



Express Credit

INVESTOR PRESENTATION 2018Q2 RESULTS

August, 2018



DISCLAIMER



This presentation is of selective nature and is made to provide an overview of the Company's (SIA "ExpressCredit" and its subsidiaries) business, based on 2018Q2 results.



Unless stated otherwise, this presentation shows information from consolidated perspective.



Facts and information used in this presentation might be subject to revision in the future. Any forward-looking information may subject of change as well.



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This presentation does not purport to contain all the information that investor may require in evaluating the Company. Investors should read publicly available information regarding the Company as well as the full prospectus describing a particular bonds issue.



3rd largest non bank consumer lender
in Latvia*

*Based on reported annual revenue of licenced non-bank
consumer lenders in 2016

BUSINESS PROFILE:



Pawn loans
Consumer loans

BRANDS:

Banknote
VIZIA

VALUES:



Simplicity



Accessibility



Respect



Progress

COMPANY:

86 branches

250 + employees

2.700.000 + loan issue
transactions

EUR 185m + value of
loans

KEY FINANCIALS:

EUR 17.6m net loan
portfolio (2018Q2)

EUR 3.5m EBITDA
(2018Q2)

EUR 10.0m value of
issued loans (2018Q2)



2009

established as a
pawn broking
chain



2017

3rd largest non-
bank consumer
lender in Latvia

HIGHLIGHTS

Launch of VIZIA full scale operations, that will increase market share in distance lending.

Active participation in Alternative Financial Service Association of Latvia for information communication with respect to legislation initiatives.

Redemption of secured bonds in the amount of EUR 500 thousand and termination of commercial collateral.



Loans issued, EURm



Loans portfolio in total, EURm



EBITDA, EURm

According to The Alternative Financial Services Association of Latvia prognosis the newly issued non-bank loans in 2018 might reach 570-590 million euros, with total loan portfolio increasing to 625-635m EUR.

EUR 243m

Consumer loans

EUR 39m

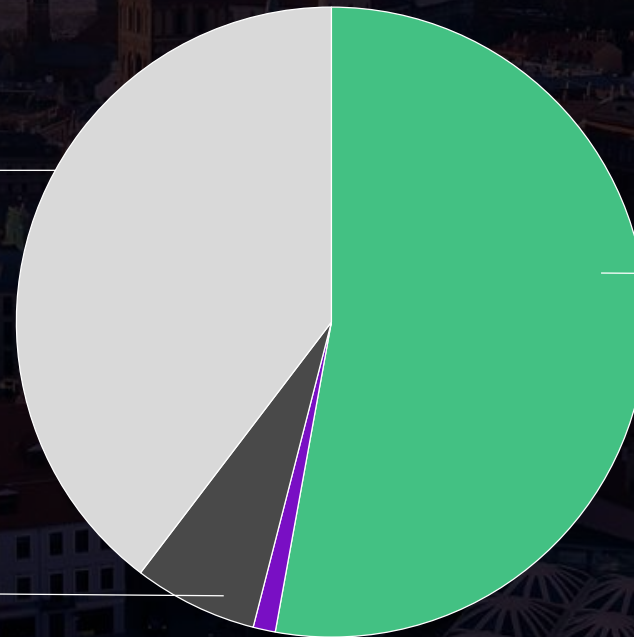
Mortgage

EUR 324m

Leasing, car title

EUR 7m

Pawn loans

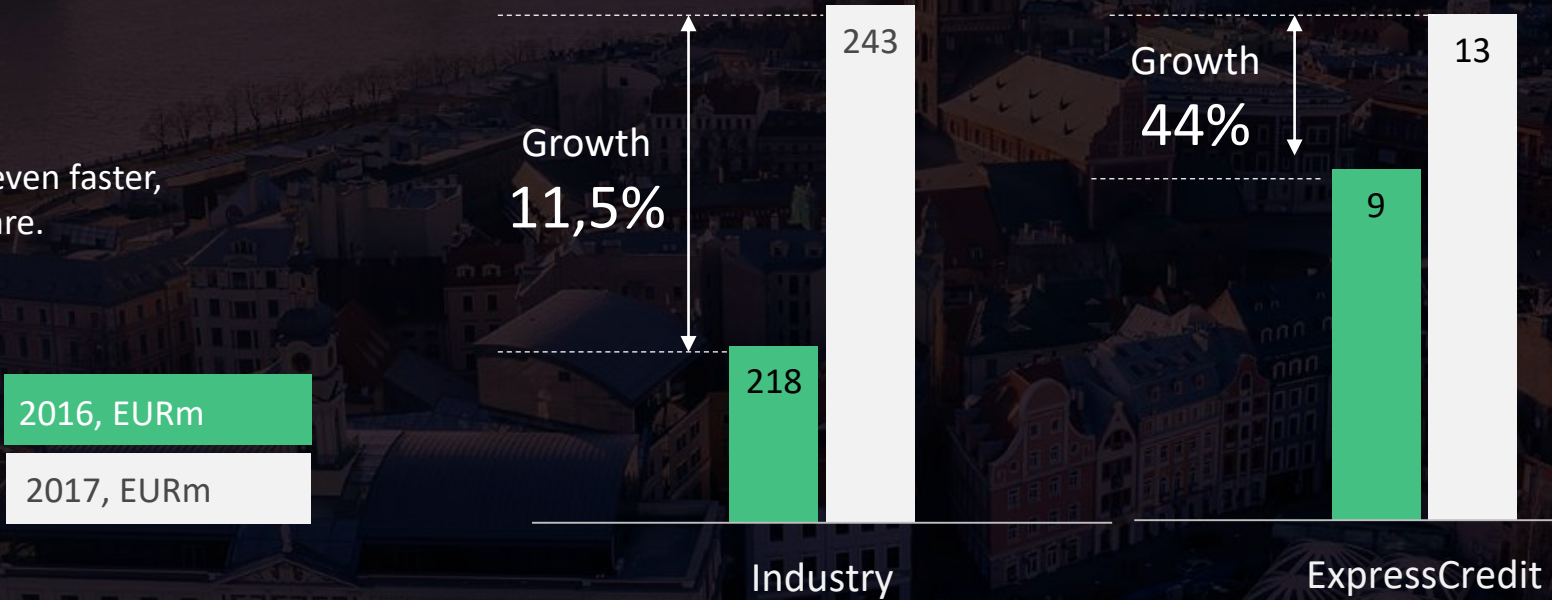




MARKET OVERVIEW: CONSUMER LOANS

Fast growing segment.

ExpressCredit* grows even faster, it has 5%** market share.



* Loan portfolio data based on SIA ExpressCredit standalone net consumer and pawn loan portfolio excl. accrued interest

** Based on loan portfolio as at the end of 2017



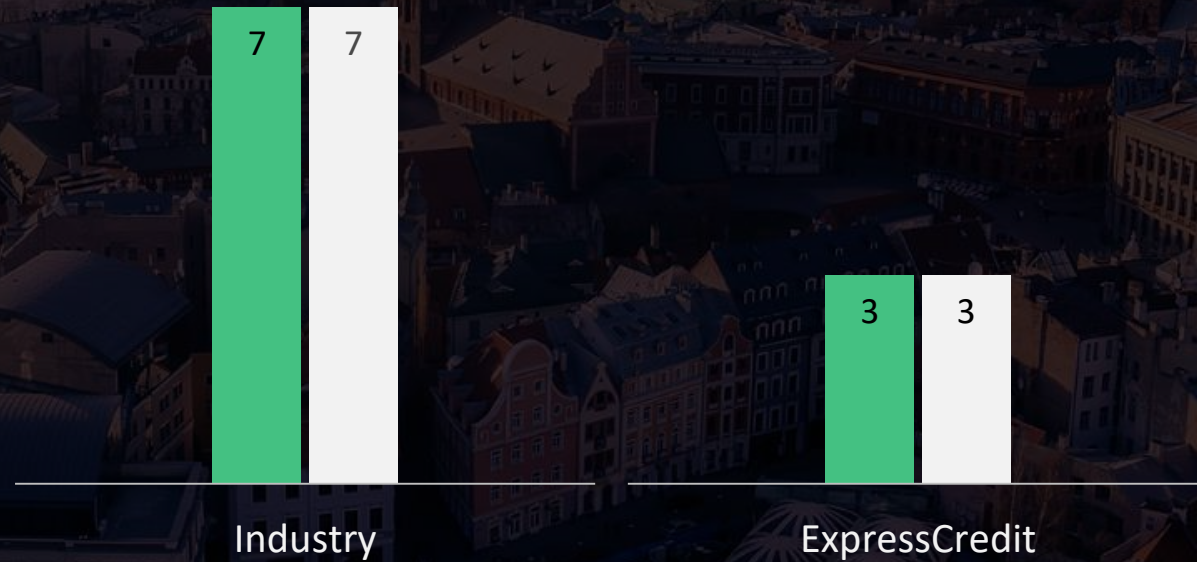
MARKET OVERVIEW: PAWN LOANS

Stable segment.

ExpressCredit* is the leading player with 41%** market share.

2016, EURm

2017, EURm



* Loan portfolio data based on SIA ExpressCredit standalone net consumer and pawn loan portfolio excl. accrued interest

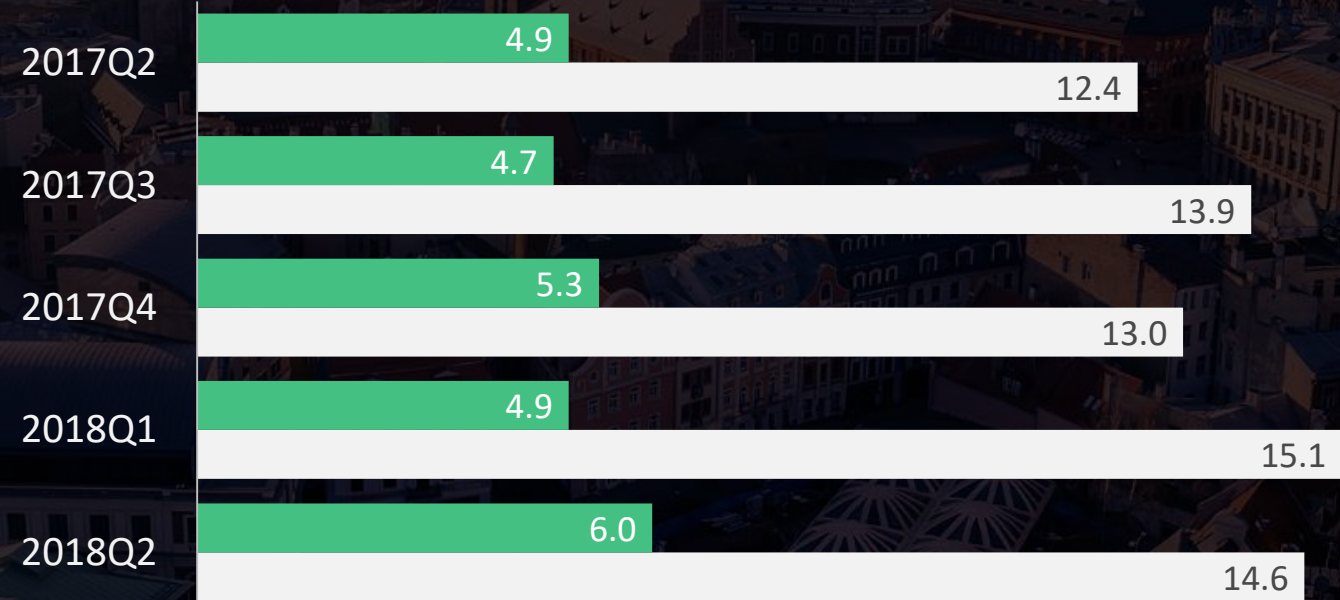
** Based on loan portfolio as at the end of 2017

CONSUMER LOANS

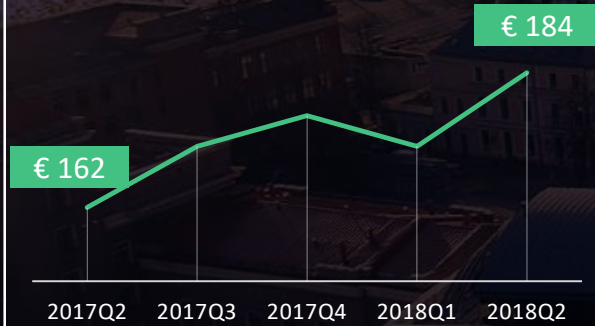
59% of loans issued by value in 2018Q2

LOANS ISSUED, EURm

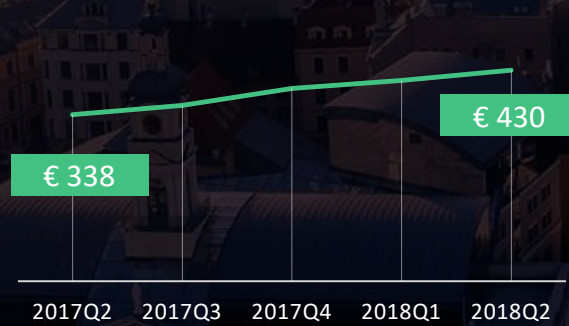
NET LOAN PORTFOLIO, EURm



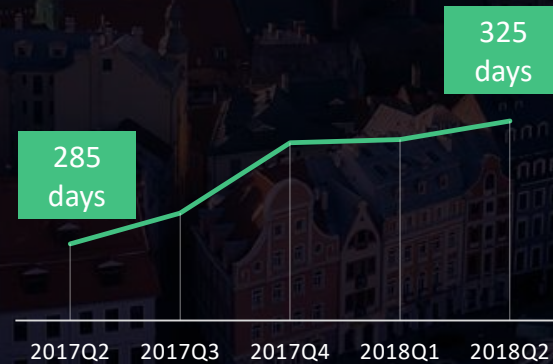
Average loan tranche size per issue



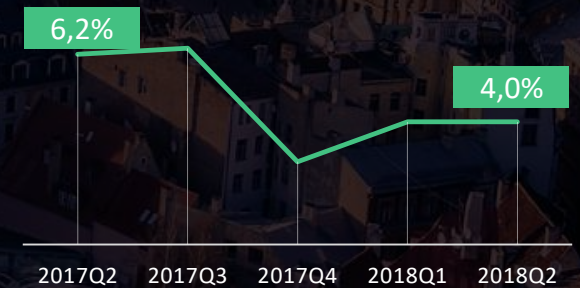
Average loan size per customer



Weighed average term of loans issued



Non-performing loans ratio



Result of changed approach towards NPL and improved cooperation with debt companies.

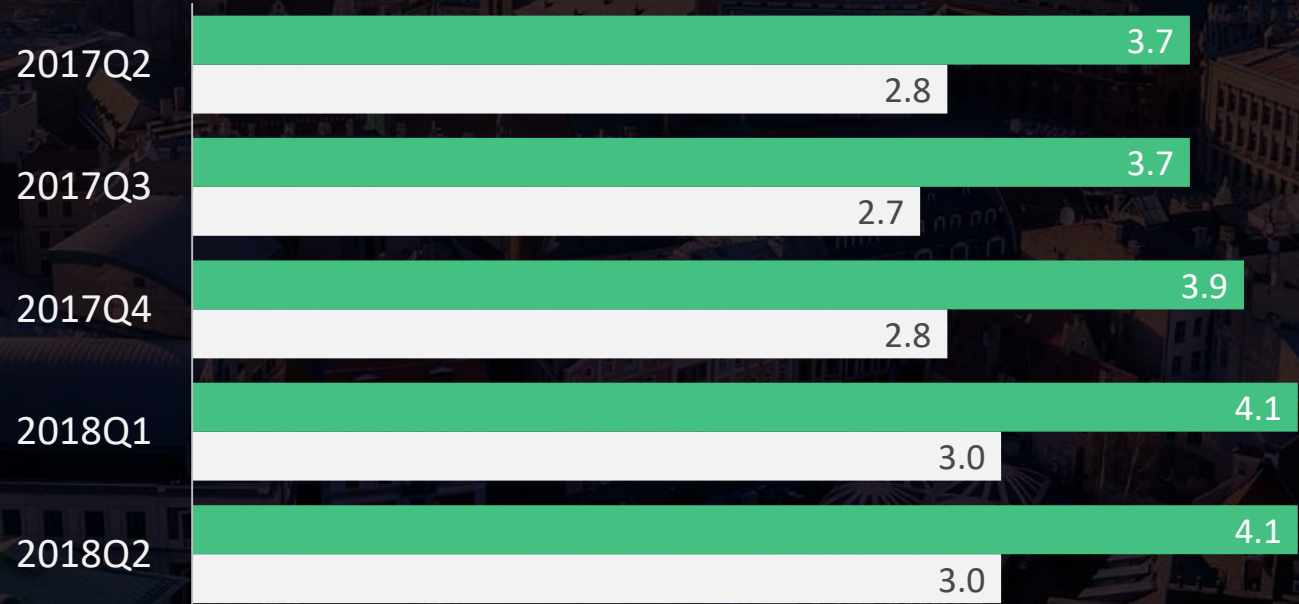
PAWN LOANS

40% of loans issued by value in 2018Q2

LOANS ISSUED, EURm

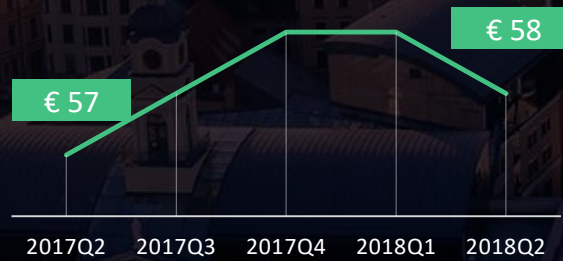
NET LOAN PORTFOLIO, EURm*

* Includes car title loan and mortgage loan legacy portfolios



Stable customer base and stable performance of lombard operations.

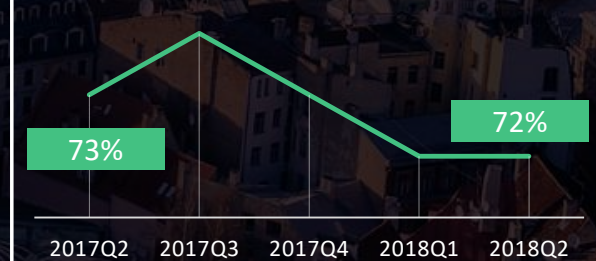
Average loan size per issue:



Pawn mark-up:



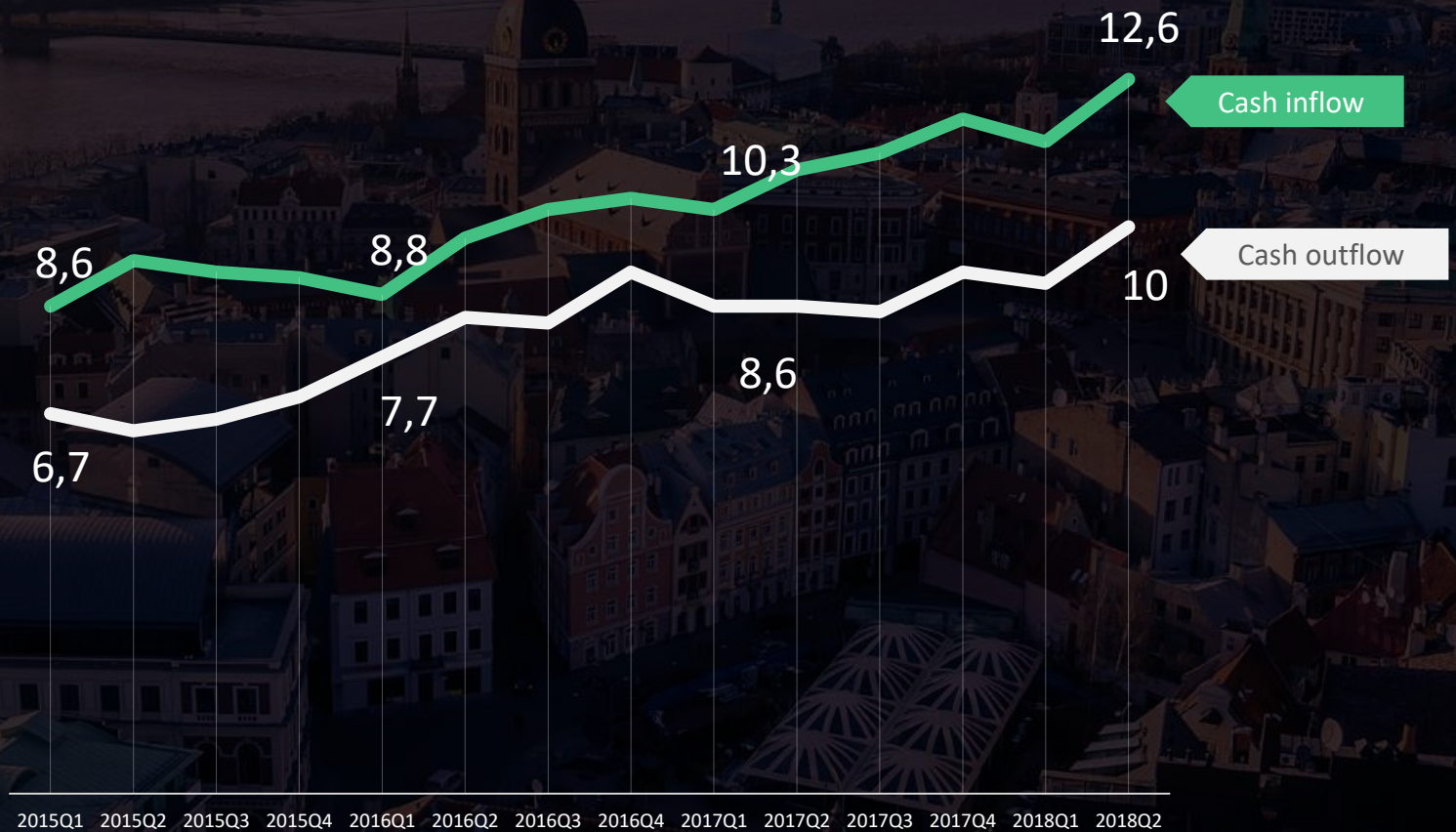
Redemption rate*

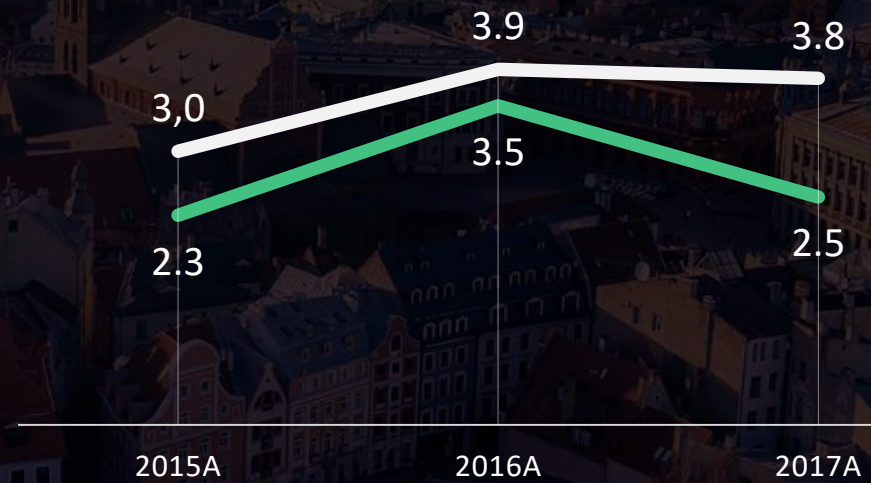
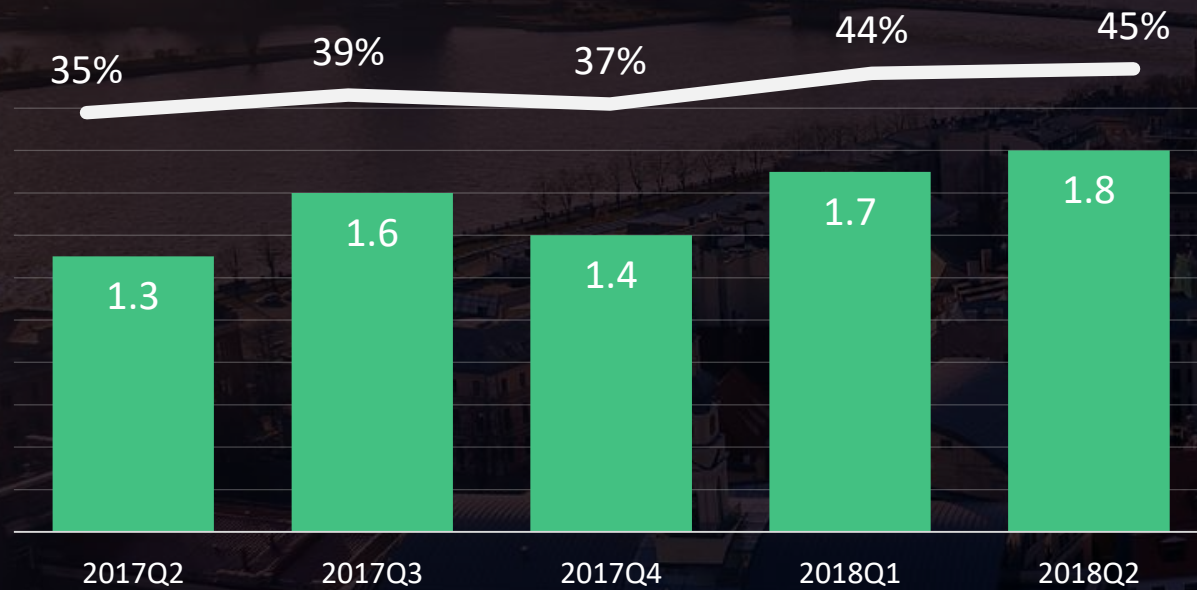


* Items begin redeemed or extended within 3 months since issuance, by value of loans excl. item purchasing.

KEY FINANCIALS

2018H1 was the best in the Group's history in terms of turnover and profitability.





EBITDA, EURm

EBITDA margin*

Net Debt/EBITDA ratio

Net Debt/Equity ratio

* Calculated as EBITDA / (Interest income + Gross profit from sale of foreclosed items)



KEY FINANCIALS: PROFITABILITY

New changes in corporate income tax has positive impact on profitability and financial ratios.

Income statement, EUR'000	2017Q2	2018Q2	%, y-o-y
Interest and similar income	6 727	7 238	7.6%
Gross profit from sale of goods**	663	709	6.9%
Gross profit	7 390	7 947	7.5%
Selling expense	-2 892	-3 026	4.6%
Administrative expense	-1 066	-1 253	17.5%
Net other income / (expense)	-868	-232	-73.3%
EBITDA	2 565	3 436	34.0%
Depreciation	-0.1	-0.1	27.7%
Interest and similar expense	-818	-1 149	40.5%
Taxes	-304	-14	-95.4%
NET PROFIT	1 443	2 273	57.51%

* Part of interest income reclassified as gross profit from sale of foreclosed items for comparability with historic data.

** Sale of foreclosed items.



KEY FINANCIALS: BALANCE

Balance sheet, EUR'000	2017Q2	2018Q2	%, y-o-y
Fixed and intangible assets	569	607	6.7%
Loans to related parties	1 263	1 332	5.5%
Net loan portfolio	15 182	17 591	15.9%
Inventory and scrap	686	1 091	59.0%
Other assets	442	239	-45.9%
Cash	842	1 954	132.1%
TOTAL ASSETS	18 984	22 814	20.2%
Share capital and reserves	1 500	1 500	0.0%
Retained earnings	1 306	447	-65.8%
Profit/loss for the current year	1 443	2 273	57.5%
Equity	4 249	4 220	-0.7%
Interes-bearing debt	13 696	17 357	26.7%
Trade payables and other liabilities	1 039	1 237	19.1%
Liabilities	14 735	18 594	26.2%
TOTAL EQUITY AND LIABILITIES	18 984	22 814	20.2%



FINANCING STRUCTURE

Diversified financing structure with established investor demand.

Interest-bearing debt	2017Q4, EUR'000*	2018Q2, EUR'000*	Interest rate, %	Maturity
Secured bonds	1	0		
Unsecured bonds	3 490	3 390	15.00%	2020.12
Unsecured notes	3 573	4 496	14.00%	2021.10
Peer-to-peer lending platform	8 105	9 310	11%-13.5%	according to issued laons
Leases	175	159	Euribor + 3,5%	up to 3 years
Accrued interest and bonds commissions	4	3		
TOTAL	16 347	17 358		

* As at the end of the period.



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