



# NEO Finance, AB

---

**Corporate report  
2020 H1**

**Vilnius**

2020-07-31

---

## Confirmation of company's responsible persons

31 July 2020

Vilnius

Hereby we confirm, that by our knowledge financial statements for the first 6 months of 2020 prepared in accordance with accounting standards are true and fairly present assets, liabilities, financial position, profit or loss. As well we confirm that by our knowledge interim report for the first 6 months of 2020 includes a fair view of the development and performance of the business.

NEO Finance, AB Head of the administration

Aiva Remeikienė



NEO Finance, AB Chief Financial Officer  
Andrius Ladauskas



# Review of the company

- NEO Finance has been **established** on **January 21, 2014**, in Lithuania.
- In **October 2015**, a **limited e-money institution license** has been issued for the company.
- In **April 2016**, the company has become the **first platform** to be included in the **P2P lending platform list** administered by the Bank of Lithuania.
- In **January 2017**, an **unlimited e-money institution license** which allows operations in the European Union has been issued by the Bank of Lithuania.
- Since the **start of its operations in December 2015**, the company has been operating as a P2P lending platform that issues consumer credits in Lithuania, and as an e-money institution: it holds money in IBAN accounts, executes money transfers via CENTROlink SEPA payment system.
- In **September, 2018**, active sales process for **payment initiation service (PIS)** has started in Lithuania.
- In **March, 2019**, Neo Finance B.V. – a **subsidiary** – was established in the **Netherlands**.
- After the **successful IPO in June, 2019**, NEO Finance shares **became listed in Nasdaq First North** in August.
- On **May 2020** company's **EMI license** was supplemented by **Account information service**.
- On **June 2020** company acquired 100% shares of company **Finomark**, which developing new crowdfunding platform.

# Review of the company

In 2020 H1, the company has remained a stable leader, holding over 54% of the P2P consumer lending market in Lithuania. The NEO Finance platform is the largest according to all possible indicators: amount of loans issued since the start of operations, amount of loans issued during the last year, and the amount of a loan portfolio.

During the first half of 2020, the entire team has continued working towards making the company profitable. A considerable attention has been dedicated towards software development, decreasing marketing costs, increasing the income, developing new products and services, providing investors with more data and statistics. Also, a considerable effort is being directed towards development of the Payment initiation service (PIS).

The strategic approach of the Board is based of ensuring long-term and sustainable operations, as opposed to maximizing short-term profits. Therefore, the company pays special attention to ensure compliance with the relevant laws as well as improving them by proposing the amendments to responsible institutions. In addition, a special attention is paid to loan risk management and debt recovery results, as it actually has a direct impact on investment return. Finally, the company is constantly performing stress-tests, i.e. simulating company's operations in the situation of economic downturn.

At the beginning of 2019 the management team confirmed ambitious goals and company is working towards them:

- **Increase** the consumer loans issued via platform to **EUR 5 MM** per month.
- **Increase** the revenues from the Payment Initiation Service to **EUR 3 MM** per year.
- **Increase** the number of active investors to **25,000**.

# Essential corporate events

- Finalised audit for 2019. Audited financial reports can be found [here](#). Additionally, business continuity plan together with a tress-test was updated and submitted to Bank of Lithuania. It can be found [here](#).
- On January The General Meeting of Shareholders was convened due the abolition of the supervisory board.
- **“NEO Finance”** EMI license was supplemented by Account information service.
- **“NEO Finance”** acquired 100% shares of company Finomark, which developing new crowdfunding platform.
- **“NEO Finance”** signed a deal with EMI **MoQ** to organize return of their customers money after their decision to stop company’s operations.
- **“NEO Finance”** was awarded during Fintech week 2020 as Company of the Year in Lending, Investment and P2P category.
- Due to COVID-19 and business restrictions, April was the weakest month during the whole year, but after restrictions were loosen market amounts got back to previous levels.

# Main financial ratios

- Based on non-audited accounting data, **income has grown significantly up to EUR 1,16M**; compared to 2019H1, it **increased by 46%**.
- Marketing costs increased 18% from EUR 277K to EUR 328K.
- Debt recovery costs increased by 13% from EUR 176K to EUR 199K due to increased lending volumes.
- Salary expenses rose by 28% from EUR 171K to EUR 218K.
- Number of registered users grew by **40%**, up to **100K users**.
- **EUR 8.95 M** of financed loans.
- Pre-tax loss decreased due to increasing size of active loan portfolio and controlled costs.

	2020 H1	2019 H1	Δ, %
<b>Granted loans, EUR</b>	<b>8,945,671</b>	<b>9,040,813</b>	<b>-1%</b>
Income, EUR	1,163,406	795,709	46%
Cost of sales, EUR	(740,662)	(618,106)	21%
Gross profit, EUR	422,744	177,603	136%
Operating costs, EUR	(482,933)	(473,183)	5%
EBITDA, EUR	(60,189)	(295,580)	-74%
Pre-tax profit, EUR	(145,688)	(375,375)	-61%

# Management accounts

Majority of the revenues from P2P lending activities are distributed throughout the loan period, and these revenues are received only when the borrower actually makes the instalment. For management purposes, future intermediary fee is presented in a month it is generated.

	2020 H1	2019 H1	Δ, %
Granted loans, EUR	8,945,671	9,040,813	-1%
Intermediary fee income*	884,532	728,321	21%
<i>Intermediary fee / Granted loans ratio</i>	9.9%	8.1%	
Other income	523,419	400,017	31%
Cost of sales	(740,662)	(618,106)	48%
Operating costs	(482,933)	(473,183)	4%
EBITDA	184,396	37,049	397%

- In the end of 2020 H1, outstanding intermediary fee amounted to **EUR 5.54 M.**

In the table, intermediary fee income encompasses all future intermediary fee proceeds generated by the issue result of corresponding month.

# Intermediary fee income

Example on how the intermediary fee of a loan financed via NEO Finance is distributed throughout the loan period:

Amount – 2500 EUR

Term – 48 months

Rating – B

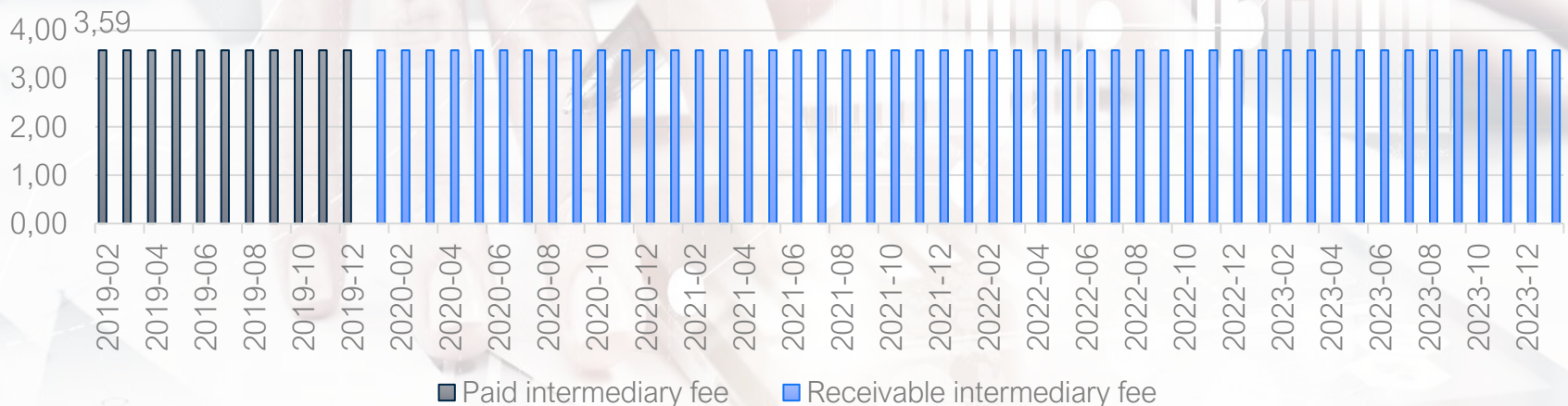
Interest rate – 16%

Intermediary fee – 5.9% or EUR 3.59 per month

Issue date – January 2019

During 2019, income of NEO Finance, AB would constitute **EUR 39.46**, and the overall income would be equal to **EUR 215.22**. **EUR 175.76** would be allocated to future periods.

## Brokerage fee income, EUR





# Company board and governance

In compliance with legal requirements and in aspiration to make the governance modern and effective, a three-fold management system has been implemented: the management consists of **annual general meeting, board and CEO.**

## BOARD



Chairman  
Evaldas Remeikis

## MEMBERS



CEO – Head of  
Administration  
Aiva Remeikienė



Deividas  
Tumas



Marius  
Navickas

# Company board and governance

**Evaldas Remeikis** and **Deividas Tumas** are graduates of Baltic Institute of Corporate Governance board member programme, with a qualification of professional board member. Also, in aspiration of applying good corporate governance practices, Evaldas Remeikis has graduated from Chairman of the Board training in Stockholm, Sweden.

Most of the **decisions** in the company are **made by the board**, which has regular meetings once a month. When needed, special meetings are organized. The meetings are organized, held, and documented according to the good corporate governance principles.

By resolution of shareholders, the Supervisory board was abolished due to changes in laws, that no longer require Electronic Money Institution to have this collegial body. As of January 21, 2020, all members of the Supervisory board informally advise the Company's management and Board.

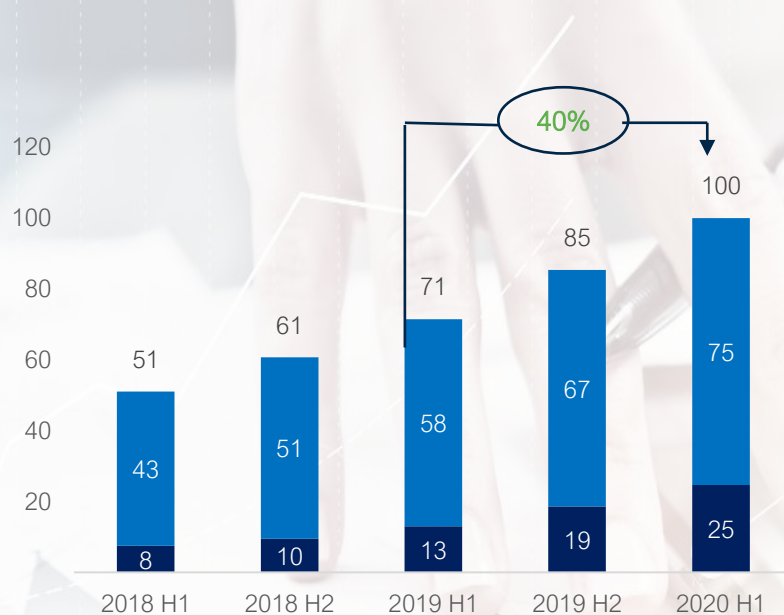
- Until 2020 H1, **EUR 4.18 M** has been invested in the company via capital increase and share premiums.
- During 2020 H1 no addition capital increases were done.
- In the end of 2020 H1, company's authorized capital was **EUR 1.62 M**.

As an e-money institution, since 2017, NEO Finance, AB, must comply with the requirement of minimum private capital of **EUR 350 K** and, if the capital decreases below that, shareholders shall make certain decisions so that it is brought back to EUR 350 K. Based on this ruling, sufficiency of the capital of e-money institution is calculated by subtracting intangible assets and deferred tax asset from the equity capital. At 2020 H1 end, equity capital in company's balance sheet was equal to **EUR 943 K**. However, according to the requirements approved by the Bank of Lithuania the supervisory capital was equal to **EUR 286 K** and company has not complied with this ruling at the end of 2020 H1. Company's management knew that it could happen and already in May started all the required procedures to increase share capital. At the moment of preparation of this report, share capital has been increased and is being registered.

# Main indexes of the company

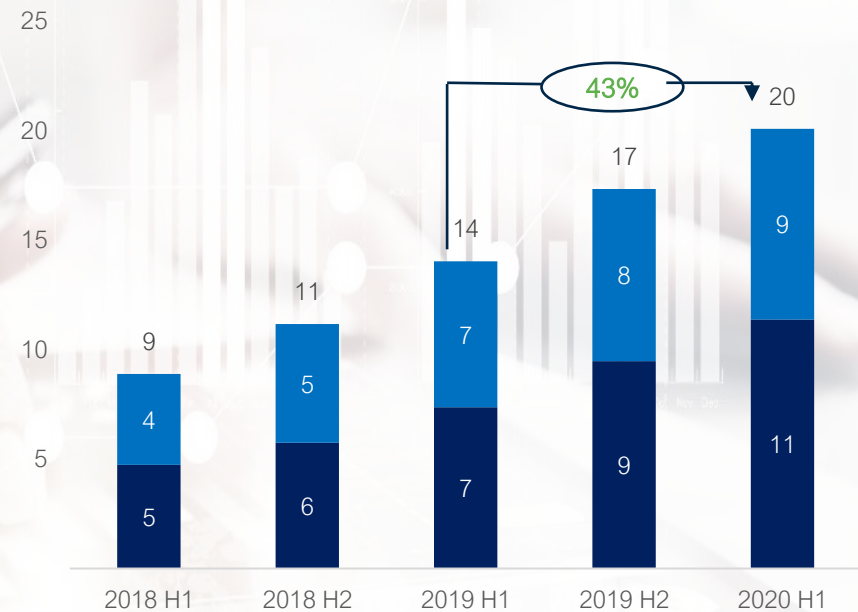
During 2020 H1, due to increasing affiliate network and established brand awareness, the **number of registered users has grown by 40%**. The growth of borrowers was 29%, while that of investors was equal to 90%. The overall growth of users during 2020 H1 equaled to **28.532**. At the same time the **number of active users grew by 43%**. Active investors grew by 54%, active borrowers grew by 31%.

### Registered users, K



■ Investors ■ Borrowers

### Active users, K

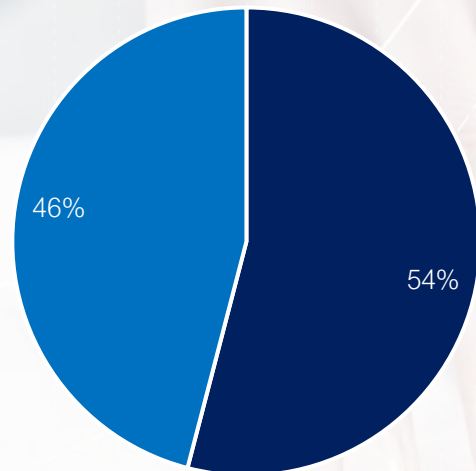


■ Investors ■ Borrowers

# Pagrindiniai įmonės veiklos rodikliai

During 2020 H1, the company has mediated in issuing **EUR 8.95 M** worth of consumer credits, financed by 8 298 investors. In comparison, in 2019 H1, the investors financed EUR 9.04 M worth of loans. This allowed the company to take 54% of the Lithuanian P2P lending market. 2 405 people got consumer credits during 2020 H1.

Distribution of consumer credit finance in 2020 H1



■ NEO Finance ■ Other P2P operators

Granted loans, M Eur

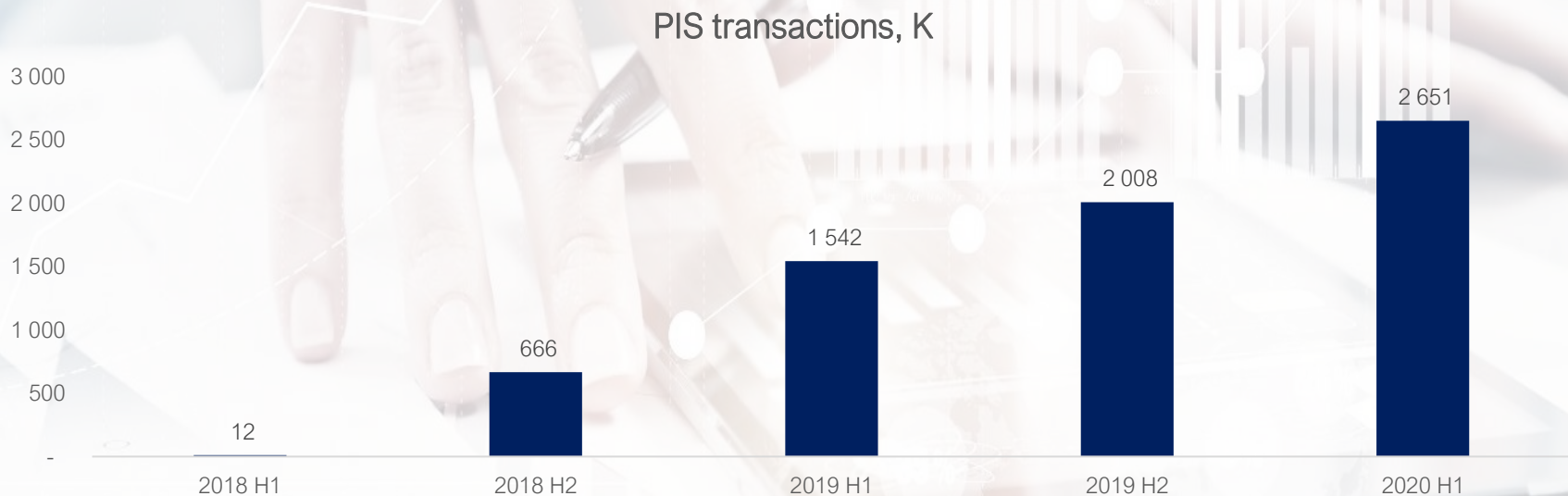


# Payment Initiation Service (PIS)

**Payment initiation service** means a payment service where, at the request of the payment service user, a payment order is initiated from a payment account opened at the institution of another payment service provider. Payment initiation service is an alternative to a bank transfer ("banklink" service) that is used for billing for goods or services in e-shops when the payment initiation service is provided by a licensed broker. MIP e-shop makes payment faster, more convenient and cheaper. The provision of payment initiation service in Lithuania is regulated by the Payment Law, which implements the provisions of Directive 2015/2366 of the European Parliament and of the Council on payment services

NEO Finance is a [licensed payment initiation service provider](#) which provides this service using the Neopay brand trademark.

During 2020 H1 NEO Finance, AB clients made **2.65 M** transactions.



**Based on different activities of the company, 3 categories of income are in place:**

- P2P lending related income
- E-money issuance and management related income
- Investment activity income

	2020 H1	2019 H1	Δ, %
<b>Income</b>	<b>1,163,406</b>	<b>795,709</b>	<b>46%</b>
P2P lending related income	789,172	537,595	47%
E-money issuance and management related income	152,664	63,144	142%
Investment activity income	221,570	194,969	14%

The fact worth mentioning is that the majority of NEO Finance's P2P lending related income is distributed throughout the loan period, and these revenues are received only when the borrower actually makes the monthly installment. The company has chosen such income collection method due to requirements of Law on Consumer Credit, as well as aspiration to be as much motivated to mediate and return the necessary interest to investors as possible. **As the company collects its intermediary fee the way described above, company's income is moved towards future periods, therefore, the method of counting company's income is very different from that of competitors, and is not comparable.** In June 2018, changes in Law on Consumer Credit allowing P2P platform operators to charge borrowers with 50% of the platform fee right away, have come into force. Despite that, NEO Finance will keep on collecting only the intermediary fee from actual monthly installments, which will ensure staying the most attractive P2P platform for borrowers, as well as keeping investors' trust

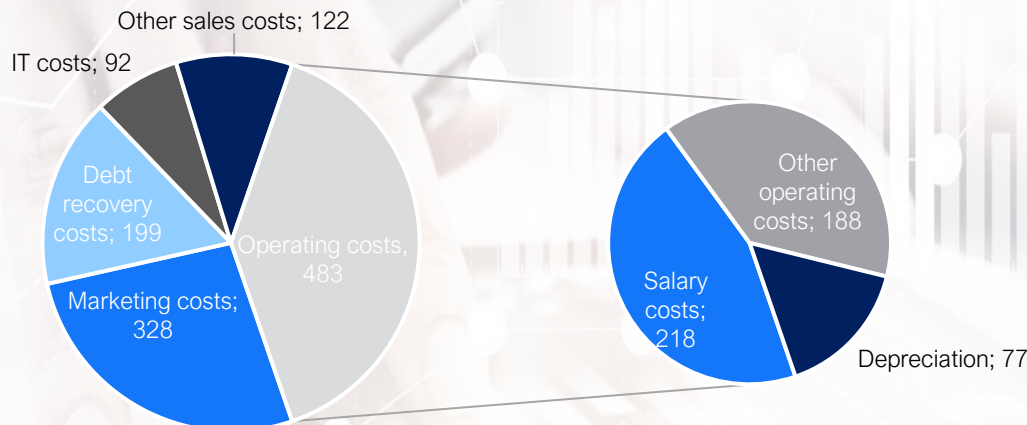
# Costs

In 2020 H1, total costs of the company, including sales and marketing expenses, summed up to **EUR 1.22 M**.

The company is further developing its IT platform, based on customer needs, everchanging regulations, and P2P lending trends. During 2020 H1, **EUR 92 K** have been allocated to research of new functions, programming, deployment and testing. Every quarter, according to the costs incurred while creating the new version of the platform, the company creates the intangible assets card, and the costs incurred are moved to intangible assets, which is depreciated during 4 years. In 2020 H1, this sum amounted to **EUR 110 K**.

The company employs professional specialists and managers. In 2020 H1, the company had 29 employees on average. The company pays competitive salaries with an effective motivation system. During 2020 H1, **EUR 218 K** was allocated for salaries.

2020 H1 costs, K EUR



- Salaries of sales project managers are attributed to marketing costs, therefore, their salaries are not included in salary costs.
- Other costs include expenses for databases, messages for borrowers and investors, provision costs.
- Other operating costs include all other expenses related to the company and personnel. This includes: rent, utilities, transportation, mobile and fixed data, internal and external audit, stationery, parcel delivery, depreciation and Provision fund provisions.



# Debt recovery

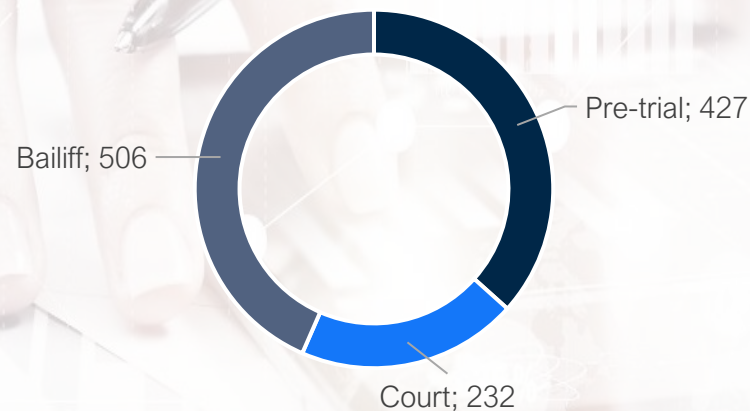
When the borrower is late to pay at least 1 payment, they are notified via e-mail and SMS messages. After 32 overdue days, the debt is registered in UAB “Creditinfo Lietuva” database, and on the 41st day, recovery is transferred to debt recovery agency.

During 2020 H1, recovered amount summed up to EUR 1165 K. **37% of the debts have been recovered via pre-trial method.** Bailiffs have recovered 43%, and trial – 20% of the debts.

Debt recovery is performed by UAB Legal Balance. We are satisfied with cooperation results, and hope that further on, we will considerably exceed the Lithuanian rates of recovering delinquent consumer credits. The company therefore offers buy-back service, where the investor has an option to receive 50-80% of face value of the investment without waiting for the recovery process.

During 2020 H1, amount paid to investors for claim rights was equal to **EUR 112 K.** During the same period last year, the company paid **EUR 130 K** to investors for claim rights.

Debt recovery, K EUR



# 2020 H1 balance sheet

	Note	Group		Company	
		2020 06 30	2019 12 31	2020 06 30	2019 12 31
<b>ASSETS</b>					
NON-CURRENT ASSETS		2,811,504	2,822,456	2,894,004	2,822,456
Intangible Assets		246,965	319,177	246,965	319,177
Tangible Assets		31,169	12,676	31,169	12,676
Financial Assets		2,121,326	2,078,559	2,203,826	2,078,559
Other Assets		412,044	412,044	412,044	412,044
<b>CURRENT ASSETS</b>		<b>5,730,690</b>	<b>4,302,241</b>	<b>5,665,731</b>	<b>4,301,840</b>
Inventories, Prepayments And Contracts In Progress		147,225	30,297	147,225	30,297
Amounts Receivable Within One Year		444,446	338,009	440,925	338,009
Other Currents Assets		-	-	-	-
Cash And Cash Equivalents		5,139,020	3,933,934	5,077,582	3,933,533
DEFERRED CHARGES AND ACCRUED INCOME		1,999	5,220	1,999	5,220
<b>TOTAL ASSETS:</b>		<b>8,544,194</b>	<b>7,129,917</b>	<b>8,561,735</b>	<b>7,129,516</b>
<b>EQUITY AND LIABILITIES</b>		<b>2020 06 30</b>	<b>2019 12 31</b>	<b>2020 06 30</b>	<b>2019 12 31</b>
<b>EQUITY</b>		<b>912,174</b>	<b>1,083,660</b>	<b>942,889</b>	<b>1,088,577</b>
Capital		1,615,023	1,615,023	1,615,023	1,615,023
Share Premium		856,405	856,405	856,405	856,405
Revaluation Reserve (Results)		-	-	-	-
Reserves		-	-	-	-
Retained Earnings (Losses)		(1,559,254)	(1,387,768)	(1,528,539)	(1,382,851)
GRANTS AND SUBSIDIES		-	-	-	-
PROVISIONS		262,058	248,670	262,058	248,670
<b>AMOUNTS PAYABLE AND LIABILITIES</b>		<b>7,363,049</b>	<b>5,791,550</b>	<b>7,350,103</b>	<b>5,786,232</b>
Non-Current Amounts Payable And Liabilities		1,961,597	1,627,985	1,961,597	1,627,985
Current Amounts Payable And Liabilities		5,401,452	4,163,564	5,388,506	4,158,246
ACCRUED EXPENSES AND DEFERRED INCOME		6,914	6,038	6,686	6,038
<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>8,544,194</b>	<b>7,129,917</b>	<b>8,561,735</b>	<b>7,129,516</b>

# 2020 H1 profit (loss) statement

Item	Note	Group		Company	
		2020 H1	2019 H1	2020 H1	2019 H1
Sales revenue		1,164,265	795,709	1,163,406	795,709
Cost of Sales		(816,588)	(628,642)	(821,588)	(628,642)
<b>GROSS PROFIT (LOSS)</b>		<b>347,677</b>	<b>167,067</b>	<b>341,818</b>	<b>167,067</b>
General and administrative expenses		(525,692)	(550,440)	(490,978)	(547,553)
Other activities		(4,338)	(5,407)	(4,338)	(5,407)
Investment in the parent, subsidiaries and associated companies shares income		-	-	-	-
Other long-term investments and loan income		-	-	-	-
Other loans granted interest income		12,384	-	12,384	-
financial asset and Short-term investment impairment costs		-	-	-	-
Interest expenses		(4,574)	(193)	(4,573)	(193)
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>(174,544)</b>	<b>(388,973)</b>	<b>(145,688)</b>	<b>(386,086)</b>
Income tax		-	28,985	-	28,985
<b>NET PROFIT (LOSS)</b>		<b>(174,544)</b>	<b>(359,988)</b>	<b>(145,688)</b>	<b>(357,101)</b>

# 2019 H1 changes in equity statement

	Note	Paid up authorised or primary capital	Share premium account	Retained profit (loss)	Total
1. Balance at the end of the reporting (yearly) period before previous		1,475,461	-	(540,659)	934,802
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		1,475,461	-	(540,659)	934,802
5. Net profit (loss) of the reporting period				(842,192)	(842,192)
6. Increase (decrease) of other authorised or primary capital		139,562	856,405	-	995,967
7. Balance at the end of the previous reporting (yearly) period		1,615,023	856,405	(1,382,851)	1,088,577
8. Net profit (loss) of the reporting period				(145,688)	(145,688)
9. Increase (decrease) of other authorised or primary capital		-	-		-
10. Balance at the end of the reporting period		1,615,023	856,405	(1,528,539)	942,889

# 2019 H1 cash flow statement

Article	Note	2020 H1	2019 H1
Cash flows from operating activities			
Net profit (loss)		(145,688)	(357,101)
Depreciation and amortisation expenses		76,754	79,601
Elimination of results of financing and investing activities		69	193
Decrease (increase) in other amounts receivable after one year		(42,767)	(396,562)
Decrease (increase) in assets of the deferred tax on profit		-	(28,985)
Decrease (increase) in stocks, except advance payments		(87,959)	14,611
Decrease (increase) in advance payments		(28,969)	(31,735)
Decrease (increase) in trade debtors		(951)	(3,625)
Decrease (increase) in other debtors		(101,965)	(316,142)
Decrease (increase) in prepayments and accrued income		3,221	2,381
Increase (decrease) in provisions		13,388	59,109
Increase (decrease) in trade with short-term creditors and prepayments received on account		24,509	(5,294)
Increase (decrease) in liabilities related to employment relations		49,221	6,629
Increase (decrease) in other amounts payable and liabilities		1,256,531	188,713
Increase (decrease) in accruals and deferred income		648	21,688
<b>Net cash flows from operating activities</b>		<b>1,016,042</b>	<b>(766,519)</b>
Cash flows from investing activities			
Acquisition of fixed assets (excluding investments)		(23,035)	(80,230)
Acquisition of long-term investments		(82,500)	(10,000)
Dividends and interest received		-	-
<b>Net cash flows from investing activities</b>		<b>(105,535)</b>	<b>(90,230)</b>
Cash flows from financing activities			
Cash flows related to entity's owners		-	995,967
Issue of shares		-	995,967
Cash flows related to other financing sources		233,611	309,500
Increase in financial debts		339,611	618,083
Loans received		339,611	618,083
Issue of bonds		-	-
Decrease in financial debts		(106,000)	(308,583)
Loans returned		(106,000)	(308,583)
<b>Net cash flows from financing activities</b>		<b>233,611</b>	<b>1,305,467</b>
Adjustments due to exchange rates on the balance of cash and cash equivalents		(69)	(193)
<b>Increase (decrease) of net's cash flows</b>		<b>1,144,049</b>	<b>448,525</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,933,533</b>	<b>2,642,060</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>5,077,582</b>	<b>3,090,585</b>

# Notes to interim financial statements (1/3)

## EXPLANATORY NOTE OF 30 JUNE 2020

### 1. Intangible fixed assets

Indexes	Software	In total
<b>Acquisition cost</b>		
31 December 2019	731,224	731,224
Acquired		
Written-off		
Reclassification		
30 June 2020	731,224	731,224
<b>Amortisation accrued</b>		
31 December 2019	412,067	412,067
Estimated over period	72,212	72,212
Written-off		
Reclassification		
30 June 2020	484,279	484,279
<b>Book value</b>		
31 December 2019	319,177	319,177
30 June 2020	246,965	246,965

### 2. Tangible fixed assets

<b>Acquisition cost</b>		
31 December 2019	39,802	39,802
Acquired	23,417	23,417
Written-off	(417)	(417)
Reclassification		
30 June 2020	62,802	62,802
<b>Amortisation accrued</b>		
31 December 2019	27,126	27,126
Estimated over period	4,542	4,542
Written-off	(35)	(35)
30 June 2020	31,633	31,633
<b>Book value</b>		
31 December 2019	12,676	12,676
30 June 2020	31,169	31,169

### 3. Financial assets

	2020.06.30	2019.12.31
Investment activities debtors	2,282,563	2,282,563
Depreciation (-)	(161,237)	(204,003)
Shares of group companies	82,500	
<b>TOTAL</b>	<b>2,203,826</b>	<b>2,078,560</b>

### 4. Other fixed assets

	2020.06.30	2019.12.31
Deffered income tax assets	412,044	412,044
Other fixed assets		4,138
<b>TOTAL</b>	<b>412,044</b>	<b>416,182</b>

# Notes to interim financial statements (2/3)

## 5. Accounts receivable within one year

	2020.06.30	2019.12.31
Buyer's debt	28,379	27,429
Investment activities debtors	436,647	341,073
Provisions	(24,101)	(30,493)
<b>TOTAL</b>	<b>440,925</b>	<b>338,009</b>

## 6. Cash

	2020.06.30	2019.12.31
Money in commercial bank accounts	431,761	501,300
Money at the Bank of Lithuania	4,336,603	3,387,033
Money in transition	309,218	45,200
<b>TOTAL</b>	<b>5,077,582</b>	<b>3,933,533</b>

## 7. Structure of the authorized capital

Indexes	Number of shares	Amount
Structure of the share capital at the end of reporting period		
1. According to the types of shares		
1.1. Ordinary shares	3,670,507	1,615,023
1.2. Preference shares		
1.3. Employees' shares		
1.4. Special shares		
1.5. Other shares		
<b>TOTAL</b>	<b>3,670,507</b>	<b>1,615,023</b>
2. State or municipal capital		
3. Own shares owned by the company		
4. Shares owned by subsidiaries		
5. Share premium		856,405

As of 30 June 2020, all shares have been paid.

## 8. Provisions

The Company forms reimbursable suretyship provisions („Guarantee fund“ service) intended to cover the liabilities under the reimbursable suretyship agreements. On 2019-12-31 provisions made up EUR 248 670. On 2020-06-30 provisions made up EUR 262 058.

## 9. Financial debts

	2020.06.30	2019.12.31
<b>Long term debt (from 2 to 5 years)</b>	<b>1,411,613</b>	<b>1,620,971</b>
Loans received from affiliated undertakings	711,613	520,971
Bonds issued to affiliate undertakings	700,000	1,100,000
<b>Short term debt</b>	<b>894,984</b>	<b>453,235</b>
Loans received from affiliated undertakings	484,000	445,000
Interest on loans received from affiliated undertakings	10,984	8,235
Bonds issued to affiliate undertakings	400,000	
<b>TOTAL</b>	<b>2,306,597</b>	<b>2,074,206</b>

# Notes to interim financial statements (3/3)

## 10. Account payables within one year

	2020.06.30	2019.12.31
Advances received	36,348	403
Trade payables	94,561	104,026
Payroll liabilities	31,837	25,061
Vacation pay liabilities	26,563	26,563
Social security liabilities	52,972	10,527
Personal income tax liabilities	57,208	8,919
Income tax liabilities		
Customer money held at NEO Finance accounts	4,424,836	3,489,227
Customer money held at NEO Finance accounts - cash in transit	309,217	45,000
Owner's contribution to share capital		
Other tax liabilities	5,254	
Other payables	4,710	1,300
<b>TOTAL</b>	<b>5,043,506</b>	<b>3,711,026</b>

## 11. Relations with executives and other related persons

Until 30 June 2020, the Head of Administration was paid a salary of EUR 21 220 (in 2019 H1 – EUR 19 728). The Head of Administration has not received any other income, loan guarantees nor benefits.

## 12. Rights and liabilities of the Company that are specified in the balance sheet

Liabilities of the Company under reimbursable suretyship agreements, as of 30 June 2020 amount to EUR 3 182 676. The Company signs reimbursable suretyship agreements with lenders who choose the „Guarantee fund“ service. On the basis of these agreements, the Company guarantees the lenders the proper performance of the obligations arising from consumer credit agreements.

The Company does not participate in legal proceedings, whose outcome could have a significant effect on the Company's financial position and/or financial results.

## 13. Contingent liabilities

At the end of reporting period, the Company had no contingent liabilities.

## 14. Post Balance Sheet Events

Company's share capital was increased by EUR 259k on July.

## 15. Off-balance sheet liabilities

By 30 June 2020, the Company, having acted as an Operator of Peer-to-peer lending platform and a consumer credit provider, has disbursed consumer credit funds for a total amount of EUR 53 368 931. As of 30 June 2020, the remaining outstanding part of credit amounted to EUR 30 701 106.