of other authorised or primary capital				-
10. Balance at the end of the reporting period	1 848 934	1 956 848	(1 110 308)	2 695 474

2023 H1 cash flow statement, EUR

Cash and cash equivalents at the beginning of the period	2023 01-06	2022
Cash flows from operating activities		
Net profit (loss)	171 807	103 895
Depreciation and amortisation expenses	211 262	336 931
Elimination of results of disposals of fixed tangible and intangible assets	(444)	(589)
Elimination of results of financing and investing activities	-	(19 367)
Elimination of results of other non-cash transactions	-	-
Decrease (increase) in other amounts receivable after one year	-	-
Decrease (increase) in assets of the deferred tax on profit	-	45 289
Decrease (increase) in stocks, except advance payments	-	-
Decrease (increase) in advance payments	(10 687)	(12 463)
Decrease (increase) in trade debtors	4 426	(29 504)
Decrease (increase) in other debtors	(1 309 300)	(39 809)
Decrease (increase) in prepayments and accrued income	(8 123)	(2 159)
Increase (decrease) in provisions	(35 554)	(108 703)
Increase (decrease) in trade of long-term creditors and prepayments received on account	(26 294)	(16 596)
Increase (decrease) in trade with short-term creditors and prepayments received on account	39 281	30 325
Increase (decrease) in liabilities of tax on profit	-	(15 871)
Increase (decrease) in liabilities related to employment relations	18 656	13 691
Increase (decrease) in other amounts payable and liabilities	(2 443 269)	2 524 781
Increase (decrease) in accruals and deferred income	(2 779)	(327)
Net cash flows from operating activities	(3 391 018)	2 809 524
Cash flows from investing activities		
Acquisition of fixed assets (excluding investments)	(288 435)	(563 133)
Disposal of fixed assets (excluding investments)	489	700
Acquisition of long-term investments	(39 640)	(321 587)
Other increases in cash flows from investing activities	-	15 319
Net cash flows from investing activities	(327 586)	(868 701)
Cash flows from financing activities		
Cash flows related to entity's owners	-	367 931
Issue of shares	-	367 931
Cash flows related to other financing sources	1 159 591	121 446
Increase in financial debts	1 479 956	200 000
Loans received	839 956	200 000
Bond issuance	640 000	-
Decrease in financial debts	(320 365)	(78 554)
Loans returned	(320 365)	(78 554)
Interest paid	-	-
Net cash flows from financing activities	1 159 591	489 377
Adjustments due to exchange rates on the balance of cash and cash equivalents	-	(291)
Increase (decrease) of net's cash flows	(2 559 013)	2 429 909
Cash and cash equivalents at the beginning of the period	13 448 901	11 018 992
Cash and cash equivalents at the end of the period	10 889 889	13 448 901

