

NEO Finance, AB

Q3 2024 sales and interim financial report

Vilnius

31 October 2024



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

NEO Finance, AB Confirmation of the responsible persons at the Company. We hereby confirm that, to the best of our knowledge, that sales report for Q3 2024 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 October 2024
Vilnius

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Comments by the Head of Administration at NEO Finance, AB



Evaldas Remeikis - NEO Finance, AB Head of Administration

We are pleased to report that in Q3 of this year, NEO Finance's revenue increased by 26%, reaching EUR 1 483 116, compared to EUR 1 181 551 in the same quarter last year.

The third quarter of this year was marked by dynamic developments and changing circumstances, yet we continued to achieve stable growth across all business sectors

Breaking it down by segment:

- Revenue from the peer-to-peer lending platform reached EUR 880 640 in Q3, compared to EUR 751 592 in the same period last year, marking a 17% increase.
- Revenue from e-money issuance and management grew by 30%, rising from EUR 344 292 last year to EUR 447 377 this quarter.
- Income from investment activity saw a significant growth of 81%, increasing from EUR 85 667 to EUR 155 101.

In Q3 2024, our EBITDA reached EUR 347 310 reflecting a 59% increase from EUR 219 031 in Q3 2023. This increase was primarily driven by a

30% increase in income from e-money issuance and management and from investment activity. I am delighted that profit before tax has increased by 90% from EUR 112 187 to EUR 213 162.

The third quarter of this year stood out due to the highly dynamic nature of the loan market, where constant shifts required us to make adaptive decisions. Recognizing that we were unable to fully meet the demand for loan applications, we began exploring solutions to address this challenge. As a result, we have made significant strides in expanding the Group's structure. Two new subsidiaries have been established to facilitate larger-scale investment in consumer loans. These subsidiaries will play a pivotal role in attracting substantial investments to the platform. We believe this step will not only allow us to meet the increasing demand from loan applicants but also enable our retail investors to deploy their capital more swiftly, ensuring mutual growth and satisfaction.

We are witnessing growing recognition of NEO Finance as a platform, particularly in international markets, with notable popularity in the Benelux region. Investor growth in the Netherlands has been strong, and through our subsidiary, we have already attracted EUR 1.48 million

out of the targeted EUR 2 million in investments, as reported earlier this year. Additionally, the number of retail investors from the Netherlands continues to increase steadily, and we expect to attract even more in the near future.

It is also important to highlight a significant milestone in the history of NEO Finance. For the first time, we organized a dedicated community event for our Dutch investors, which was a great success, drawing a full house and reinforcing the strong interest in our platform.

The third quarter of this year saw the implementation of a new wage garnishment procedure, which took effect in July. These changes are significant for our business as they directly impact both our operations and our platform's investors. A key factor influencing loan returns is the recent bailiff reform. You can read more about these changes [here](#).

From 1st July 2024, with further changes taking effect on 1st December 2024, new 'holidays from forced recovery' will be introduced. In light of these reforms, we are actively reviewing and optimizing our recovery processes, adjusting our internal procedures, and enhancing our collaboration with debt recovery partners to ensure continued efficiency. While we are making these adjustments, my outlook remains positive, and I anticipate no major disruptions in our overall recovery outcomes.

In summary, despite the challenges and shifts in the market, NEO Finance has demonstrated resilience and adaptability, driving consistent progress throughout the third quarter. We successfully expanded our business, enhanced investor engagement, and introduced new operational efficiencies, all while maintaining our commitment to growth and customer satisfaction. Looking ahead, we remain focused on further scaling our operations and seizing opportunities in both local and international markets.



Global recognition of business friendly environment



1st in the EU

for real GDP per capita growth
2000-2020



1st globally

for digital skills availability



12th

freest economy in the world

Lithuania's Path to Independence and Innovation

In the early 1990s, Lithuania entered on a significant transformation after declaring independence. Keen to shape its own trajectory, the country swiftly embraced globalization, drawing interest for of worldwide industries and setting itself up as a hub for innovation and manufacturing. The 2004 entry into the European Union marked a pivotal moment. Membership in the EU, NATO, OECD, and the Schengen Area bolstered Lithuania's reputation for political stability and responsible economic growth. These alliances provided a solid security foundation and amplified Lithuania's standing as a country adhering to international norms.

By the 2010s, Lithuania had fully engaged with the digital revolution, establishing itself as a regional leader in fintech and technology.

Today, names like Revolut, Nord Security, and TransferGo are part of the country's expanding tech landscape. Lithuania's ecosystem thrives on a skilled workforce and an ingrained culture of innovation. This environment has attracted global players while allowing homegrown startups to ascend to unicorn status—companies like Vinted and Nord Security stand as key examples.

Innovation and a Thriving Ecosystem

Lithuania's nascent startup scene reflects the success of its innovation-driven policies. Supported by public-private cooperation, access to a skilled workforce, and a regulatory framework that encourages growth, the country has built an ecosystem where startups can thrive and scale globally. With more than 270 fintech companies, Lithuania is now one of Europe's leading fintech hubs, thanks to its flexible regulations,

fast-track licensing, and supportive financial environment. Lithuania's fintech ecosystem showcases its daily push for innovation. Companies are continuously developing crowdfunding platforms, peer-to-peer lending solutions, and expanding into payment gateways, blockchain technologies, and digital banking services. Entrepreneurs and fintech firms are also exploring alternative financing options, such as invoice trading and investment management platforms, allowing costumers for diverse financial tools availability.

Collaboration across the industry has fueled the creation of fintech alliances like Fintech Hub LT, LitBAN, NGL Ventures, where firms work together to pioneer new technologies, driving growth and transforming Lithuania. This dynamic environment keeps the country at the forefront of financial innovation, making it a global hub for forward-thinking solutions.

Stability and Security

Lithuania's commitment to cybersecurity and financial regulation positions it as one of the most secure countries for investments in Europe. The country consistently enhances its digital resilience by investing in modernization of security frameworks. These efforts ensure that its infrastructure is protected from cyberattacks, safeguarding businesses and investors operating in the digital space.

The Bank of Lithuania plays a critical role in maintaining financial stability through its rigorous supervision of banks and fintech companies. The regulatory framework enforces strict compliance with EU-wide banking regulations such as Basel III, ensuring that capital requirements, risk management, and liquidity standards are met. This supervision is essential to mitigate systemic risks and prevent financial misconduct.

Countries fintech industry has also taken significant strides in implementing Anti-Money Laundering

(AML) and Know Your Customer (KYC) regulations, aligning with EU directives to combat financial crimes effectively. These measures require financial institutions to verify the identity of their clients, monitor transactions for suspicious activity, and report any irregularities to the authorities. This proactive approach not only deters money laundering and fraud but also strengthens the integrity of the financial system, creating a trustworthy atmosphere for investment.

Source: <https://investlithuania.com/why-lithuania/business-environment/>



NEO Finance, AB areas of activity

NEO Finance, AB currently owns 3 brands - Paskolų klubas, Neopay and FinoMark. In 2016, the company was the first to be added to the list of peer-to-peer lending platforms by the Bank of Lithuania. The “Paskolų klubas” brand, administered by NEO Finance, AB, provides peer-to-peer lending services in Lithuania, and is also available for investment in loans to citizens of the European Union, the Free Trade Association and the countries of the European Economic Area, who are familiar with the platform abroad under the “NEO Finance” brand.

In 2015, the company was granted a limited electronic money institution licence and in 2017 an electronic money institution licence, allowing it to provide services throughout the European Union.

2018 m. NEO Finance, AB was the first in Lithuania to obtain licences for payment initiation and account information services. The company provides payment initiation, account information and other payment services under the Neopay brand.

In 2019, NEO Finance B.V., a subsidiary in the Netherlands, was established to attract investors from the Benelux countries to invest in the

loans provided by the peer-to-peer lending platform.

In 2020, NEO Finance, AB acquired the crowdfunding platform FinoMark, UAB, which started operations in February 2021, following its inclusion by the Bank of Lithuania on the list of crowdfunding platform operators.

In 2023, the Bank of Lithuania issued a crowdfunding service provider licence under the CFR Regulation. The CFR licence allows FinoMark to provide services in all EU and EEA countries. NEO Finance, AB owns 95.32% of the shares of FinoMark, UAB. The company has no branches and/or representative offices.





P2P Lending platform

Investing for natural people and legal entities:

- High return for investors 8-16%;
- No hidden commissions fees;
- Fast, convenient and online service;
- Investments per loan from EUR 20 to EUR 500;
- BuyBack option.

Consumer loans for natural people:

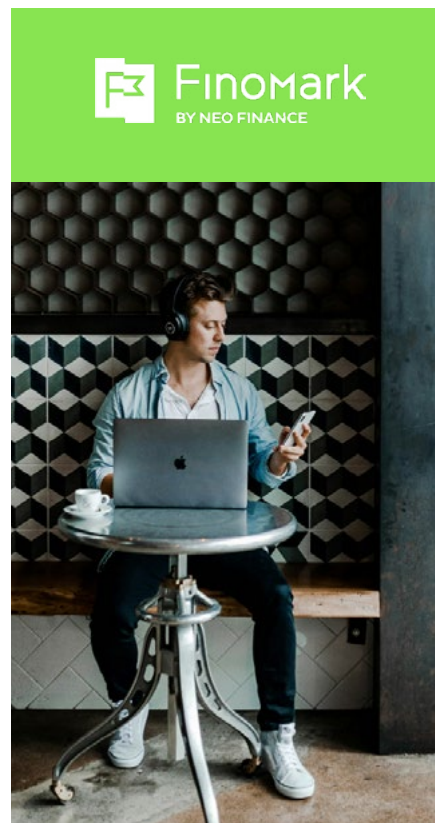
- Loan's interest from 5%;
- No upfront fees;
- Fast, convenient and online service;
- Amount up to EUR 30 000.



Open banking

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

Investing for natural people and legal entities:

- Investments of more than 500 EUR per loan are possible;
- Average interest 12%;
- Personal consulting;
- BuyBack option;
- Investment period from 3 months to 3 years.

Business loans to legal entities:

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

NEO Finance, AB management team



Evaldas Remeikis

Head of Administration

Member of the boards of various companies in Lithuania and Latvia with many years of business experience. His most interesting and important career achievements include participation in the creation of successful companies operating in the field of information technology and finance, and investments in start-up companies. Evaldas takes care not only of his own businesses, but also contributes to value creation in the financial technology sector and the startup ecosystem by sharing his best practices, actively participates in the Fintech Association, various commissions of the Lithuanian authorities related to financial technology, and financial literacy initiatives. He is responsible for IT strategic solutions in the Board of NEO Finance, AB.



Jolanta Rudė

Head of Peer-to-peer Lending

After graduating from Mykolas Romeris University with a bachelor's degree in financial economics, Jolanta was invited to join the NEO Finance, AB team in 2015. During her more than 8 years with the company, she has worked her way up the career ladder from Loan Administration Manager to Head of Peer Lending. During these years, she has gained extensive experience in all aspects of the peer-to-peer lending platform, consumer credit market regulation, customer and investor services areas. Currently, Jolanta successfully manages the team of "Paskolų klubas".



Viktoras Ivanovas

Head of Open Banking Department

IT professional with more than 20 years of experience in developing various web projects, credit union management systems and IT solutions for start-up companies in Lithuania and abroad. Among his notable professional achievements, he won first place in the "BZN start" competition for creating the most inventive mobile application for a start-up. Viktoras associates his professional aspirations with NEO Finance, AB, whose success he has no doubts.



Tomas Savickas

Head of Finance

Tomas joined NEO Finance in 2019, starting his career as a Client Service Manager. After a two-year period of taking care of our clients' needs, he took up the position of Financial Analyst. He developed his skills while studying at Vilnius University, Bachelor and Master studies in Economics. In addition, he attended a Data Science course at CodeAcademy, deepening his knowledge of data analytics. Currently, Tomas is the CFO of NEO Finance.



Aivara Masionienė

Head of Legal and Compliance

Aivara has more than 11 years of experience in legal and compliance. Her career includes experience in financial and capital markets, brokerage and asset management, investment services, payment services, terrorist financing and anti-money laundering. Working for companies in the financial services sector, Aivara has been responsible for negotiating with business partners in major development projects, managing legal and compliance risks, representing the Bank of Lithuania and other state institutions, and assessing the compliance of new products with EU and Lithuanian legislation.



Edita Makarevičė

Head of Operations Management

Edita, who has been working in the lending sector for more than 9 years, has held various positions in the company before becoming the Head of Operations Management of the platform, and has been actively involved in most of the projects implemented by NEO Finance, AB since the beginning of the platform. After graduating from LSMU, Edita started her career in the credit sector as a customer service manager, then became a senior customer service specialist, after gaining extensive professional experience she was promoted to product specialist, customer service manager, and today, having accumulated a mature knowledge, Edita successfully manages the operations management department.



Lukas Pankratovas

Head of the Money Laundering and Terrorist Financing Prevention Department

Experienced professional in the field of AML/CFT with a Master's degree in Law and experience in intellectual property, compliance, data protection. He has gained his experience in international companies, banks, start-ups and fintech companies from specialist to MLRO positions. Lukas and his team at NEO Finance ensure the highest standards of PPTFP compliance.

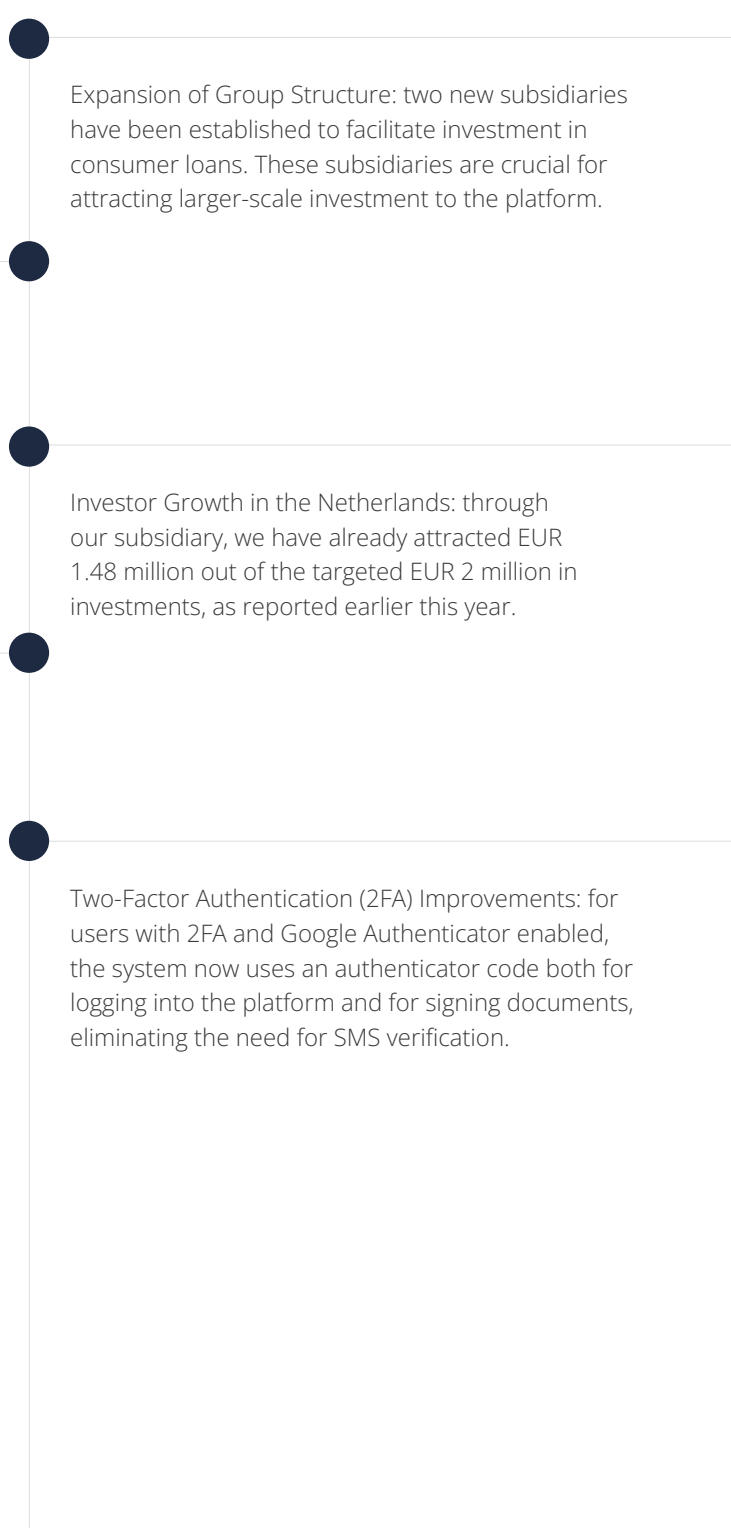


Eglė Ermanaitė

Head of HR and Office Management Manager

Eglė is an accomplished HR professional with over a decade of experience in optimizing employee engagement, retention, and performance through strategic HR initiatives. She has successfully implemented performance management systems, curated a wide range of training programs, and fostered a collaborative, inclusive work culture across various industries, including entertainment, retail, and manufacturing. Eglė has experience working with diverse teams throughout Estonia, Latvia, and beyond, consistently focusing on building environments where employees thrive. Her commitment to continuous learning and knowledge-sharing further amplifies her impact in any team.

Q3 2024 developments at NEO Finance, AB



Expansion of Group Structure: two new subsidiaries have been established to facilitate investment in consumer loans. These subsidiaries are crucial for attracting larger-scale investment to the platform.

Talent Acquisition and Team Growth: as part of our commitment to nurturing young talent, a new junior financial analyst has joined the finance team following a successful two-month internship.

Investor Growth in the Netherlands: through our subsidiary, we have already attracted EUR 1.48 million out of the targeted EUR 2 million in investments, as reported earlier this year.

PDF Statements Now Available on Mobile: clients can now request and download their account statements in PDF format via the mobile platform, a feature previously only available on the web.

Two-Factor Authentication (2FA) Improvements: for users with 2FA and Google Authenticator enabled, the system now uses an authenticator code both for logging into the platform and for signing documents, eliminating the need for SMS verification.

Q3 2024 NEO Finance, AB events

NEO Finance hosted an engaging investor event in Utrecht, attended by 50 enthusiastic investors. The event offered valuable insights into the platform's latest updates, presented by Mark Leenards, Business Advisor of NEO Finance B.V. A particular highlight was the open Q&A with CEO Evaldas Remeikis, who joined remotely, allowing for an in-depth discussion on investor questions and the future of the platform.

Special guest Tom Lassing shared his expertise on automated investing, sub-accounts for children, and the secondary market. The event ended with informal networking, reinforcing the strong sense of community among our investors.

We are thrilled to see NEO Finance becoming increasingly popular in the Netherlands, where the potential for growth is substantial. To further strengthen our connections within the Dutch community, we are

planning to host more engaging events and informative webinars. These initiatives aim to enhance investor knowledge about P2P and crowdlending platforms and facilitate meaningful conversations.



Key financial indicators of NEO Finance, AB in Q3 2024

REVENUE

The company's revenue was EUR 1,483 thousand. Compared to Q3 2023, the company's revenue grew by 26%.

▲ +26%

COST OF SALES

Cost of sales increased by 20%, from EUR 552 thousand to EUR 664 thousand.

▲ +20%

OPERATING COSTS

Operating costs increased by 17%, from EUR 516 thousand to EUR 605 thousand.

▲ +17%

EBITDA

EBITDA increased by 59% from EUR 219 thousand to EUR 347 thousand.

▲ +59%

PROFIT (LOSS) BEFORE TAX

Profit before tax in Q3 2024 increased by 90% to EUR 213 thousand compared to a profit before tax of EUR 112 thousand in Q3 2023.

▲ +90%

	2024 Q3	2023 Q3	2024 Q3/ 2023 Q3 Δ, %	2022 Q3	2024 Q3 / 2022 Q3 Δ, %
Revenue, EUR	1 483 116	1 181 551	26%	933 392	59%
<i>Income from peer-to-peer lending activities, EUR</i>	<i>880 640</i>	<i>751 592</i>	<i>17%</i>	<i>634 157</i>	<i>39%</i>
<i>Income from e-money issuance and management, EUR</i>	<i>447 377</i>	<i>344 292</i>	<i>30%</i>	<i>256 994</i>	<i>74%</i>
<i>Income from investment activity, EUR</i>	<i>155 101</i>	<i>85 667</i>	<i>81%</i>	<i>42 241</i>	<i>267%</i>
Cost of sales, EUR	(664 652)	(552 881)	20%	(431 325)	54%
Gross profit, EUR	818 464	628 670	30%	502 067	63%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(605 302)	(516 483)	17%	(408 734)	48%
EBITDA, EUR	347 310	219 031	59%	137 319	153%
EBITDA margin, %	23,4%	18,54%	-	14,71%	-
Profit/loss before tax, EUR	213 162	112 187	90%	94 943	125%

Key financial indicators of NEO Finance, AB in Q1-Q3 2024

REVENUE

The company's revenue was EUR 4 500 thousand. Compared to Q1-Q3 2023, the company's revenue grew by 37%.

▲ +37%

COST OF SALES

Cost of sales increased by 48%, from EUR 1 567 thousand to EUR 2 317 thousand.

▲ +48%

OPERATING COSTS

Operating costs increased by 25%, from EUR 1 438 thousand to EUR 1 801 thousand.

▲ +25%

EBITDA

EBITDA grew by 30% from EUR 586 thousand to EUR 762 thousand.

▲ +30%

PROFIT (LOSS) BEFORE TAX

Profit before tax in Q1-Q3 2024 increased by 35% to EUR 382 thousand compared to a profit before tax of EUR 284 thousand in Q1-Q3 2023.

▲ +35%

	2024 01-09	2023 01-09	2024 01-09/ 2023 01-09 Δ, %	2022 01-09	2024 01-09/ 2022 01-09 Δ, %
Revenue, EUR	4 500 160	3 289 455	37%	2 478 364	82%
<i>Income from peer-to-peer lending activities, EUR</i>	2 753 188	2 157 872	28%	1 636 316	68%
<i>Income from e-money issuance and management, EUR</i>	1 272 084	955 316	33%	736 715	73%
<i>Income from investment activity, EUR</i>	474 889	176 267	169%	105 333	351%
Cost of sales, EUR	(2 317 176)	(1 567 088)	48%	(1 205 491)	92%
Gross profit, EUR	2 182 984	1 722 366	27%	1 272 873	72%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(1 800 556)	(1 438 372)	25%	(1 190 216)	51%
EBITDA, EUR	761 824	585 632	30%	299 785	154%
EBITDA margin, %	16,9%	17,80%	-	12,10%	-
Profit/loss before tax, EUR	382 428	283 994	35%	82 657	363%

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 instalment 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 in the respective years and the costs for those years are presented below.

NEO Finance, AB has granted loans of EUR 30 677 thousand in Q1-Q3 2024. Comparing this result with

Q1-Q3 2023, the intermediation fee income receivable decreased by 11%. This decrease occurred due to the application of a lower average brokerage fee to customers. To acquire new clients and maintain the existing client base, the average brokerage fee was 10% in Q1-Q3 2024, compared to 10.86% in the same period of 2023.

	2024 01-09	2023 01-09	2024 01-09 / 2023 01-09 Δ, %	2022 01-09	2024 01-09 / 2022 01-09 Δ, %
Loans granted, thousand EUR	30 677 322	31 357 223	(2%)	26 547 250	16%
Intermediary fee income, thousand EUR	4 575 669	5 135 682	(11%)	3 892 464	18%
Intermediary fee / Loans granted, %	14,92%	16,38%	-	14,66%	-
Other income, thousand EUR	3 035 214	2 138 010	42%	1 218 695	149%
Cost of sales, thousand EUR	(2 317 176)	(1 567 088)	48%	(1 205 491)	92%
Operating costs, thousand EUR	(1 800 556)	(1 438 372)	25%	(1 190 216)	51%
EBITDA, thousand EUR	3 493 151	4 268 232	(18%)	2 715 452	29%

The intermediation fee receivable for future periods amounted to EUR 12.15 million at the end of Q3 2024 compared to EUR 10.54 million at the end of Q3 2023. These off-balance sheet receivables grew by 15,28% during the year.

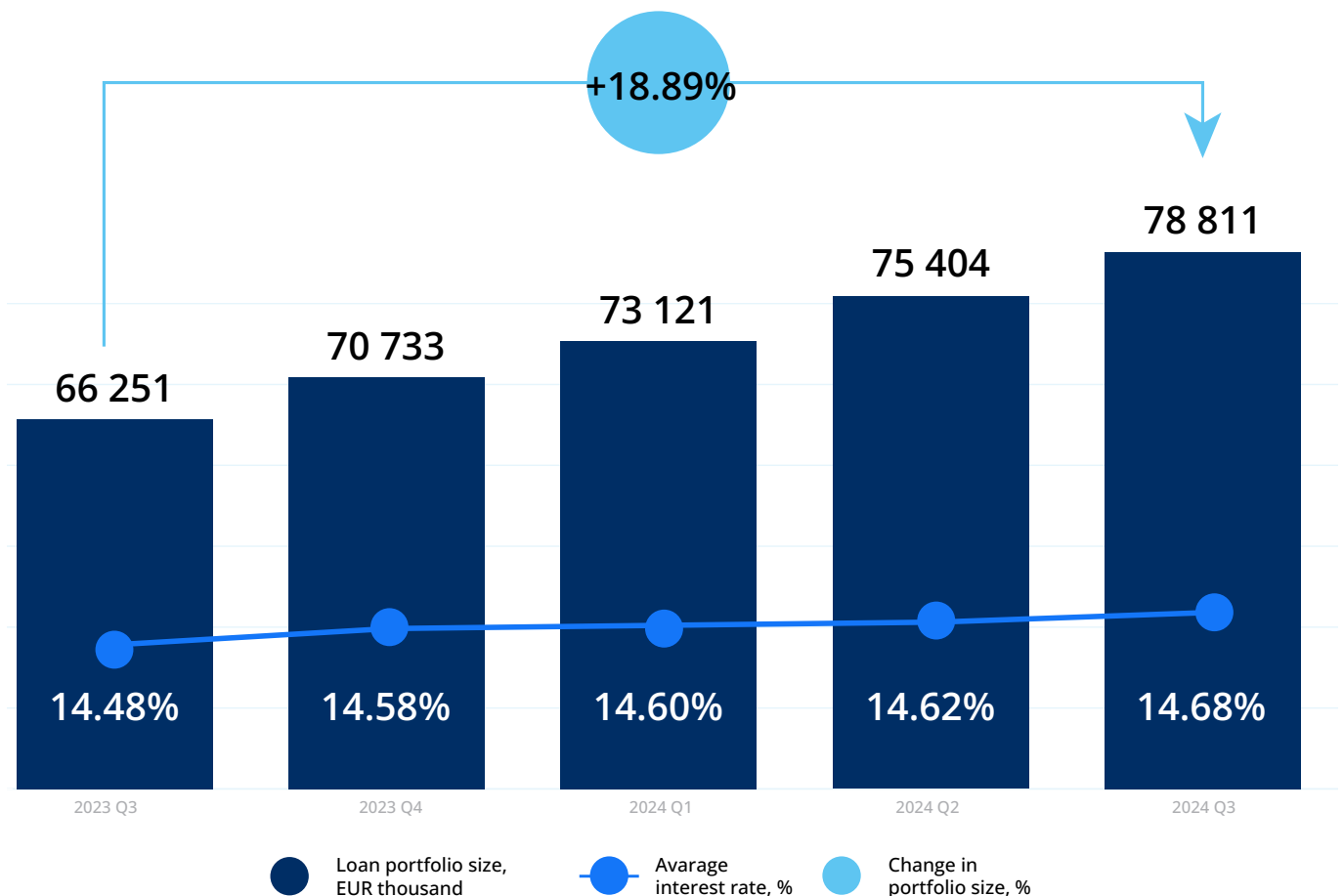
*The table shows the intermediation fee generated in the year in consideration, which will be received over a full lending cycle.

The consumer loan portfolio

Acting as a peer-to-peer lending platform, the Company facilitates the granting of consumer loans to natural person borrowers, which are financed by other natural and legal persons - investors. Interest is distributed and paid to the investors on their borrowings and the Company receives intermediation fee income from the borrower.

The consumer loan portfolio administered by the Company at the end of Q3 2024 amounted to EUR 78 811 thousand and grew by 18,89% since Q3 2023. The average interest rate during the same period increased from 14.62% to 14.68%.

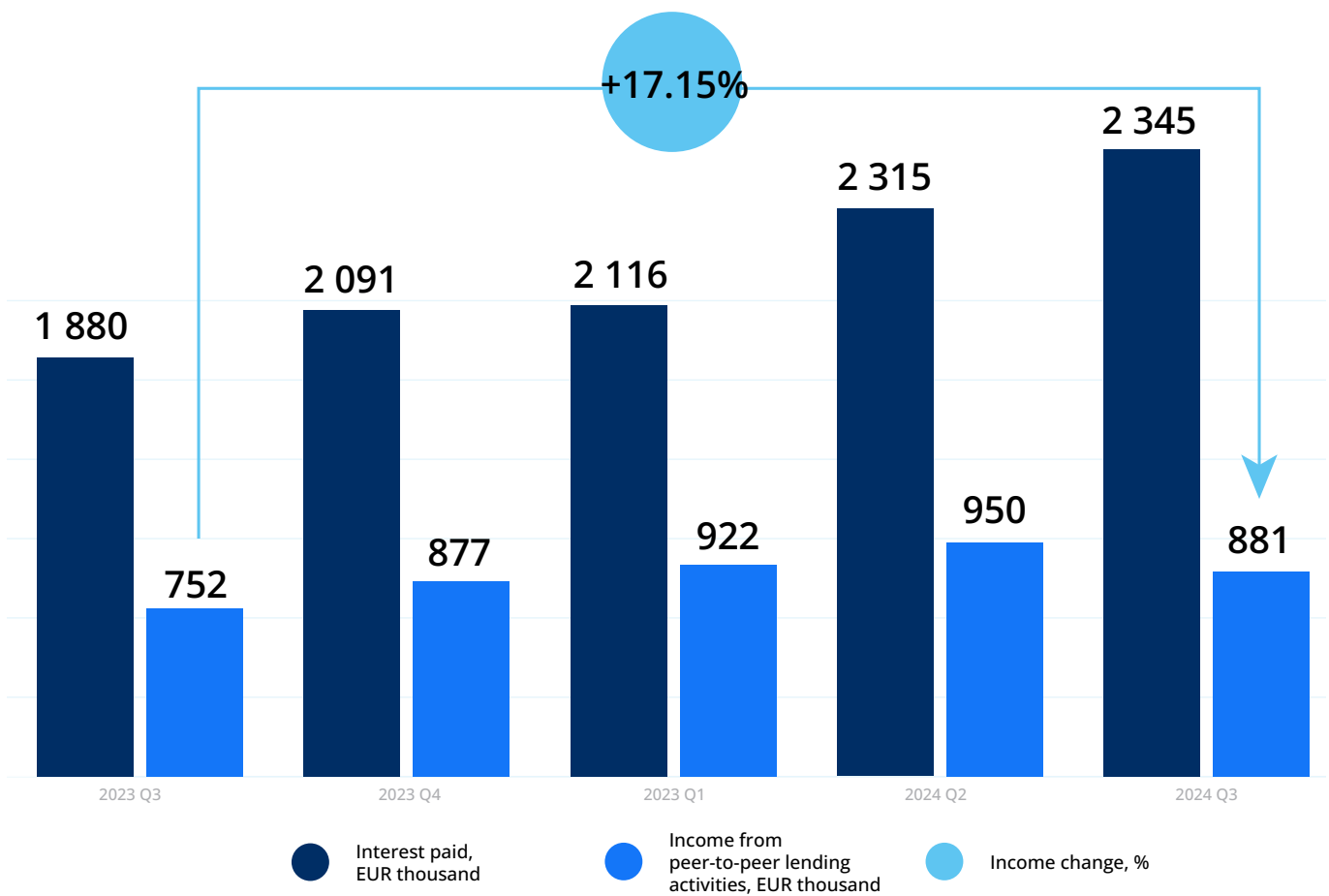
Consumer loan portfolio and average interest rate, EUR thousand



Income from peer-to-peer lending activity between the Company and investors, EUR thousand

The income from peer-to-peer (P2P) lending activities between the company and investors has shown consistent growth from Q3 2023 to Q3 2024, increasing by 17.15%. In Q3 2024, paid brokerage fees grown to EUR 881 thousand from EUR 752 thousand in Q3 2023.

Interest income also steadily increased, from EUR 1 880 thousand in Q3 2023 to EUR 2 345 thousand by Q3 2024. This consistent rise in both income and interest payments suggests stable expansion of the business model and growing investor confidence, reflecting successful engagement in P2P lending activities and an increasing number of investors.



Safeguarding of Clients' Funds

Since September 2023, the company has implemented a new method for safeguarding customer funds.

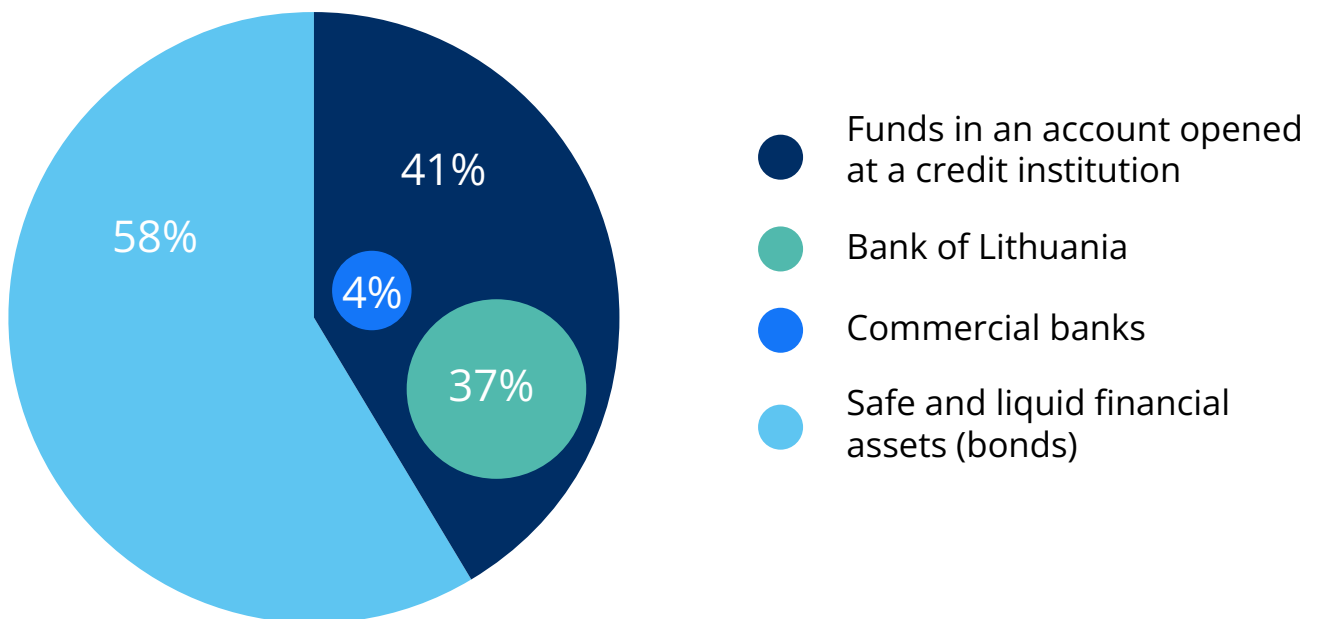
NEO Finance, AB, acting as an e-money institution, opens accounts and provides payment services to its customers - natural and legal persons who borrow or invest at "Paskolų klubas" and "Neopay" corporate customers. All customer e-money

funds are held in separate accounts with banks (the majority of customer funds are held with the Central Bank) and are not classified as assets of the Company. In accordance with applicable law, these funds are not subject to any form of recovery against the Company's debts, seizure, etc., so that the Company can redeem all customer e-money at any time, regardless of the amount.

Since September 2023, the company has implemented a new method

for protecting customer funds: client funds are not only held in the central bank and trusted commercial banks but also a portion of client funds is invested in safe, liquid, and particularly low-risk assets – high-security bonds. To achieve this goal, the Company has entered into an agreement with an investment banking consulting firm, which provides advice and services related to the acquisition, storage, and other related securities services.

Distribution of customer funds by applied protection method, 2024-09-30



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 2024 Q3, the equity capital calculated in the company's balance sheet amounted to 3.17 million EUR, and 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 712 thousand EUR and exceeded the minimum equity requirement.



At the end of 2024 Q3, the Company's authorized capital and share additions reached

EUR 3 805 782

The Company's capital, was not increased during 2024 Q3.

Equity capital, at the end of 2024 Q3 reached

EUR 3 165 278

P2P lending platform Paskolų Klubas



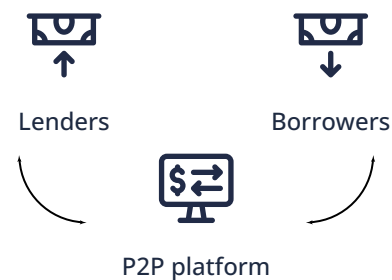
P2P lending platform Paskolų Klubas



Paskolų Klubas, operated by NEO Finance AB, is the largest P2P lending platform in Lithuania and is known in foreign countries as NEO Finance. The platform effectively unites customers who seek to borrow with those who can lend, allowing investors to participate in consumer credit and earn a return on their investments.

The purpose of the peer-to-peer lending platform is to ensure compliance with the transaction between the two parties and represent their interests. The "Paskolų klubas" platform provides consumer loans to Lithuanian citizens, which are financed by

citizens or legal entities of European Union countries. The company receives a remuneration for ensuring the implementation of the transactions - an intermediation fee, which is paid by the borrower together with the instalments. If the default of the borrower is not repaid on time, "Paskolų klubas" invests its own funds in the debt collection process (pre-litigation and litigation), with the aim of recovering the investors' funds as well as the Company's earnings from the credit. This business model, in the view of the management, ensures the highest level of representation of investors' rights and interests.



Comment by Head of Peer-to-peer Lending



Jolanta Rudé - Head of Peer-to-peer Lending

In the third quarter, our peer-to-peer lending platform generated revenues of EUR 880 thousand, reflecting a 17% increase compared to the same period last year.

However, in Q3 2024, EUR 10.4 million worth of loans were granted through the Paskolų klubas platform, marking a slight decrease of 0.95% compared to the EUR 10.5 million of consumer

loans granted in Q3 2023. The primary reason for not achieving the expected results was the lack of stable loan funding. This quarter, we faced a dynamic market situation where our current funding sources were unable to meet the full loan demand. As a result, we fell short of the desired outcomes. Nevertheless, we remain optimistic that the last quarter of the year will bring more stable funding and better loan issuance results.

We are pleased to have maintained stable growth in our loan portfolio. The consumer loan portfolio

administered by the Company at the end of Q3 2024 amounted to EUR 78.8 million, growing by 18.89% compared to Q3 2023. We expect this growth to continue into the upcoming quarter.

In Q3 2024, EUR 827 thousand was collected and allocated, an increase of 8.67% compared to Q3 2023. A total of EUR 680 thousand was recovered and distributed to investors from defaulted loans, covering both interest and credit instalments. The Company recovered EUR 147 thousand in recovery and intermediary fees from these loans. However, we recognize the need to further optimize and enhance our processes to increase the amount

of funds recovered. To address this, we have reviewed our internal procedures and those of our partners, refining our recovery approach to ensure a higher recovery rate.

As of the end of Q3 2024, out of a total of EUR 202 million in loans granted, EUR 19.35 million (9.55%) were more than 90 consecutive days past due. The overall share of defaulted loans increased by 0.37% compared to the same period last year.

This quarter, we also continued to focus on attracting Dutch investors. To reach more of them, we launched Ads campaigns to bring in a larger number of investors. Additionally, for the first time in NEO Finance's history, we organized a community event for Dutch investors, with around 50 attendees. This confirms that our platform is becoming increasingly popular in the Netherlands.



Q3 2024 developments at Paskolų klubas

Changes in prepayment compensation calculation. Following the recent expectations letter from the Bank of Lithuania, the calculation of prepayment compensation has been updated in our system.

Previous: Borrowers were charged a fee of 1% or 0.5% for prepayment. **Now:** The compensation is calculated on the amount exceeding EUR 2320 (i.e., prepayment amount - EUR 2320), with a fee of 1% or 0.5% applied only to the amount above this threshold.

Investors now have the option to opt-out of receiving notifications regarding the buyback service.

We have implemented important changes to our loan recovery process. [Learn more here.](#)

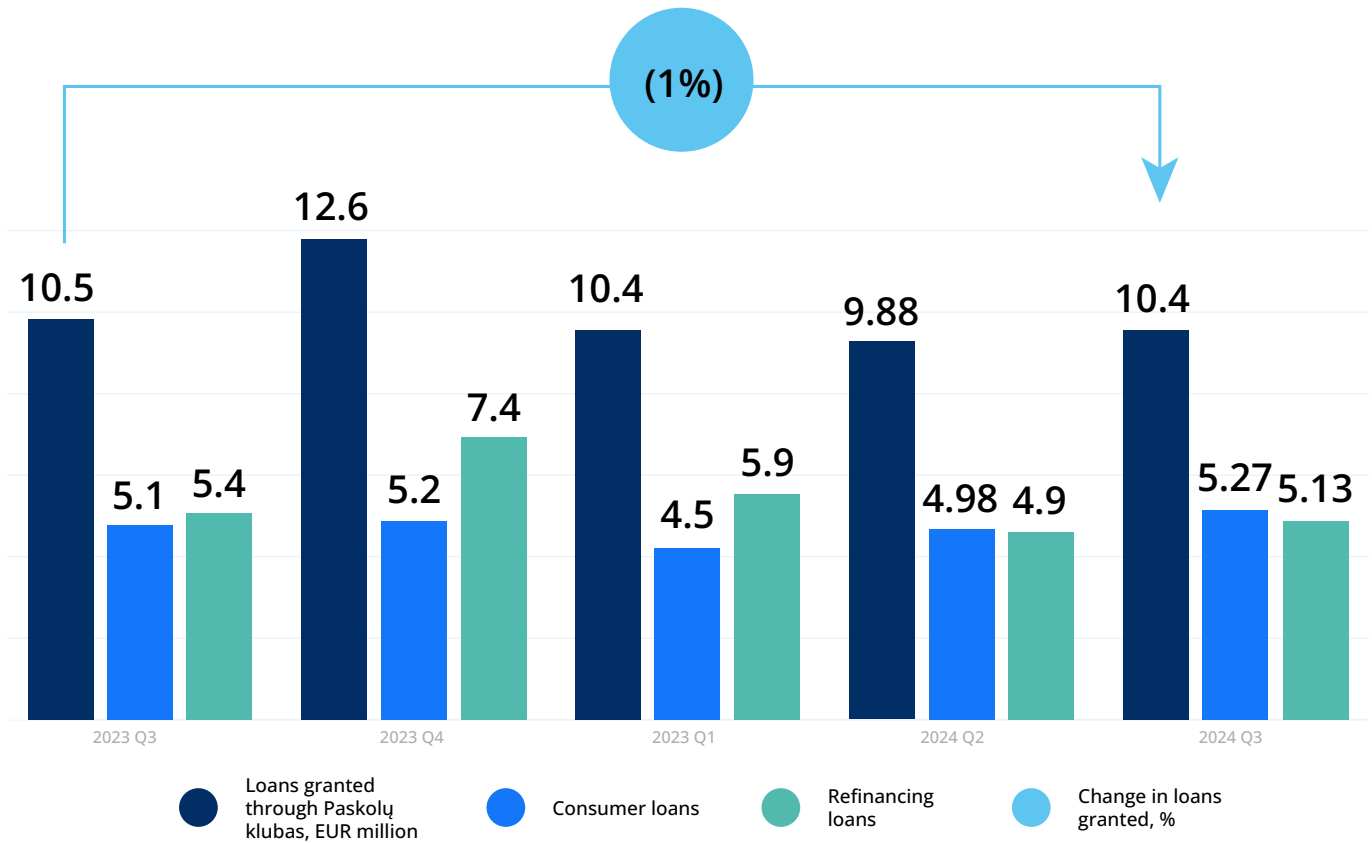
The “Invite a Friend” campaign was relaunched for a month with an increased bonus—2% instead of the previous 1%.

A community meeting for Dutch investors was successfully held in the Netherlands.

We are actively working to attract more Dutch investors through targeted campaigns.

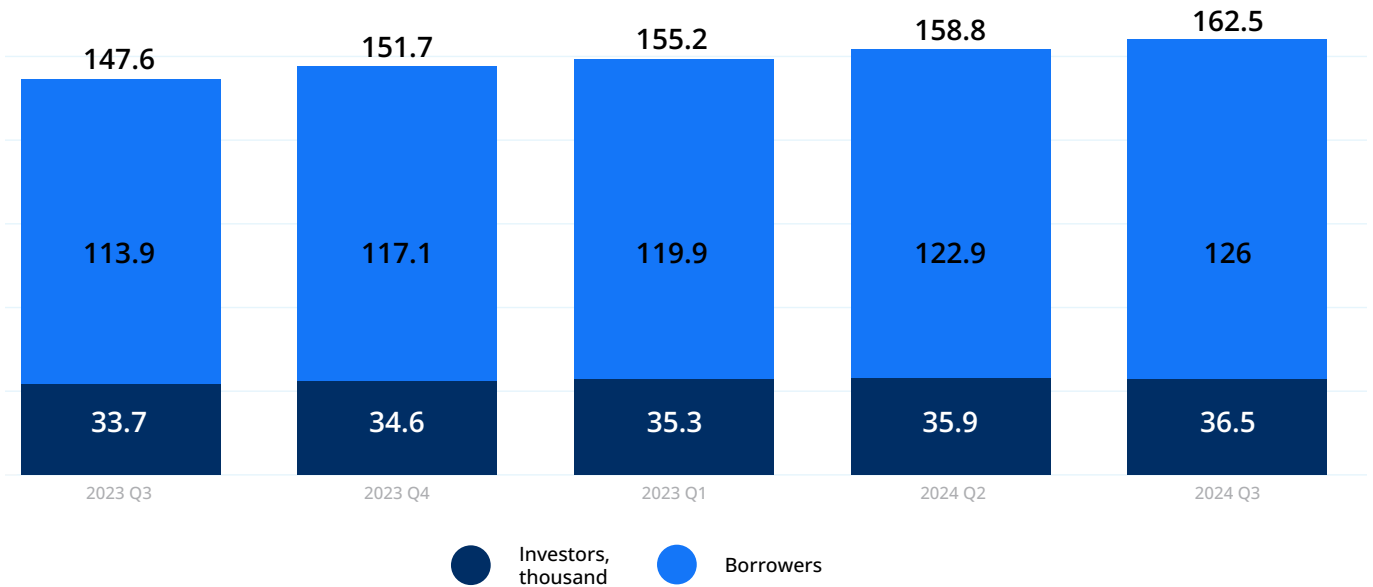
P2P lending platform, loans issued, M EUR

In Q3 2024, EUR 10.4 million worth of loans were granted through the Paskolų klubas platform, a decrease of 0,95% compared to the EUR 10.5 millions of consumer loans granted in Q3 2023. Loans amounting to 3.5 EUR million were granted in July and EUR 3.3 million in August. The highest volume of consumer loans through the Paskolų klubas was granted in September for EUR 3.6 million.



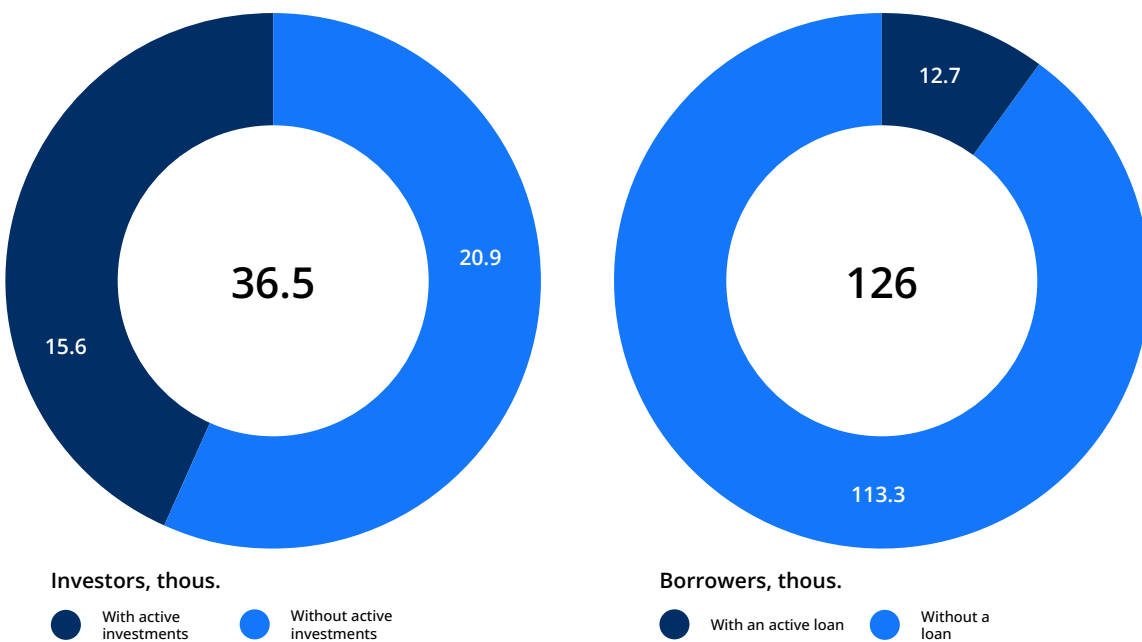
Registered users, thousands

In Q3 of 2024 Paskolų klubas attracted 3.5 thousand new customer registrations. This represents a 10.01% increase in the number of registered customers compared to the end of Q3 2023. The growth in registered users would be higher year-on-year, but the low growth during the year is due to the removal of old and inactive customer registrations, as required by the rules on the management of customers' data.



In Q3 2024, the number of registered consumers grew by 2,3%, consumer credit borrowers by 2,5% and investors by 1,7%.

Registered and active users, thousands, 2024 End of Q3 2024

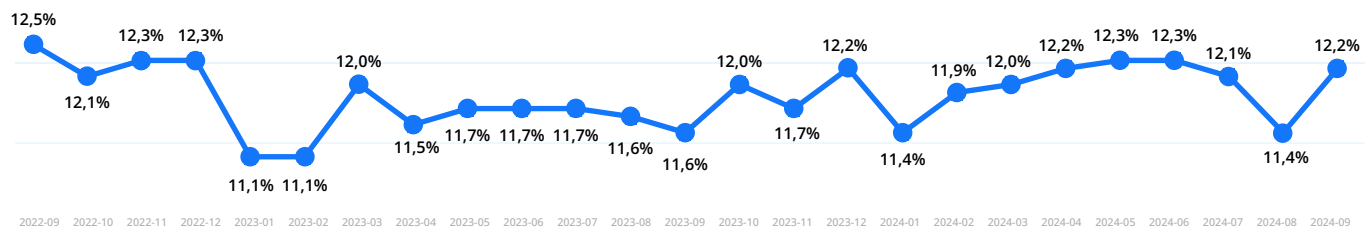


At the end of the reporting period, the average loan amount granted to the borrower "Paskolų klubas" was EUR 3 810 with an average duration of 68 months (5 years 8 months). The average portfolio size of the investor was EUR 4 983 and the average number of loans in the portfolio was 288 units.

Return on investment in NEO FINANCE consumer loans

One of the main arguments for attracting investors to the platform is its relatively stable earnings compared to other financial market instruments. Below is a graph of NEO Finance's return on investment in consumer loans. The NEO Finance team aims to maintain stable investor earnings by responding in a timely manner to the need to update its clients' credit risk assessment model, non-performing loan actions and interest pricing.

Yearly return on investment (ROI) in NEO Finance



* Return on investment calculated for the entire loan portfolio of the platform, before income taxes.

Refinancing

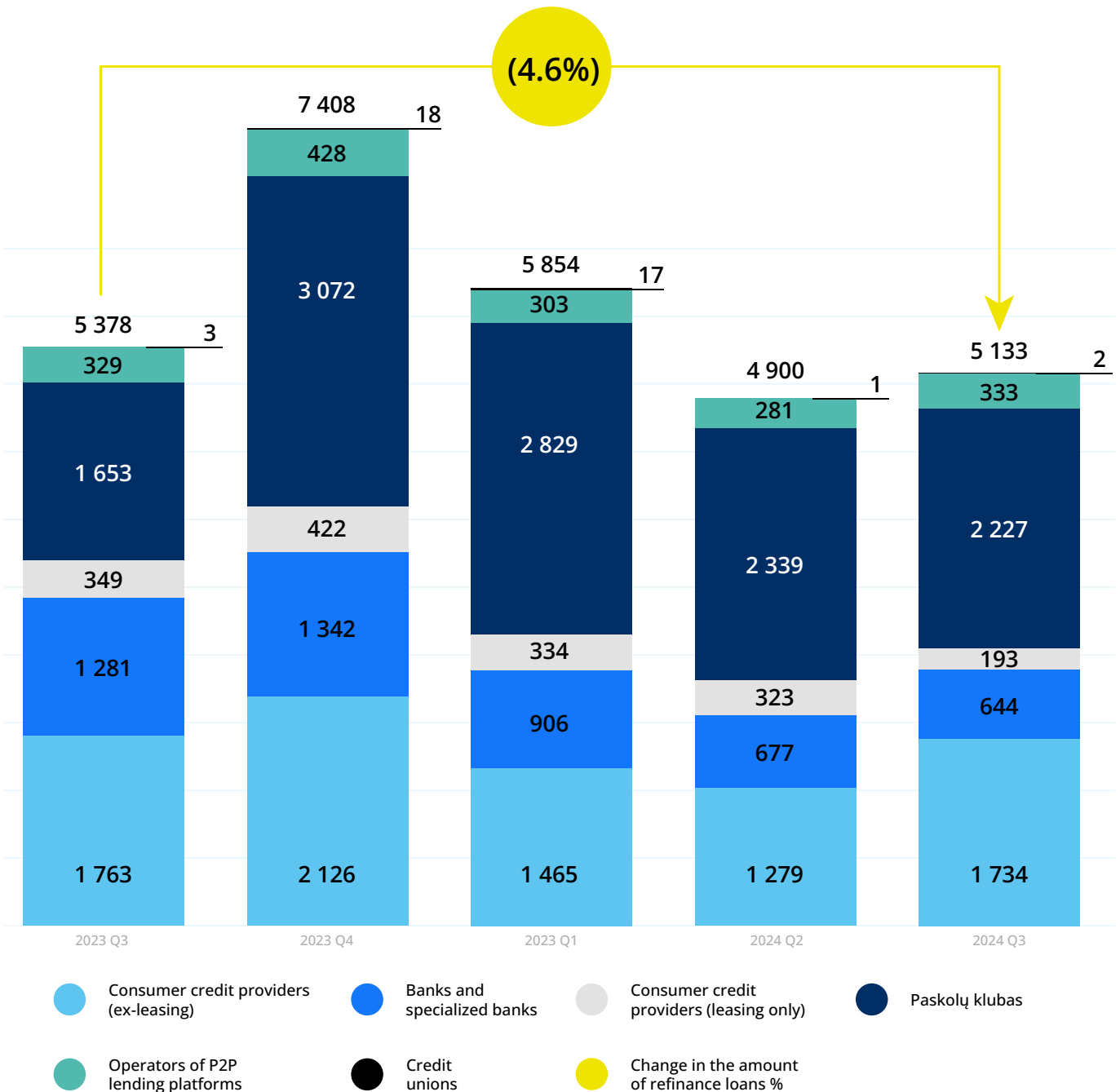
Of the EUR 10,4 million of loans financed in Q3 2024, EUR 5,13 million was refinancing loans. In the case of a refinancing loan, the Paskolų klubas provides the loan and covers the person's existing liabilities with other lending institutions in Lithuania. For the borrowers of these loans, the Paskolų klubas has helped to

reduce the amount of the monthly instalments and/or interest they have been paying so far, and facilitates the administration of the existing loans if the client refinances more than one existing loan. In some cases, the company also refinances its own previous loans to save the client from refinancing with another credit

institution.

The amount of refinanced loans in Q3 2024 amounted to EUR 5 133 thousand, a decreased by 4.59% compared to the same quarter in 2023, where loans were refinanced for EUR 5 380 thousand.

Refinancing distribution, thousand EUR



Overdue loans

The Company is constantly taking proactive approaches to reduce loan defaults, but in the case of medium- and higher-risk consumer loans, it is not possible to avoid defaults. The Company's objective is to keep the level of non-performing loans steady or reduce it.

Follow-up on overdue loans:

1) Borrowers who are late in paying at least one instalment are informed by email, phone calls, voice messages and SMS.

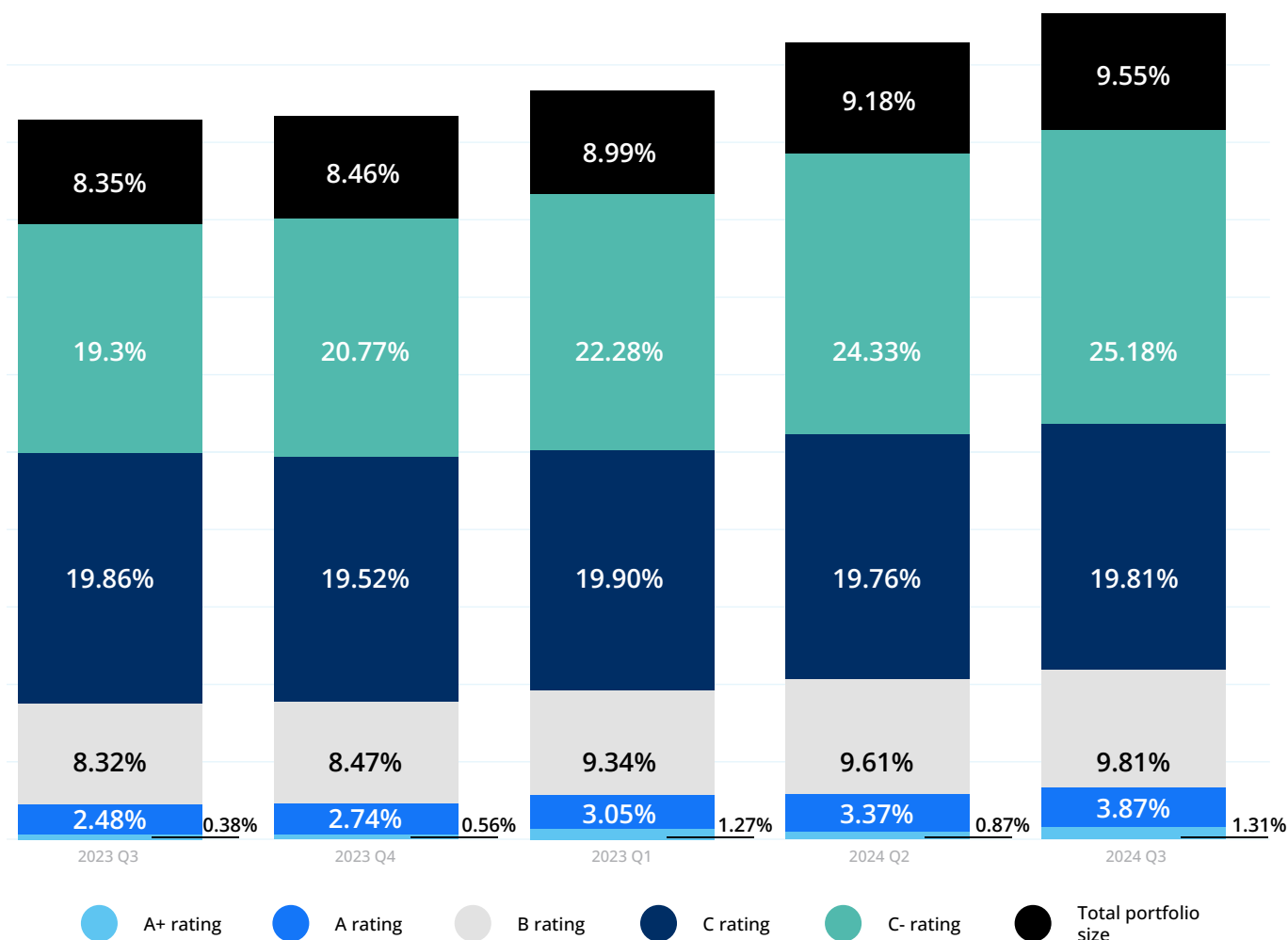
2) After 30 days of delay, the borrower's debt is registered with Creditinfo Lietuva UAB, and after 40 days of delay, the loan is transferred to a debt collection company.

3) From the 150th to the 180th day

of default, Paskolų klubas terminates the consumer credit agreement with the borrower and, following the termination of the agreement (depending on the rating of the loan), offers to buy the debt from the investors, i.e. to make use of the "Buyback" service.

4) If the debt cannot be recovered before court, the debt is taken to court and bailiffs.

Loans, overdue >90 days, %



At the end of 2024 Q3, out of a total of EUR 202 million of loans granted, EUR 19,35 million (9,55%) were more than 90 consecutive days past due. The overall share of defaulted loans increased by 0.37% compared to the

same period a year ago.

Newly originated loans during the year and their payment history provide additional information to the rating algorithm, which uses artificial

intelligence to periodically update the rating rules. The continuous improvement of the rating system algorithm ensures the management of the risk of non-performing loans within the Company.

Debt collection

Loans that are in default are handed over to a debt collection company and a bailiff appointed to collect the debt. Once the borrower is restored to viability, the Paskolų klubas distributes the recovered amounts to the investors and the Company. Under the terms and conditions of the agreement, the costs of the recovery platform, such as the costs of the claim, stamp duty and bailiff, are paid first, followed by a parallel payment of the loan arrears to the investors and a brokerage fee to the Company.

In Q3 2024, EUR 827 thousand were collected and allocated, an increase of 8.67% compared to Q3 2023. EUR Total of 680 thousand was recovered and distributed to investors from default loans interest and credit instalments. The Company recovered EUR 147 thousand of recovery and intermediary fees from these loans.

At the end of Q3 2024, the total amount passed for collection amounted to EUR 21 277 thousand. During this quarter EUR 827 thousand were recovered representing a recovery rate of 3.88% during the quarter under review. The recovery rate of defaulted loans has dropped since a year ago.

As of July 1, 2024, amendments to the Code of Civil Procedure and other laws have come into effect, aimed at providing greater protection for debtors. Bailiffs will now deduct a smaller portion of wages from those with debts, leaving more income for living expenses. This change is also intended to encourage people to work legally and gradually reduce their debt burden.

Key changes include:

- The portion of the debt deducted from the minimum wage has been reduced to 10%, regardless of how

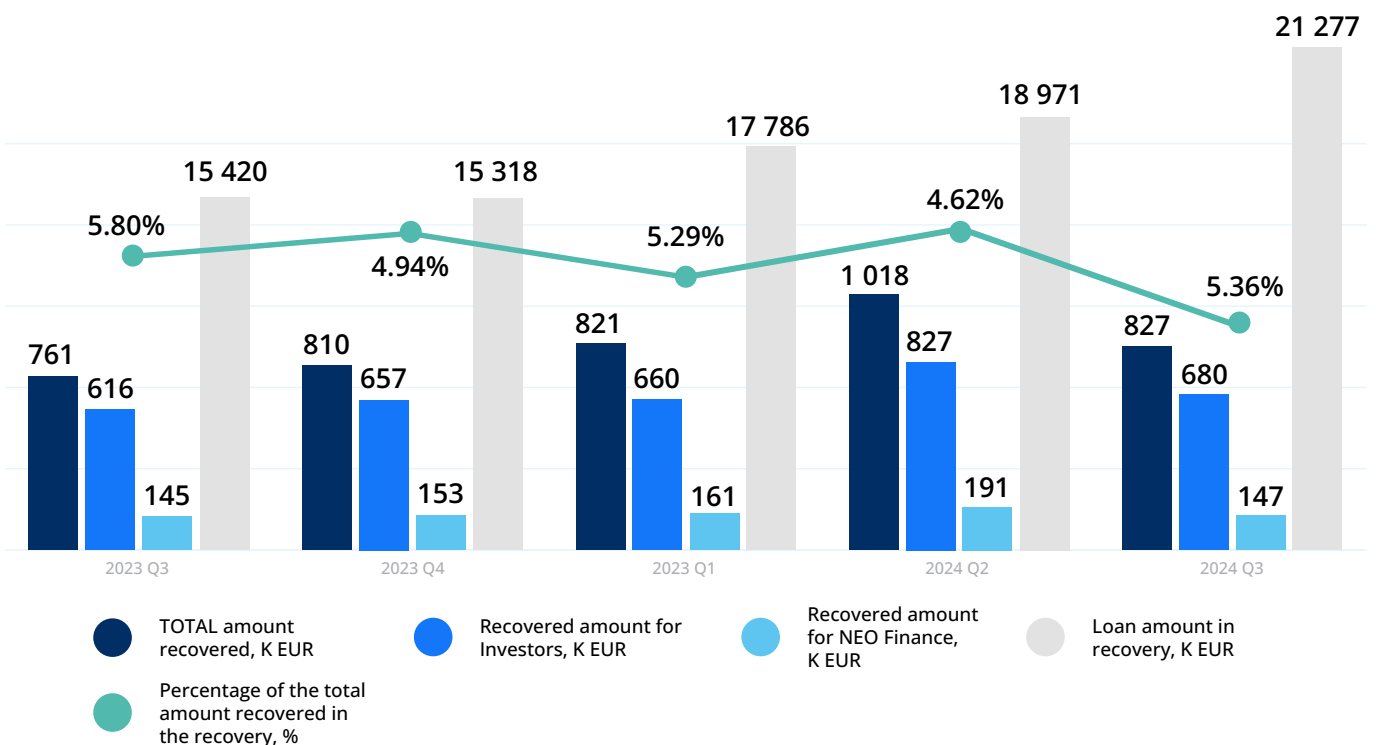
many debts a person has.

- For incomes above the minimum wage but not exceeding twice the minimum wage (from €924 to €1,848), 30% of the income will be deducted to cover the debt.

- For incomes exceeding twice the minimum wage (more than €1,848), 50% will be deducted, as before.

These changes aim to encourage people to re-enter the workforce and repay their debts legally. The Ministry of Social Security and Labor notes that previous wage deduction levels were not sustainable, leading debtors to hide their incomes and work illegally. Nearly 70% of unemployed debtors could not repay their debts under the old system. While this might slow down debt recovery for specific debtors, it could ultimately reduce the overall amount of unpaid debts for investors.

Amount recovered, K EUR



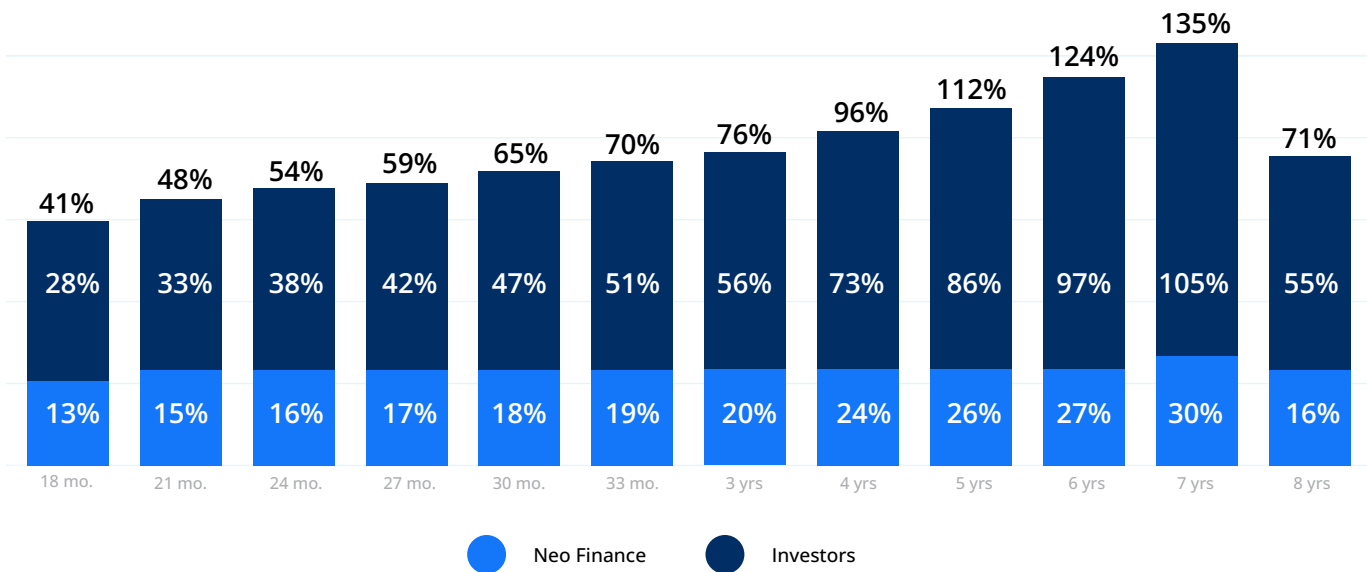
Recovery statistics

In cases where the Company is unable to collect the overdue debt through pre-court recovery, the loan agreement with the borrower is terminated and the debt is taken

to court. The court process and enforced debt recovery by bailiffs may take time, but most of the overdue debts are recovered in time. For loans that were submitted for recovery 2

years ago, investors have recovered 38% of the outstanding amount at the time of termination, 56% 3 years ago, 86% 5 years ago and etc.

Recovered % of principal outstanding at termination



The amount of credit outstanding at the time of termination in EUR and the number of loan agreements transferred for collection.

Months after termination	Principal at termination, K EUR	No. of loans
18 months	14 890	4 380
21 months	13 886	4 150
24 months	13 060	3 941
27 months	12 357	3 768
30 months	11 767	3 598
33 months	11 031	3 383
3 years	10 411	3 188
4 years	8 033	2 209
5 years	4 546	1 182
6 years	1 796	444
7 years	455	143
8 years	39	23

Provision fund

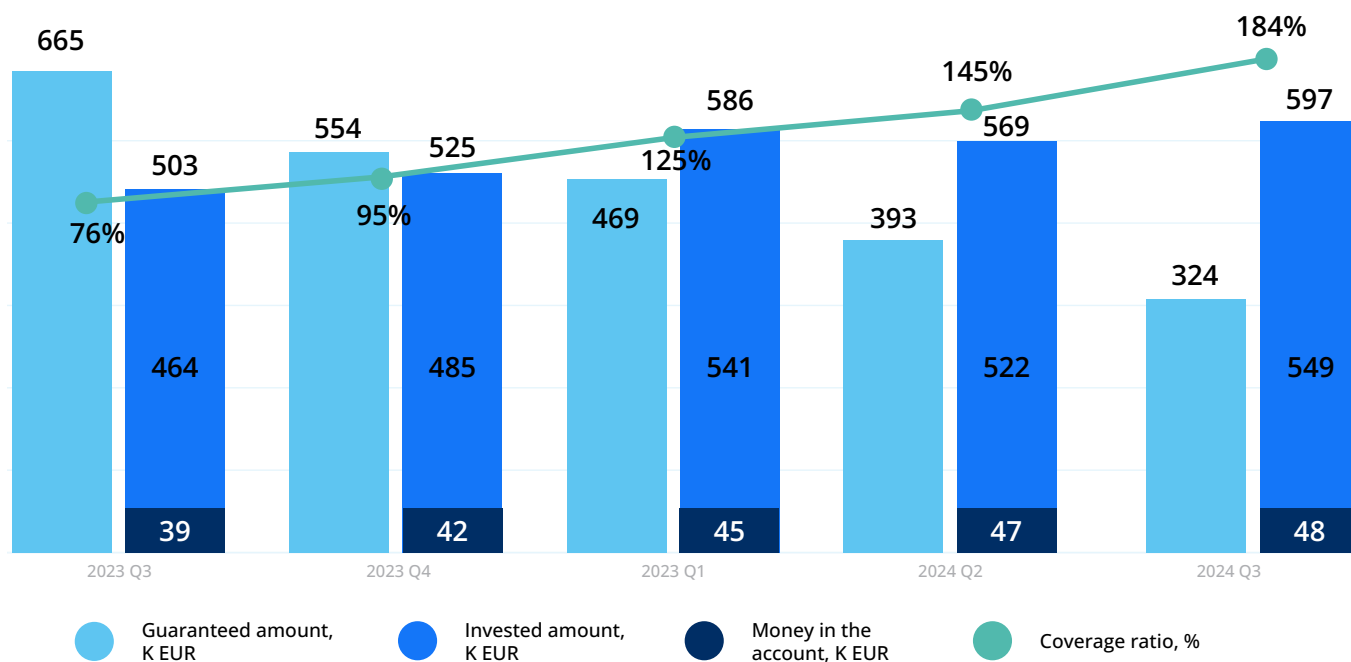
At the beginning of the platform's launch, Paskoly klubas offered investors the option to use a paid service of a Provision Fund, thus further reducing the investment risk. If you choose to invest using the Provision Fund, you sign a contract with the Company under which it agrees to act as a guarantor for the borrower of the consumer loan.

This means that if the borrower is one day late, the Company pays the repayments directly to the investor and then collects them itself from the borrower. For this purpose, the Company keeps money in a separate account and uses this money to make the payments to the investors.

At present, no further surety agreements can be concluded. The provision fund service for new investments is discontinued as from 1 March 2022.

During Q3 of 2024, the Provision Fund paid out EUR 25 thousand to investors, compared to EUR 30 thousand in the same period in 2023.

Provision fund, thousand EUR



To manage liquidity risk, NEO Finance, AB calculates the sufficiency of the funds available to cover the liabilities of the Provision Fund. As of Q3 2019, part of the funds are invested in loans. The amount invested consists of the net value of investments in loans held by NEO Finance, AB, and

from this amount is deducted all liabilities of NEO Finance, AB (bonds issued, loans taken out). The other part is held in a separate bank account. The purpose of this account is to ensure the management of the company's internal cash flow. The company may use its other assets to

meet its obligations to investors.

At the end of Q3 2024, the amount accumulated in the provision fund account was EUR 597 K and the total guaranteed amount was EUR 324 K. The coverage ratio was thus 184%.

Buyback service

In Q3 2024, investors sold investments for EUR 13 thousand. This is a 79.41% decrease compared to Q3 2023, when investors used the Buyback service and sold investments for EUR 65 thousand. The difference seen this Q3 can be attributed to changes in the loan recovery process. Specifically, contract termination is now postponed in an effort to recover overdue loans before entering the judicial process.

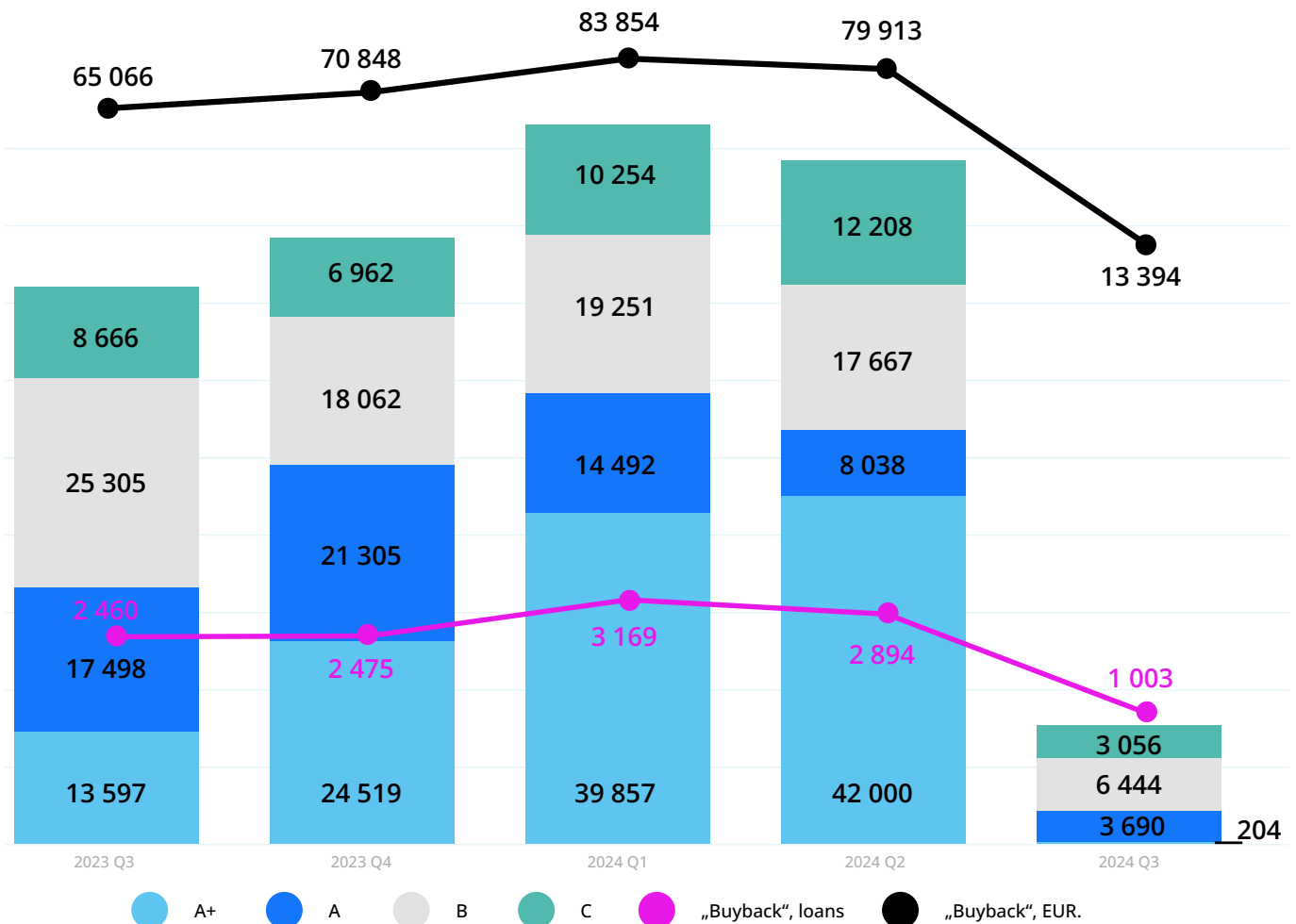
The Paskolų klubas offers investors a way to reduce the risk of non-performing loans by offering to buyback defaulted loans at market prices. In the event of the termination of the contract with the borrower, the Buyback service allows investors to sell an investment rated A, B or C to NEO Finance, AB within 30 days

for 50% or 55% of its residual value, respectively, if the investor has reached the VIP level of the portfolio (EUR 15 000). The buyback price depends on the rating of the loan and the duration of the offer. The company currently offers investors to buy back loans with the highest credit rating of A+ automatically, for 100% of the remaining value of the investment. Meanwhile, for the highest C- risk loans, the option is currently not available.

In the event of failure to recover the defaulted loan through pre-collection, 5 calendar days prior to the scheduled termination of the loan agreement, the Paskolų klubas will send a notice to each investor who has financed the defaulted loan, informing them of the possibility to sell their investment in the loan. If the

borrower fails to pay all arrears by the scheduled date, the Paskolų klubas will terminate the loan agreement with the borrower and offer the investors 30 days to pay the amount of the investment in the loan.

By providing this service to investors, the Company not only provides additional protection in managing the risk of defaults for its clients, but also invests in debt recovery. The Company incorporates the repurchased investments into its existing portfolio of consumer loans, with part of the investments being returned through future debt recovery and the other part being offered for purchase to investors on the secondary market of the Paskolų klubas. This provides an opportunity to invest in debt recovery for clients of the Paskolų klubas platform.



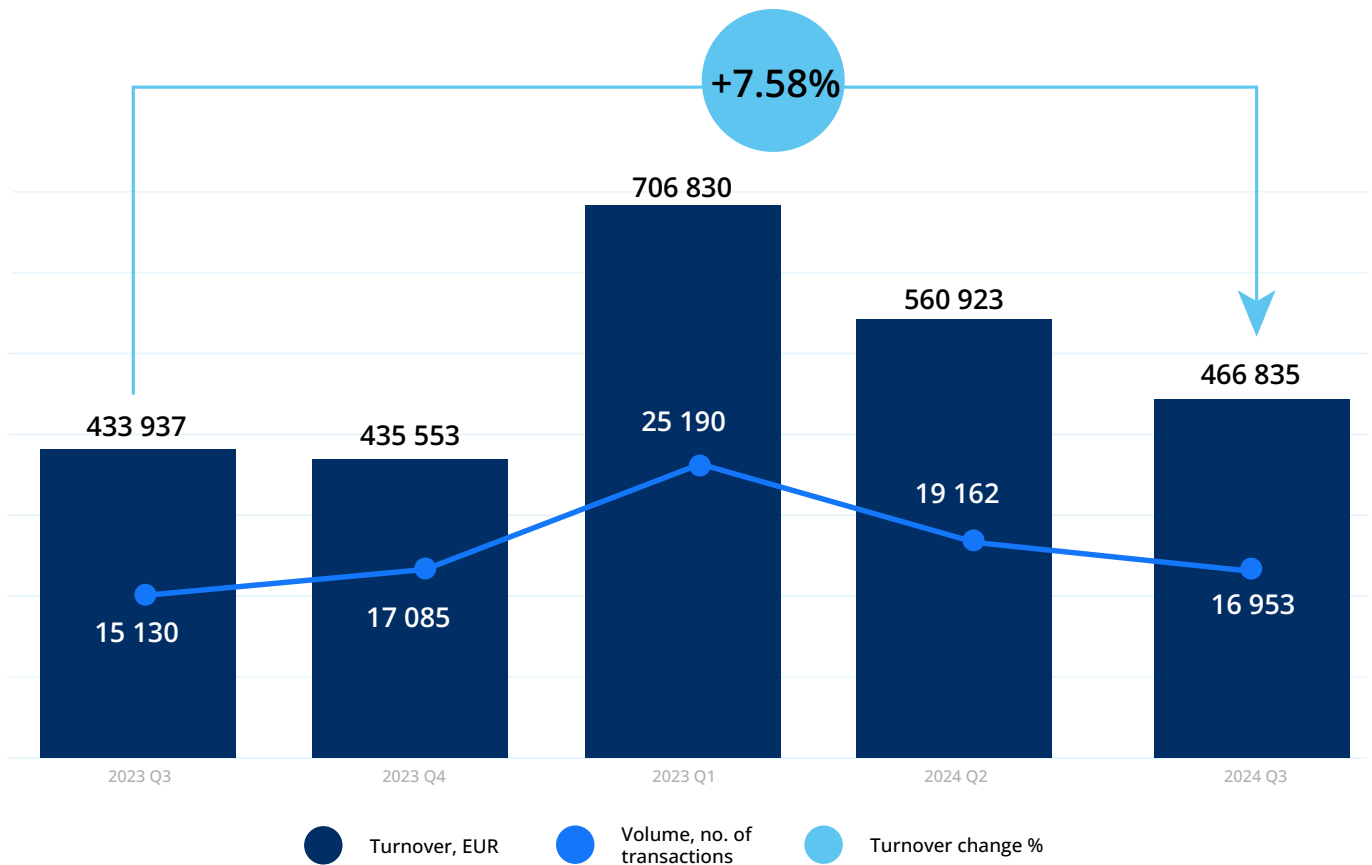
Secondary market

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 – the possibility for investors to buy and sell investments in consumer credits. Only investments owned by the investor under the ownership rights can be sold in the secondary market,

i.e. the consumer credit, in which the investor had invested, is already financed and the consumer credit funds are already paid out to the recipient of the consumer credit. If the investment is sold for less than it was bought for, it is deemed that the loan is being sold with a discount. If it is sold for more, it is considered that the investment is being sold with a premium.

In Q3 2024, the secondary market turnover amounted to EUR 467 thousand. Compared to the same period in 2023, turnover increased by 7,58%. The record investment sales this quarter can be attributed to the lower number of loan offers on the loan market, which allowed more investors to discover the opportunity to invest their funds more quickly by acquiring claim rights on loans funded in previous periods.



NEO Finance AB's investments

Company's investments in the Paskolų klubas

Important to mention, that from 1 June 2024 NEO Finance invests only in BNPL loans, while investments in consumer loans are made through NEO Finance B.V.

In the past, NEO Finance AB, as a provider of consumer credit, has been able to invest in loans on the Paskolų Klubas P2P lending platform along with other registered lenders. By investing in loans, the company aimed to increase the speed at which loans were financed, thereby ensuring the platform's attractiveness for both borrowers and lenders.

Important to mention, that From 1 June 2024 NEO Finance invests only in BNPL loans, while investments in consumer loans are made through

NEO Finance B.V. NEO Finance also makes it possible to invest in loans through special purpose vehicles for those investors who prefer not to do so directly through the platform

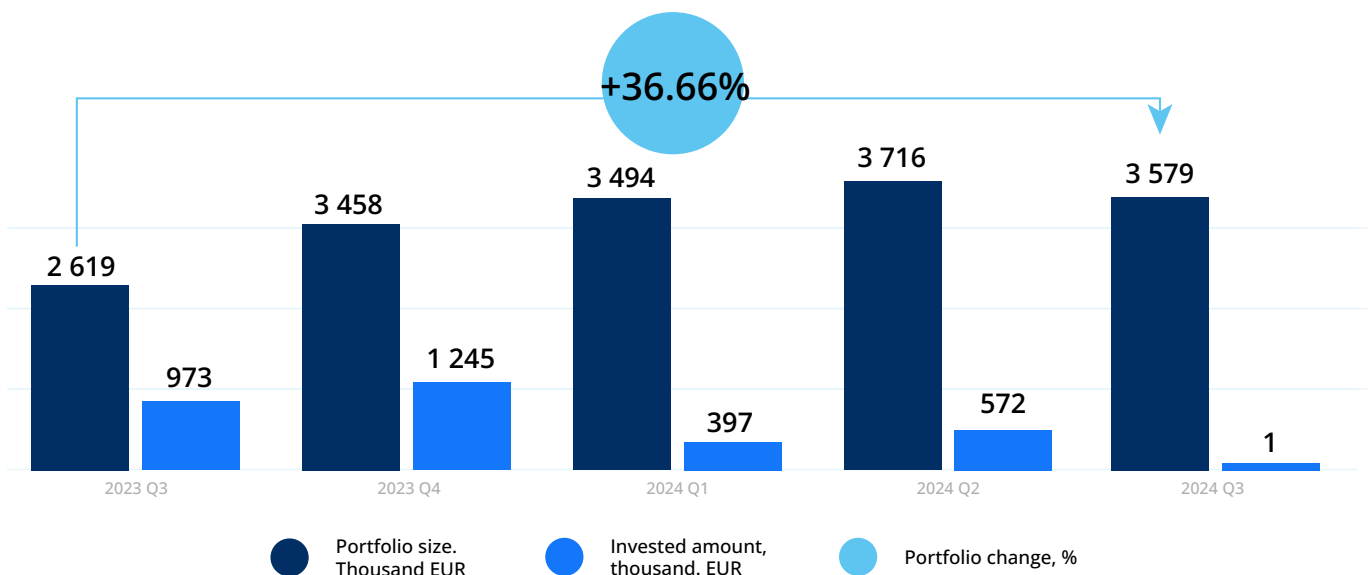
To avoid conflicts of interest with investors, NEO Finance, AB followed a pre-defined policy of interest management:

- NEO Finance, AB had the opportunity to finance up to 80% of the initial amount of a loan on its platform. For borrowers with a credit rating of A+ or A, NEO Finance, AB could immediately provide consumer credit of up to EUR 15,000, or up to EUR 8,800 for borrowers with a credit rating of B, up to a maximum of 80% of the initial amount of the credit.
- NEO Finance could deviate from the above maximum investment amounts and grant consumer

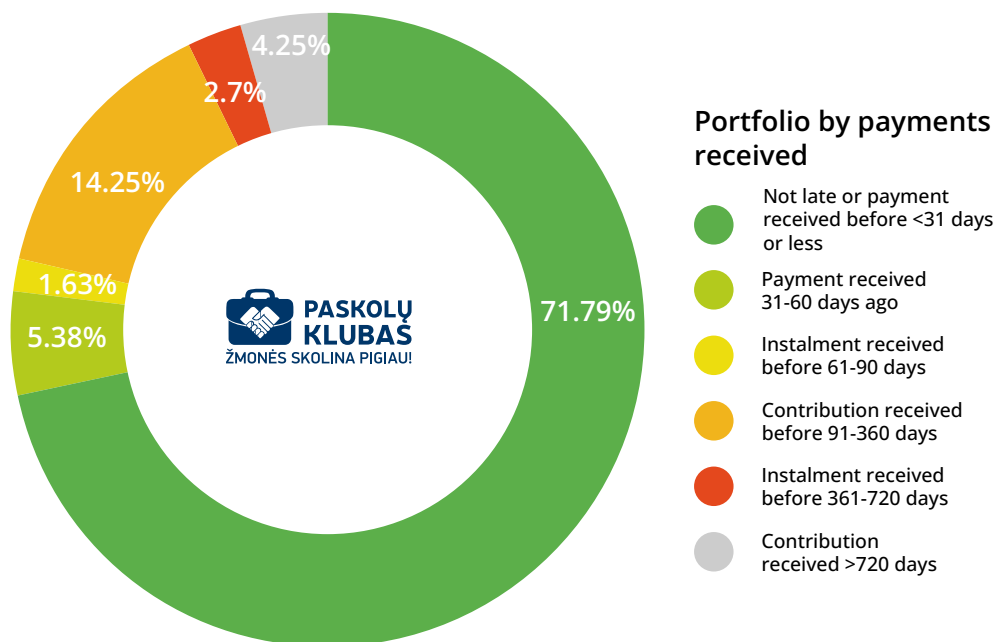
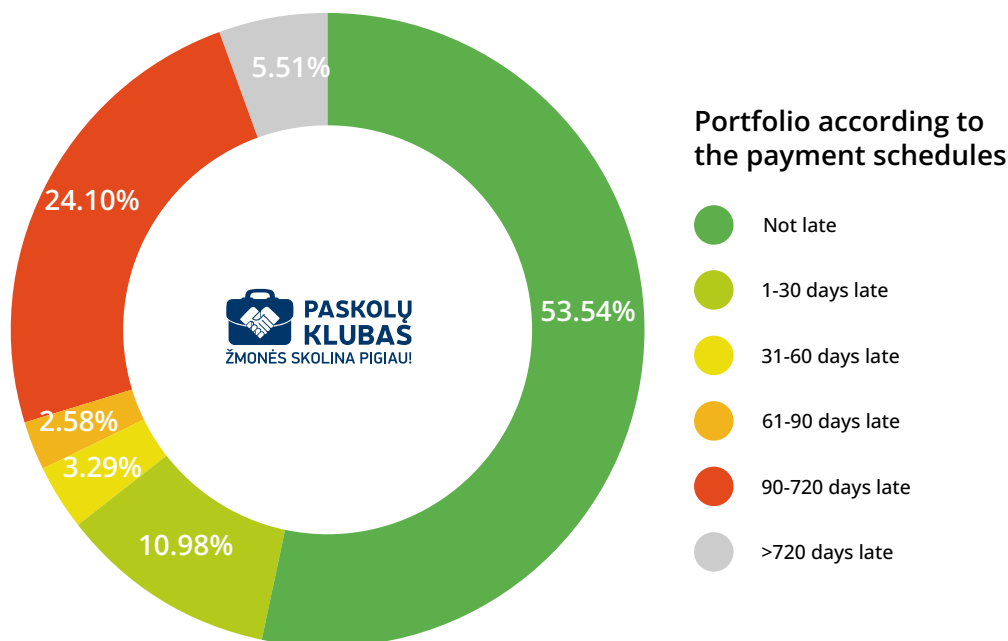
credit to borrowers of all credit ratings, provided that investors had already financed at least 20% of the consumer credit amount and at least 24 hours had passed since the consumer loan application was submitted to the loan market.

Q3 2024 The Company invested EUR 1 thousand in consumer loans. The decrease in the amount invested compared to the previous periods of 2023 is mainly due to The Company's decision to invest using another legal entities - NEO Finance B.V., NEO Invest1, UAB and NEO Invest2, UAB.

NEO Finance, AB consumer loan portfolio, thousand EUR



NEO Finance, AB Consumer loan investment portfolio of Q3 2024, %



The Company's portfolio of investments in consumer loans is made up of three sources of investment acquisition:

- 1) The Company invests in loans funded in the current period.
- 2) The Company repurchases investments in non-performing loans for which it has guaranteed the solvency of the loans under "Provision Fund" service agreement.

- 3) The Company repurchases investments in defaulted loans when investors make use of the Buyback investment repurchase service.

NEO Finance, AB investment in Finomark

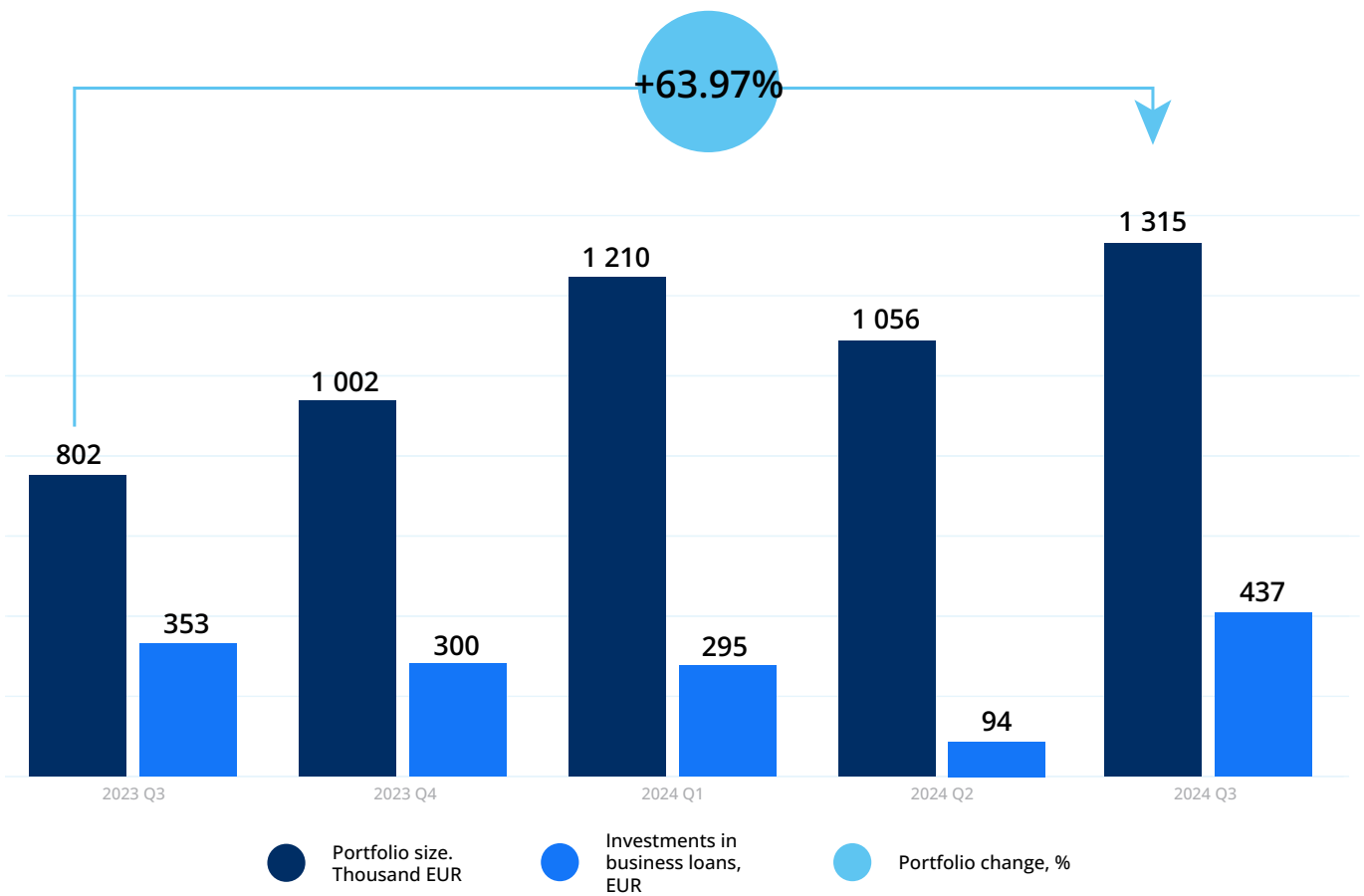
NEO Finance, AB invests in business loans on the Finomark crowdfunding platform with other registered investors. When investing in business loans, the Company, as with consumer loans, aims to ensure timely funding of the loans

by ensuring the attractiveness of the Finomark platform to both borrowers and investors.

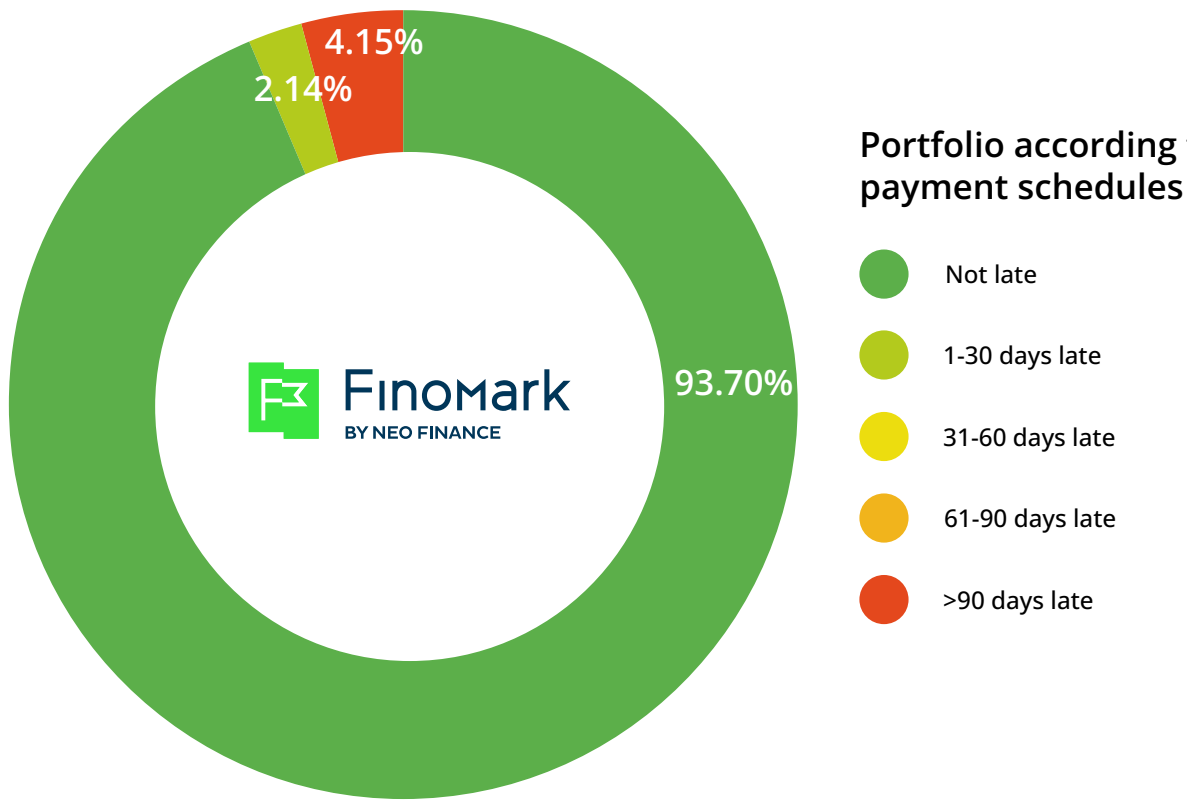
The regulation of crowdfunding is different from peer-to-peer lending. In these operations, unlike peer-to-

peer lending, there is no limit on the amount that can be loaned to retail investors. NEO Finance, AB does not compete with other investors on the Finomark platform and invests on an equal basis in business loans.

NEO Finance, AB Portfolio of investments in business loans, EUR thousand



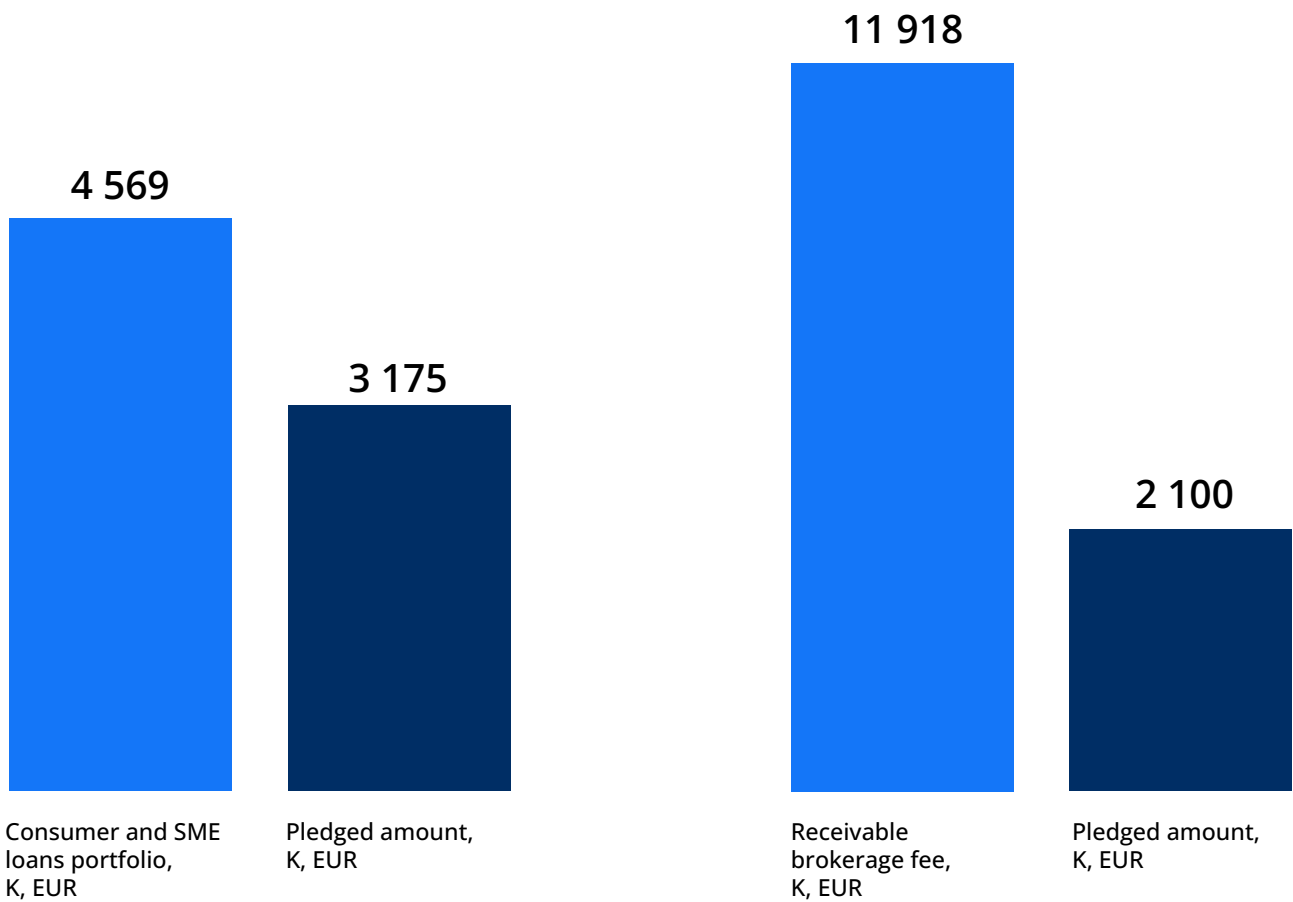
NEO Finance, AB Portfolio of investments in business loans, Q3 2024 %



NEO Finance, AB pledged assets

The Company's consumer and business loan portfolio is formed primarily from the Company's existing debt: loans and bonds. To protect the interests of investors, NEO Finance, AB pledges its assets as collateral for

the borrowed funds. Currently, the Company has pledged part of its on-balance sheet assets - investments in business and consumer loans and part of its off-balance sheet assets - future intermediation fee receivable.



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

Institutional investor nordIX



The total portfolio acquired by nordIX from NEO Finance, AB at the end of Q3 2024 was EUR 9.9 million.

In the second third of 2024, we observed a slight reduction in our investment portfolio. This change is primarily attributed to Nordix. The decrease is due to Nordix choosing to invest in secure loans with relatively high interest rates, for which there is insufficient supply.

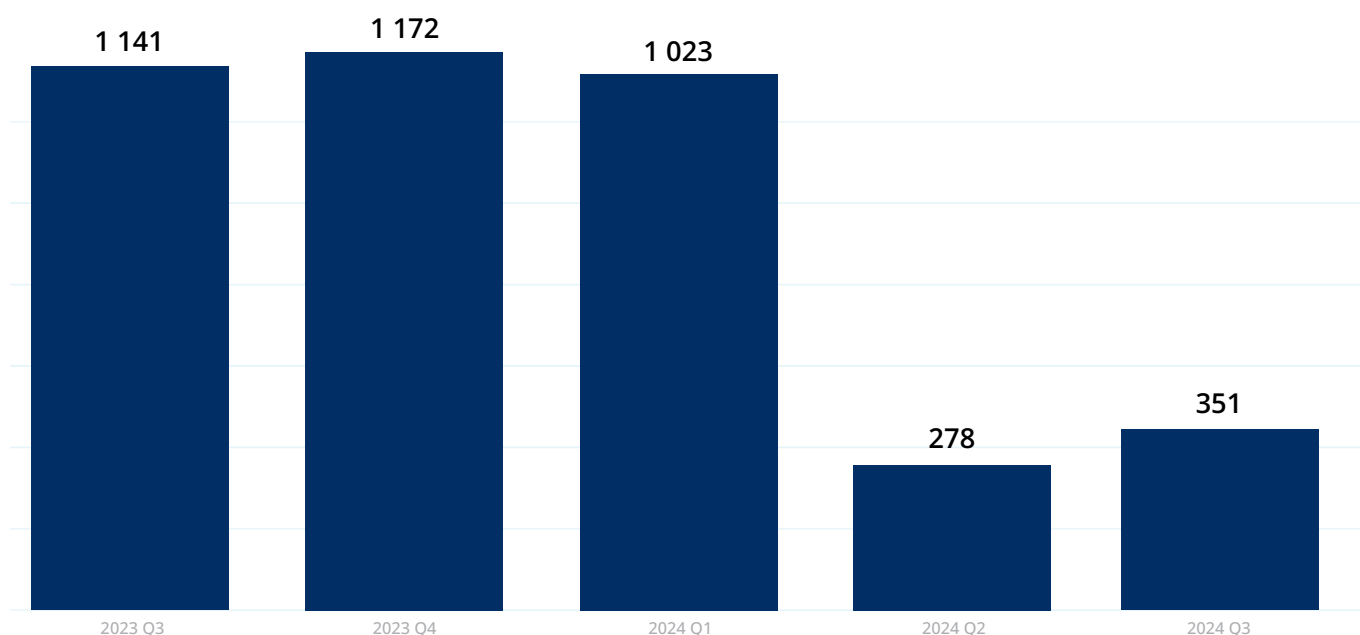
Additionally, Nordix had to disburse funds to its investors, and for half of the quarter, it did not invest as it was accumulating funds for its investors' payouts.

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.

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“ investments, thousand, EUR



Institutional investor NEO Finance B.V.



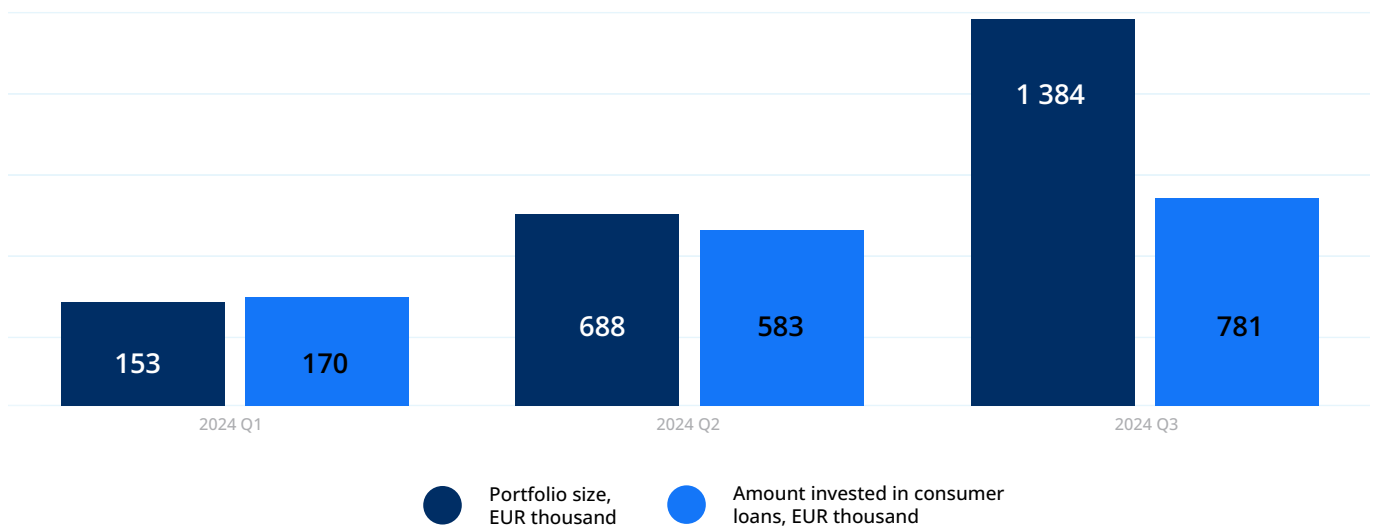
Starting in December 2023, NEO Finance, AB started investing in the peer-to-peer lending platform "Paskolų klubas" through its Dutch subsidiary NEO Finance B.V. This company, which until now has acted as a representative office to spread the NEO Finance name amongst investors in the Benelux, has a

specific purpose: financing consumer and business loans on platforms operated by NEO Finance, AB.

Since 2019, NEO Finance, AB has established a subsidiary, NEO Finance, B.V., in the Netherlands, which aids in attracting capital from investors in the Benelux countries

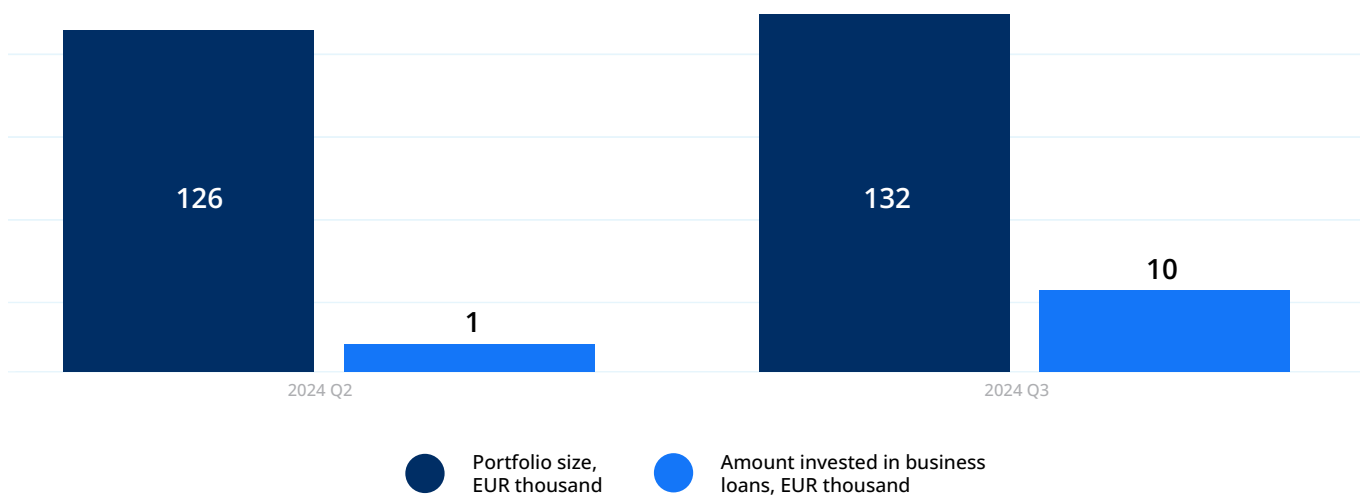
and intends to invest over 2 million EUR in the upcoming year. The investments will be directed into consumer loans issued through the 'Paskolų klubas' (known to foreigners as NEO Finance) platform, financed in accordance with the approved Conflict of Interest Resolution Policy.

NEO Finance, B.V. Portfolio of investments in consumer loans, EUR thousand



NEO Finance, B.V. Portfolio of investments in business loans, EUR thousand

Another portion of the investments will be allocated to finance small and medium-sized business loans through the 'FinoMark' crowd-funding platform. In implementing these investments, measures stipulated in the 'FinoMark' Conflict of Interest Avoidance, Identification, and Management Policy will be followed, to ensure that the investments are made under the same conditions as for other investors.

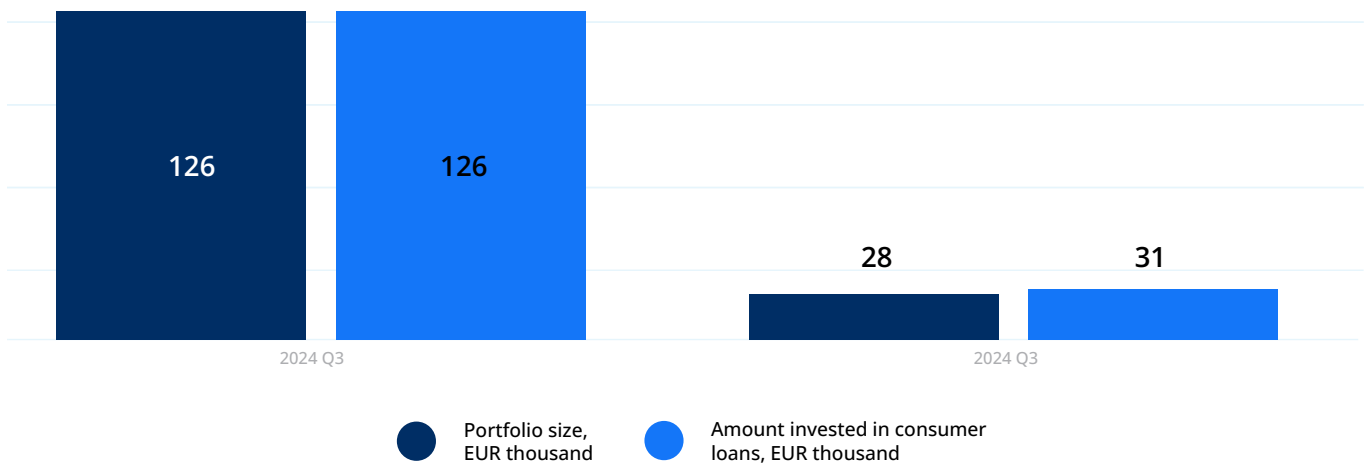


Subsidiaries NEO Invest1 & NEO Invest2

Since the third quarter of this year NEO Finance, AB has established two more subsidiaries.

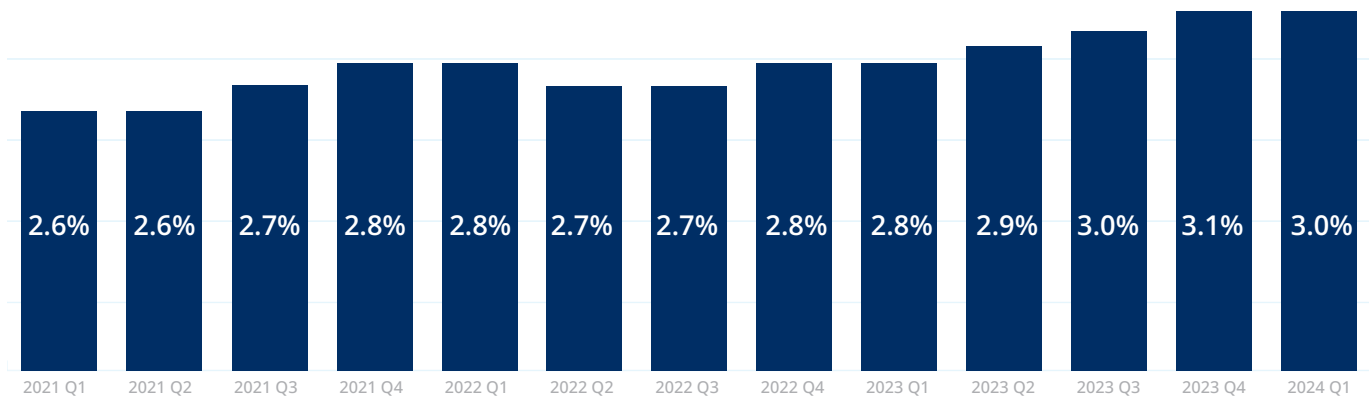
UAB NEO Invest1 and **UAB NEO Invest2** are new subsidiaries of NEO Finance **established in Lithuania** with the aim of raising leverage for investment in consumer loans on a peer-to-peer lending platform.

NEO Finance's objective is to build investment portfolios of EUR 2-3 million in the subsidiaries with contributions from external private and institutional investors. In this cooperation model, NEO Finance, AB will also invest its own funds, financing 15-20% of the total portfolio of subsidiaries.



Market share

NEO Finance's platform Paskolų klubas holds a 3% share of the consumer loan portfolio market among major Lithuanian banks and other credit providers in Q2 2024. The company's primary goal is to increase its consumer loan portfolio share among competitors. Sources: Bank of Lithuania statistics.



**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 the third quarter of 2024, 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](#).

Comment of Viktoras Ivanovas, Head of Neopay



Over the past year, we've been deeply focused on optimizing our payment solutions to better meet the evolving needs of our corporate clients. Our goal has always been to ensure that our platform not only supports their daily operations but also empowers them to deliver exceptional experiences to their customers. By actively listening to client feedback and understanding their pain points, we've fine-tuned our offerings to

exceed expectations, resulting in more streamlined, efficient processes that drive meaningful results.

One of our key priorities has been to simplify complex, outdated payment systems and offer customized solutions that reduce manual work, improve accuracy, and deliver cost savings. This has enabled our clients to focus more on growth and less on operational challenges.

Looking ahead, our vision is clear. We are committed to leading the charge in modernizing financial operations for businesses around the world. With continuous innovation at the core of our strategy, we plan to explore emerging technologies and expand our global footprint. Our long-term goal is to become the preferred partner for enterprises seeking cutting-edge payment solutions that drive efficiency and growth.

Q3 2024 developments at Neopay

The third quarter of 2024 brought exciting developments at Neopay aimed at improving payment processes and customer experience. Here's a brief overview of the features and solutions introduced and updated:

Increased Media Recognition

Neopay has received significant media attention, being featured in various news outlets. This recognition highlights our growing presence in the industry and the positive impact we're making.

Expansion into the Polish Market

Neopay is now authorized to operate in the Polish market, offering local businesses services such as payment acceptance, IBAN issuance, and payout solutions. This is an important step in our continued growth into new regions.

Enhanced Security Measures

We've reinforced our security systems to better protect transactions and customer data. These upgrades ensure our platform meets the highest safety standards, giving our clients peace of mind.

Expanded Payment Options through Adyen Partnership

We've partnered with Adyen to offer more payment options, including Apple Pay and Google Pay. This allows us to provide a smoother, more flexible payment experience, making it easier for our users to pay and get paid.

iFrame Widget Integration

We've introduced an iFrame payment widget, which allows seamless, built-in payment processing on our clients' websites. This makes transactions faster and easier, improving the overall user experience.

Extended Partnership with BNP Paribas

We've deepened our collaboration with BNP Paribas to enhance the financial services we provide. This strengthened partnership will support our expansion and offer more value to our clients.

Improved User Experience

We've made our platform easier to use by simplifying navigation and streamlining processes. These improvements help our clients work more efficiently and enjoy a better overall experience.

Products overview

Payment initiation service (PIS)

PIS allows businesses to significantly reduce costs compared to traditional payment methods such as cards or bank links. It provides secure payments across Europe, allowing up to 100 payments to be made at the same time with a single confirmation. In addition, it offers customisable payment widgets tailored to the brand's design for better conversion rates, along with a dashboard for transaction tracking and settings management. This service is useful for businesses looking for efficient and cost-effective payment solutions.

Active Payment Link

The Active Payment Link simplifies the payment process for users by supporting a variety of methods, including "Buy Now, Pay Later" options. It offers simple link integrations and a user-friendly payment process, improving accessibility and speed for users when making payments. This service is valuable for any business looking to simplify payment processes and improve user experience.

Automated Refunds

Automated Returns simplifies the repayment process by minimising manual involvement and reducing the chance of errors compared to traditional methods. Businesses can choose to refund all or part of the payment amount, and both unit and bulk refunds are supported. This service is ideal for businesses looking to improve efficiency in managing returns and increase customer satisfaction across a wide range of business areas in the industry.

Recurring Payments

Recurring Payments allows you to automate the scheduling and support of a variety of payment schemes, particularly suitable for businesses operating on subscription models. This feature benefits subscription-based businesses by offering flexibility and convenience to customers, ultimately improving customer retention and revenue generation.

Buy Now, Pay Later (BNPL)

BNPL provides a flexible payment solution for online purchases, allowing customers to split the cost of their purchase into monthly interest-free instalments. The service benefits both merchants and consumers, offering financial flexibility without additional fees for on-time payments and ensuring immediate payments to businesses.

POS Lending

POS Lending offers consumers in-store lending options, allowing for a flexible monthly payment schedule over a pre-defined financing period. It provides customers with financial flexibility and transparency and facilitates immediate payments to businesses, especially in retail environments.

Account Information Service (AIS)

The AIS allows users to get concentrated information about their payment accounts from different providers in one place. It simplifies financial management, saves time and offers personalised financial insights for people looking for a convenient and comprehensive overview of their

finances.

Automated Payments

Automated Payments are ideal for organisations that require frequent or bulk payments, such as salary payments or rewards. This service allows you to quickly transfer money to bank accounts across Europe, improving efficiency and reducing administrative work for businesses.

User Confirmation Service

User Validation automates and simplifies the process of user registration and validation, improving security and reducing disruption in corporate engagement processes. It verifies the identity of users based on their bank account details, useful for businesses in a wide range of industries looking for secure and simplified user authentication.

PCSP (Payer Code Identification Service)

The PCSP confirms the identity of payers by confirming that the IBAN account used for the payment belongs to the intended payer. This adds an extra layer of security, reduces the risk of fraud and increases customer confidence in payment processes.

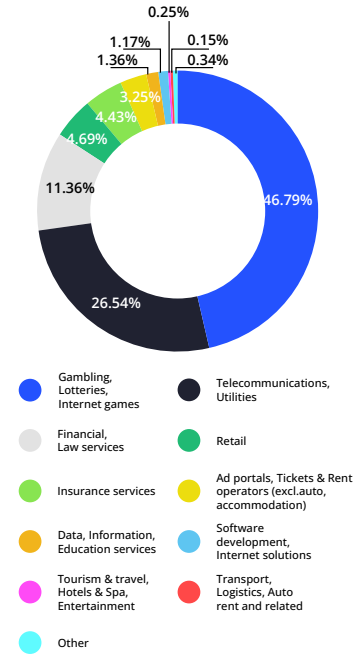
12Play Personal Confirmation

Specifically designed for online iGaming platforms, 12Play Personal Verification allows you to quickly collect basic player information using Smart ID or Mobile ID. This improves compliance, security and user experience for businesses, while streamlining player engagement processes.

Neopay's business segments

Neopay has a wide distribution of its customer base across a wide range of businesses that require innovative payment services. At the end of the reporting period, the largest volume of payment transactions is carried out by the gaming segment, which covers 46.79% of customers. This demonstrates its ability to meet the needs of iGaming companies in the area of payment solutions. The second largest business segment is the Telecommunication and the Utilities sector. Here, Neopay provides 26.54% of payments, optimising bill payment processes

and increasing responsiveness for municipal service. In the Finance & Law sector, the Company has a 11.36% share of total turnover, driving innovation in payment solutions and supporting digital banking initiatives. Despite a relatively lower customer share of 4.69% in Retail and 4.43 % in Insurance Services, Neopay is focusing its development in these segments. The company's goal is to expand while promoting the ability of online merchants to provide seamless and secure payment experiences for their customers.



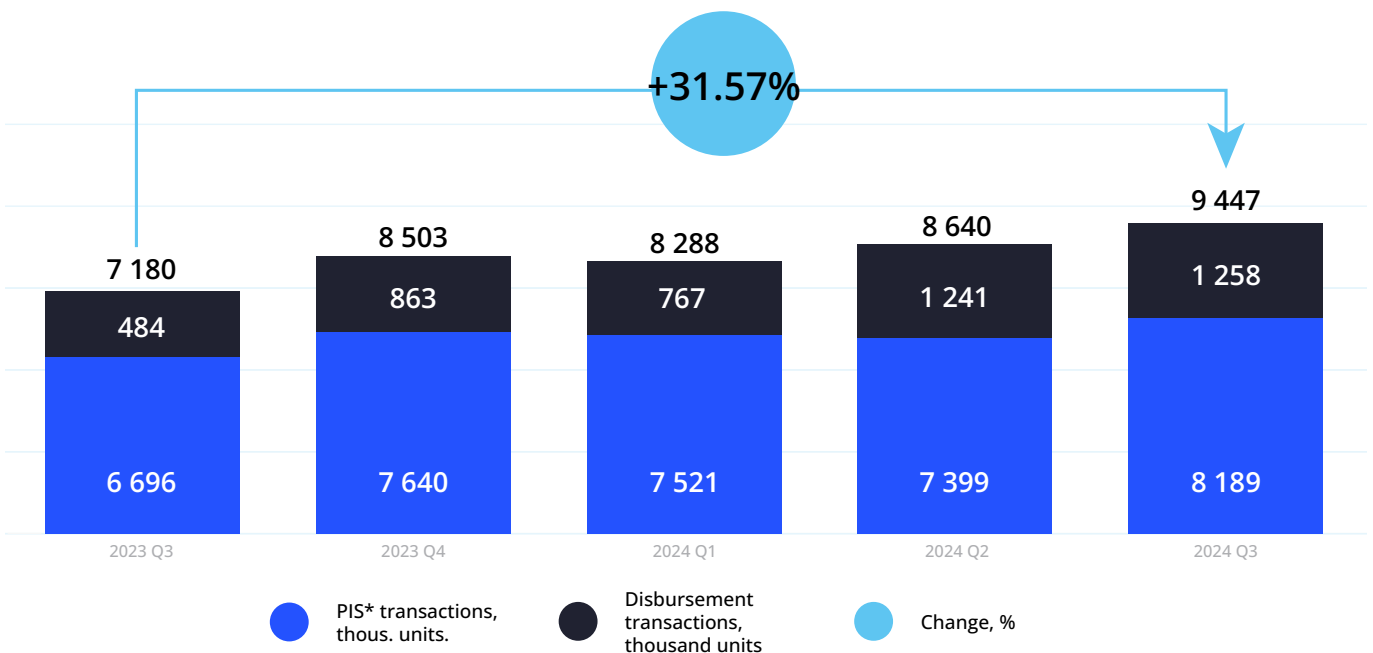
Neopay transaction statistics

The main performance indicator for the provision of payment services is payments made. Neopay's payment initiation service allows business customers to securely and easily collect payments from their

customers. Meanwhile, Disbursement Transactions indicate another, reverse service - a secure and innovative way to make multi-purpose disbursements, refunds or winnings to your customers. This service can

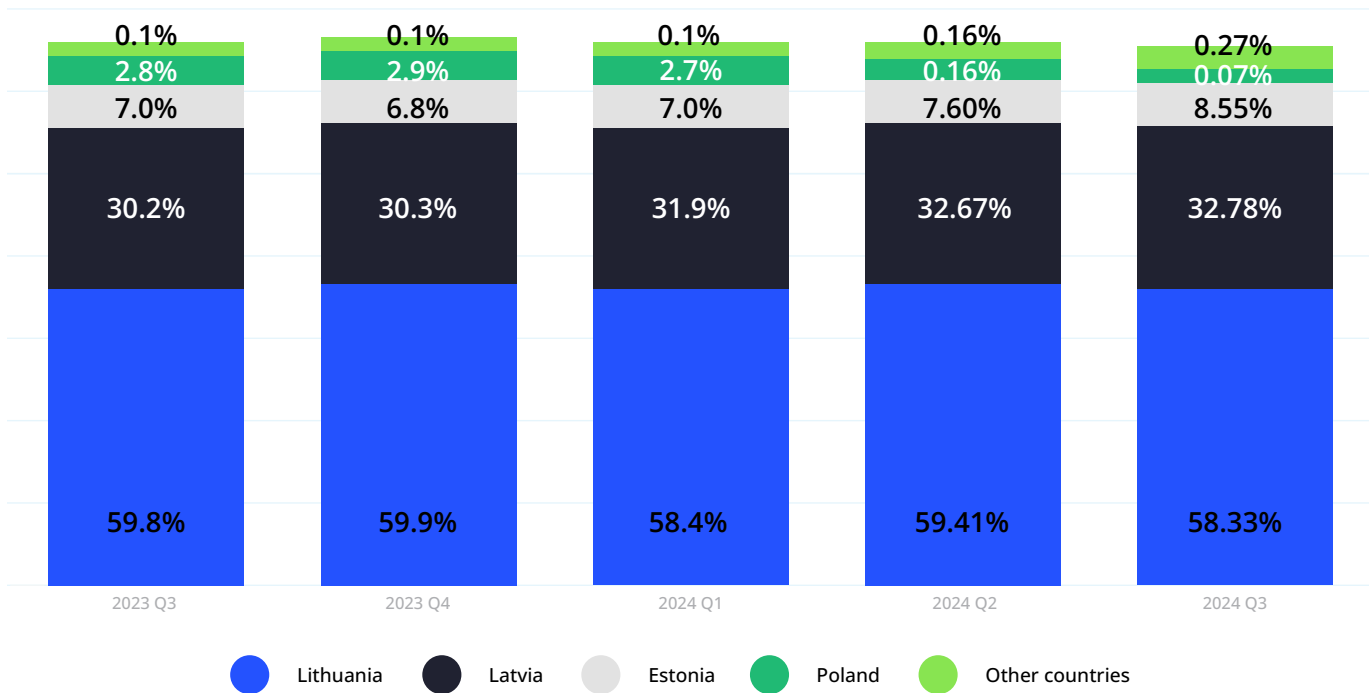
be used either by e-shops for refunds on goods returned by customers or by iGaming and gambling companies to pay out winnings to their customers.

Payment transactions, thousand



*PIS- Payment initiation service

Breakdown of transactions by country, %



Crowdfunding platform FinoMark



FinoMark



FinoMark is a crowdfunding platform with a modern fundraising and investment model for both companies and a growing community of investors. FinoMark offers unique solutions that modernise the funding process, providing more efficient and value-adding opportunities not only for businesses but also for investors looking for attractive investment opportunities.

Comment by FinoMark CEO, Gražvydas Balčas



As the CEO of FinoMark, I am proud of the advancements we made in Q3 2024. During this period, we issued over €1.18 million in loans. Our commitment to responsible growth is reflected in an average loan term of 26.94 months, an interest rate of 11.55%, and a reduced default rate indicates our focus on effective risk

management. We also prioritized both team expansion and platform improvements.

Notably, we launched OAuth technology in collaboration with Paskolų klubas, allowing seamless migration between platforms.

In July, we strengthened data protection measures and initiated the development of a secondary market feature, offering investors more options for portfolio diversification. To provide greater precision in assessments, we optimized our credit assessment algorithms.

In August, we expanded FinoMark's statistics to give investors deeper insights and introduced vehicles as a new type of collateral. September saw further advancements with the streamlined submission and

verification of borrower financial documents and enhanced support for investor migration through oAuth.

Each of these developments represents our commitment to improving the FinoMark experience, strengthening investor trust, and ensuring the highest standards of security and functionality for all users.



Q3 2024 developments at FinoMark

In July, **Secondary Market Feature:** FinoMark has begun developing a secondary market feature, providing investors with additional opportunities to diversify their investments.

In August, **Statistics Updates:** We expanded and updated FinoMark's statistical data to offer investors more insights into the platform's performance and results.

In August, **Expansion of Collateral Options:** The list of collateral options has been updated, allowing vehicles to now be used as collateral on the platform.

In September, **Launch of oAuth:** FinoMark, in collaboration with NEO Finance (Paskolų klubas), launched the oAuth feature, enabling investors from Paskolų klubas to seamlessly migrate to FinoMark with just one click if they already have an account.

In July, **Enhanced Data Protection:** Updated login measures have been implemented to ensure better protection for borrowers' and investors' data.

In July, **Optimization of credit assessment algorithms:** We have optimized our credit assessment algorithms to provide more accurate information and perform more precise assessments, benefiting investors.

In August, **New Service for Borrowers:** We are testing and developing new products for investors, including short-term loans on the marketplace. This offers more investment diversification options and attracts more unique projects.

In September, **Monitoring of Financial Statements:** We have streamlined the system for more efficient monitoring, analysis, and verification of borrowers' financial statements.

In September, **Document Submission for Borrowers:** Additional system updates have been implemented to ensure faster and higher-quality document submission and credit assessment processes, enhancing data protection and delivering more value to investors.

Finomark's key financial indicators

	2024 01-09	2023 01-09	2024 01-09 / 2023 01-09 Δ, %	2022 01-09	2024 01-09 / 2022 01-09Δ, %
Revenue, EUR	217 542	239 320	(9%)	111 357	95%
Cost of sales, EUR	(30 379)	(28 148)	8%	(11 678)	160%
Gross profit, EUR	187 163	211 172	(11%)	99 679	88%
General and administrative, other operating and interest expenses, EUR	(255 966)	(203 705)	26%	(373 794)	(32%)
Pre-tax profit/loss, EUR	(63 803)	7 467	-	(274 115)	(77%)

FinoMark Business Loans

FinoMark lends to small and medium-sized businesses up to EUR 500 000 for a period of 36 months. To be eligible for a loan on the FinoMark platform, a company, firm or other legal entity must be registered in the territory of the Republic of Lithuania and have at least 12 months of operating experience.

FinoMark applies an expert assessment to business loans to best identify potential default risks. To achieve this, most of FinoMark's loans are secured by collateral. The main collateral instruments used by the FinoMark platform include, but are

not limited to, the following:

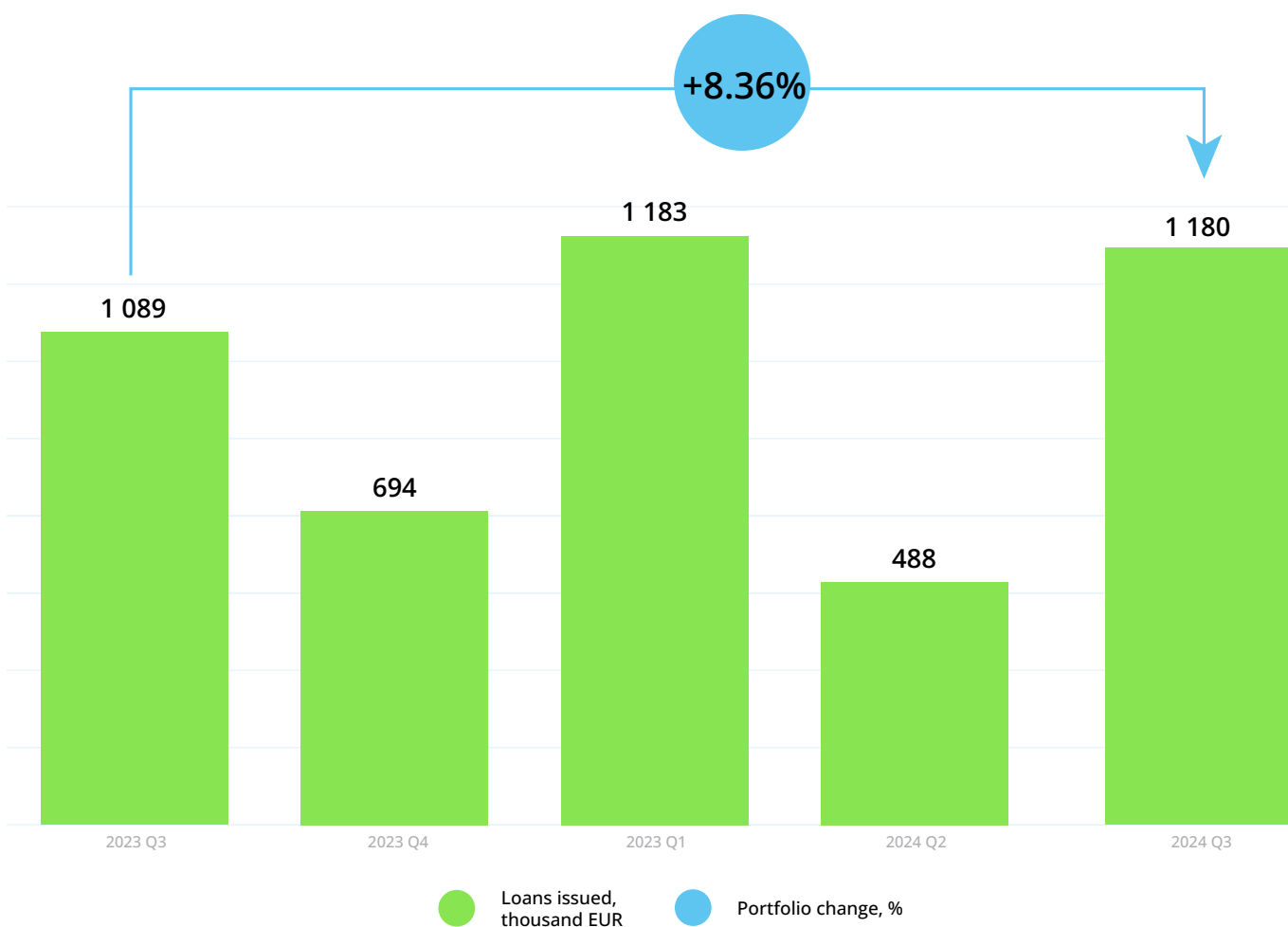
- Guarantees from individuals and legal entities;
- Pledging of real estate by way of first mortgage;
- Pledge of the property complex with a first mortgage;
- Pledge of transport/equipment/equipment by way of first mortgage.

The size and scope of the security measures depend on the value of the project, credit rating and other criteria.

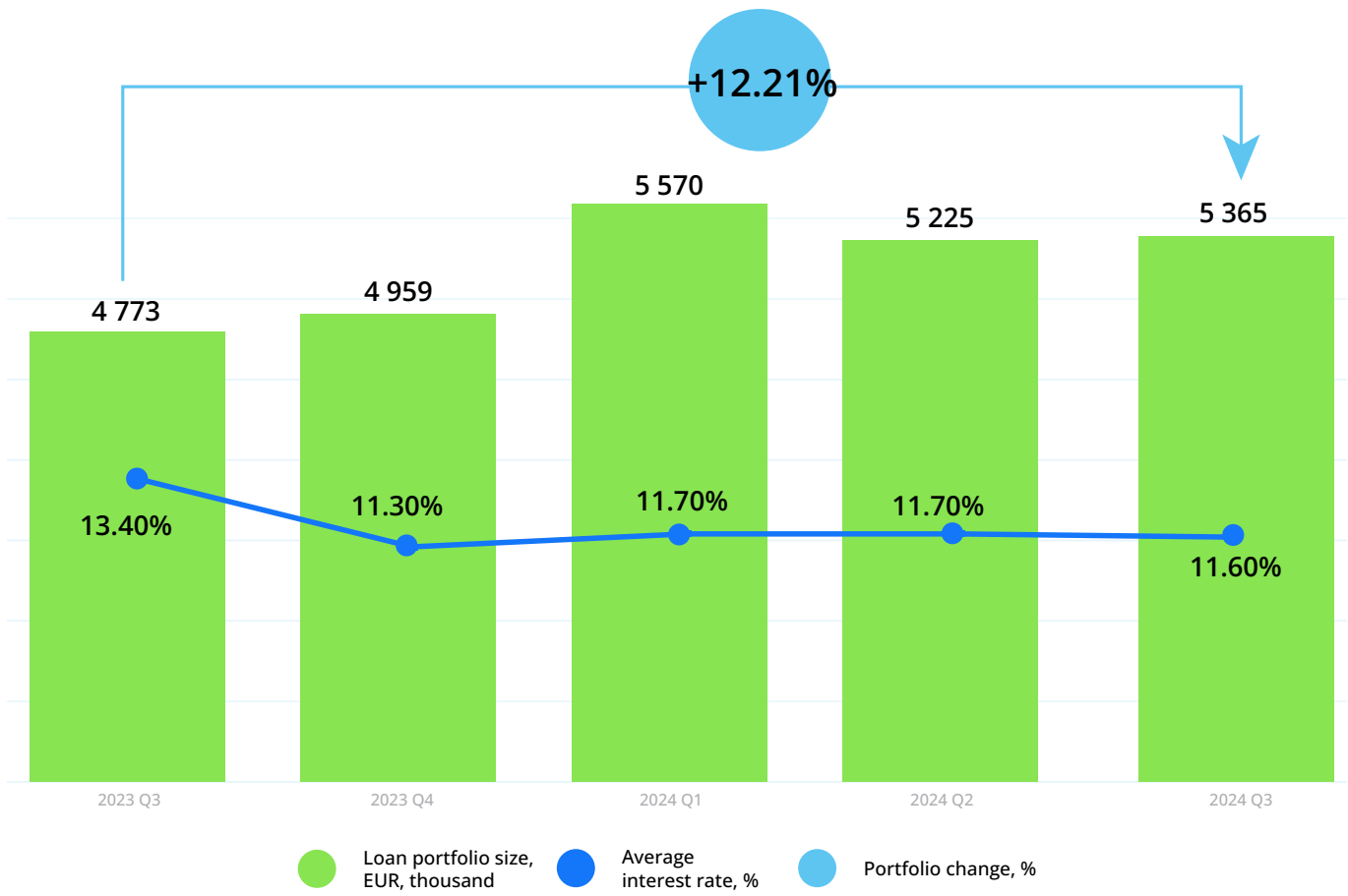
The company's vision is to provide specialised financing solutions for different business sectors. FinoMark's lending volumes vary over time in order to position itself in the market and to find the most favourable options for its clients and the highest value for investors.

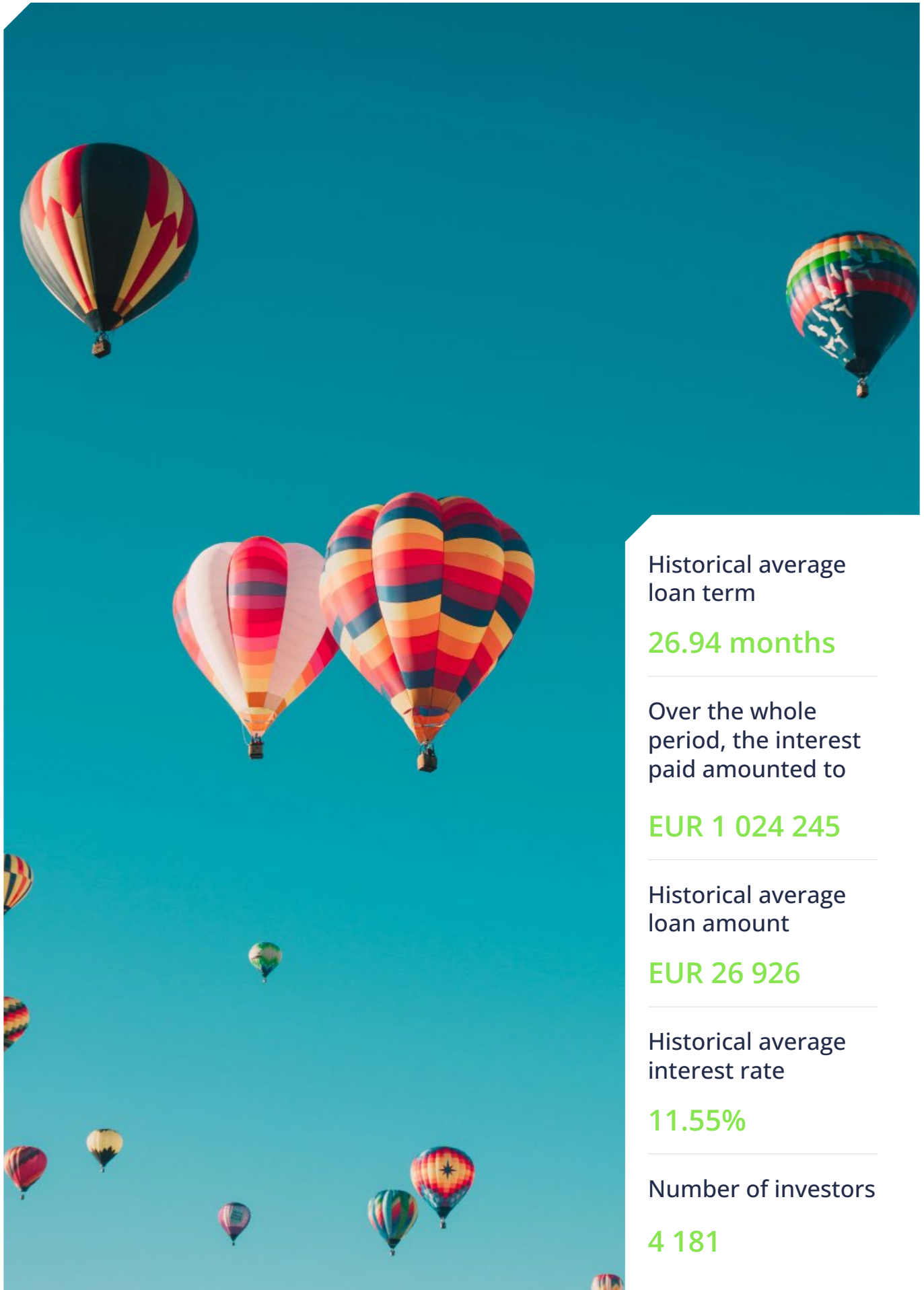
In the third quarter of 2024, FinoMark issued EUR 1 180 thousands of loans, which was 8% higher than in the same period a year ago. In addition, the total loan portfolio on the platform reached EUR 5.4 million at the end of the quarter, growing by 27% year-on-year.

FinoMark issued business loans and weighted interest rate, thousand, EUR



Total size of investor portfolio, thousand. EUR





Historical average
loan term

26.94 months

Over the whole
period, the interest
paid amounted to

EUR 1 024 245

Historical average
loan amount

EUR 26 926

Historical average
interest rate

11.55%

Number of investors

4 181

NEO Finance, AB

financial statements

2024 Q3 balance sheet, EUR

	2024 Q1-Q3	2023
ASSETS		
FIXED ASSETS	5 120 762	5 160 897
Amounts receivable within one year	1 068 271	1 074 268
Tangible assets	77 053	25 307
Financial assets	3 720 970	3 806 854
Other fixed assets	254 467	254 467
CURRENT ASSETS	21 055 987	22 237 950
Inventory	200 175	30 521
Amounts receivable within one year	2 360 692	1 752 414
Short-term investments	11 022 621	5 035 727
Cash and cash equivalents	7 472 499	15 419 289
Expenses of future periods and accrued income	51 066	4 720
TOTAL ASSETS:	26 227 815	27 403 567
EQUITY AND LIABILITIES		
EQUITY	3 165 278	2 784 525
Capital	1 848 934	1 848 934
Share premium	1 956 848	1 956 848
Revaluation reserve	-	-
Reserves	-	-
Retained earnings (losses)	(640 504)	(1 021 257)
GRANTS AND SUBSIDIES	-	-
PROVISIONS	18 903	32 783
PAYABLES AND OTHER LIABILITIES	23 017 279	24 568 613
Long-term payables and other long-term liabilities	2 405 000	4 109 698
Short-term payables and other short-term liabilities	20 612 279	20 458 915
ACCRUED EXPENSES AND DEFERRED INCOME	26 355	17 646
TOTAL EQUITY AND LIABILITIES:	26 227 815	27 403 567

2024 Q3 profit and loss statement, EUR

	2024 Q1-Q3	2023
Sales revenue	4 500 160	4 625 193
Cost of Sales	(2 317 176)	(2 340 173)
GROSS PROFIT (LOSS)	2 182 984	2 285 020
Sales expenses	(1 675)	-
General and administrative expenses	(2 025 174)	(2 098 343)
Other activities	4 335	78 958
Other loans granted interest income	237 345	40 499
Financial asset and short-term investment impairment costs	(16 098)	-
Interest expenses	(964)	(1 754)
PROFIT (LOSS) BEFORE TAX	380 753	304 381
Income tax	-	(43 523)
NET PROFIT/LOSS	380 753	260 858

