

OÜ Finora Capital

Interim Report

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Management report

OÜ Finora Capital started its economic activity in July 2014 when a license no FFA000001 was obtained from the Estonian Financial Intelligence Unit. The company is active in consumer credit market.

In 6 months this year Finora Capital continued to offer three loan products – mortgage backed loans, financial leasing and factoring. In the end of June the total size of loan portfolio was 2 mio EUR, from that 1,6 mio EUR was related to mortgage backed loans. The level of LTV, average length and interest rate of mortgage loans was kept at the same level as in earlier periods.

When last year the company financed its activities through bilateral loans then in first half of 2015 in addition to loans financing was received through bond issue. Bonds were issued only through non-public offering. Since May 2015 the bonds are on Nasdaq Baltic First North market. The company plans to raise additional capital through non-public notes issues also in following quarters. As of 30.06.2015 all covenants of the notes issue were fulfilled.

As the company started to service its clients only in July 2014 then first 6 months revenues in 2014 were at zero. In 6 months 2015 the company earned 141 486 EUR as total income, majority of it as interest income from mortgage loans.

Due to increased loan portfolio and number of clients the expenses of the company increased in first half of 2015 substantially compared with first 6 months of 2014 and the company was making expected loss.



Andrus Alber
CEO

Account statements

Statement of financial position

(in euros)

	30.06.2014	31.12.2014	30.06.2015
Cash	10 525	106 362	310 819
Mortgage loans	0	850 888	1 601 881
Other loans	0	0	372 798
Other receivables	201	16 299	61 788
Tangible fixed assets	465	717	2 552
Intangible fixed assets	3 250	23 566	25 133
TOTAL ASSETS	14 442	997 831	2 374 972
Bonds	0		966 347
Other loans	0	922 000	1 273 033
Shareholders' loans	11 000	0	28 872
Interest payables	30	26 678	32 700
Other payables	4 921	11 387	46 084
Total liabilities	15 951	960 065	2 347 036
Share capital	2 500	20 000	50 000
Reserve capital		98 426	113 426
Retained earnings	0	0	-80 660
Net profit for the year	-4 009	-80 660	-54 830
Total equity	-1 509	37 766	27 936
TOTAL LIABILITIES AND EQUITY	14 442	997 831	2 374 972

Income statement

(in euros)

	H1 2014	H1 2015
Fee income	0	10 512
Interest income (mortgage loans)	0	108 827
Interest income (other loans)	0	20 047
Other income	0	2 100
TOTAL INCOME	0	141 486
Personnel expense	-3 192	-44 987
IT expenses	-96	-18 868
Marketing expenses	-78	-12 530
Other expenses	-614	-25 018
Operating expenses	-3 980	-101 403
Profit	-3 980	40 083
Interest expense	-30	-94 978
EBITDA	-4 010	-54 894
Depreciation and impairment	0	-3 384
EBT	-4 010	-58 279
Financial income and costs	0	3 448
Net income	-4 009	-54 830

Statement of cash flows

(in euros)

	H1 2014	H1 2015
Operating profit (loss)	-3 980	36 700
Adjustments		
Depreciation and Amortization		3 384
Other adjustments		-2 140
Total adjustments	0	1 245
Change in operations-related receivables and prepayments	-201	-1 176 890
Change in operations-related liabilities and prepayments	4 921	35 090
Total cash flow from core operations	740	-1 103 855
Paid for the acquisition of tangible and intangible assets	-3 715	-6 787
Interest received		3 448
Total cash flow from investing activities	-3 715	-3 339
Loans received	11 000	600 000
Repayments of borrowings		-250 000
Interest paid		-88 349
Other proceeds from financing activities		1 050 000
Total cash flow from financing activities	11 000	1 311 651
Total cash flow	8 025	204 457
Cash and cash equivalents at the beginning of period	2 500	106 362
Change in cash and cash equivalents	8 025	204 457
The effects of changes in foreign exchange rates		
Cash and cash equivalents at the end of period	10 525	310 819

Statement of changes in equity
(in euros)

	Issued capital	Other reserves	Retained earnings/loss	Total
1.01.2014	2 500		0	2 500
Net profit for the year			-4 009	-4 009
Issued share capital				
30.06.2014	2 500		-4 009	-1 509
	Issued capital	Other reserves	Retained earnings/loss	Total
1.01.2015	20 000	98 426	-80 660	37 766
Net profit for the year			-54 830	-54 830
Issued share capital	30 000			30 000
Changes in reserves		15 000		15 000
30.06.2015	50 000	113 426	-135 490	27 936

Notes

Note 1 Accounting policies

The interim report is prepared according to the Accounting Principles Generally Accepted in Estonia. The interim report follows same accounting principles that were used in the annual report.

Interim report is compiled in euros (EUR).

Note 2 Loan commitments

Interest rates of bilateral loans are between 8% and 12% depending on the maturity of loans and the agreed coverage rate of pledges. The maturity of loans is similar as described in 2014 annual report:

- Majority of loans mature in October 2015
- Longest maturity of loans is January 2017

In addition to bilateral loans bonds with maturity in March 2018 and interest of 9,75% pa have been issued. Pls see also Note 4.

Majority of loan commitments have collaterals in the form of mortgage pledges.

Note 3 Related parties

Name of accounting entity's parent company	AS Redgate Capital
Country where parent company is registered	Estonia

Related party balances according to groups (in euros)

30.06.2015	Claims	Liabilities
Parent company		29 259
01.06.2015-30.06.2015	Purchases	Loans received
Parent company	956	73 872
Other companies within the same consolidation group	73 872	

Remuneration and other significant benefits calculated for members of management and highest supervisory body

Remuneration	24 500
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Note 4 Events after the balance sheet date

In addition to bond issues during first half of 2015 additional bonds worth 600 000 EUR were issued in August 2015. In total company has issued in 2015 bonds worth 2 mio EUR.