



Express Credit

INVESTOR PRESENTATION 2018Q3 RESULTS

November, 2018



DISCLAIMER



This presentation is of selective nature and is made to provide an overview of the Company's (SIA "ExpressCredit" and its subsidiaries) business, based on 2018Q3 results.



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



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



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



3rd largest non bank consumer lender
in Latvia*

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

BUSINESS PROFILE:



Pawn loans
Consumer loans

BRANDS:

Banknote
VIZIA

VALUES:



Simplicity



Accessibility



Respect



Progress

COMPANY:

86 branches

250 + employees

2.750.000 + loan issue
transactions

EUR 195m + value of
loans

KEY FINANCIALS:

EUR 19.0m net loan
portfolio (2018Q3)

EUR 5.3m EBITDA
(2018Q3)

EUR 10.2m value of
issued loans (2018Q2)



2009

established as a
pawn broking
chain



2017

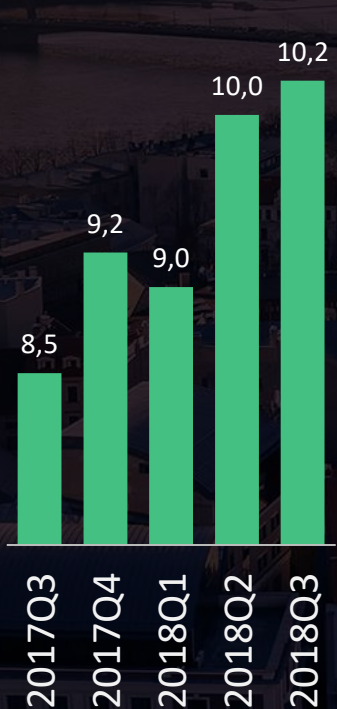
3rd largest non-
bank consumer
lender in Latvia

HIGHLIGHTS

Launch of online store for lombards segment products. Goods are available at online site veikals.banknote.lv

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

Signed contract with AS Baltic International Bank for a new round of financing, which is intended to provide asset and share capital collateral security and target interest rate of 11% per annum.



Loans issued, EURm



Loans portfolio in total, EURm



EBITDA, EURm

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

EUR 243m

Consumer loans

EUR 324m

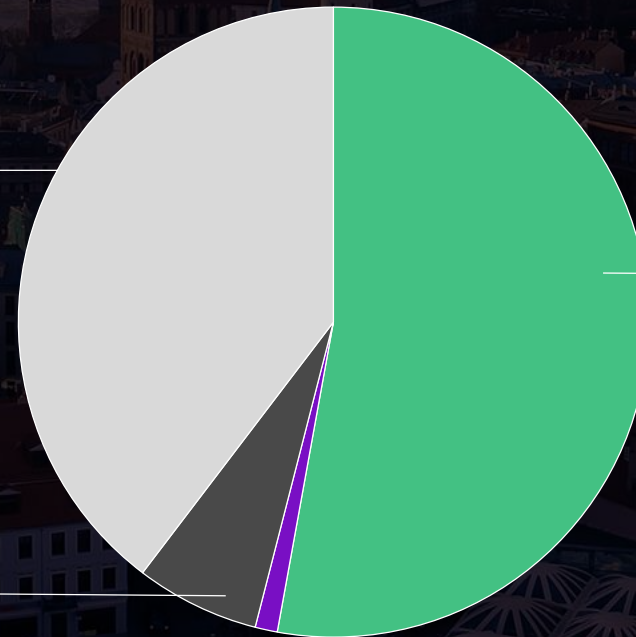
Leasing, car title

EUR 39m

Mortgage

EUR 7m

Pawn loans

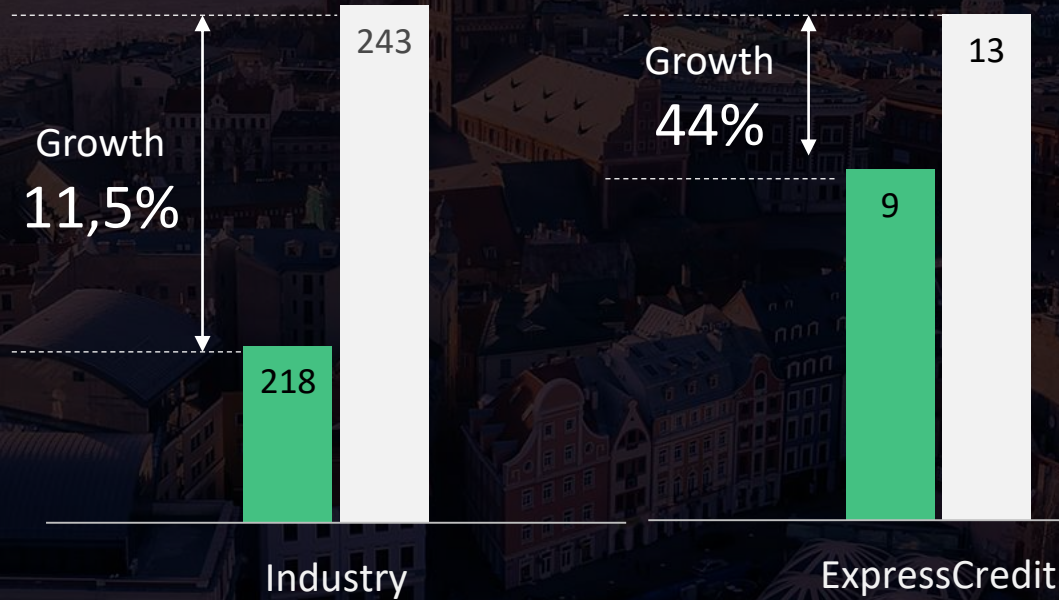


Fast growing segment.

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

2016, EURm

2017, EURm



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

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



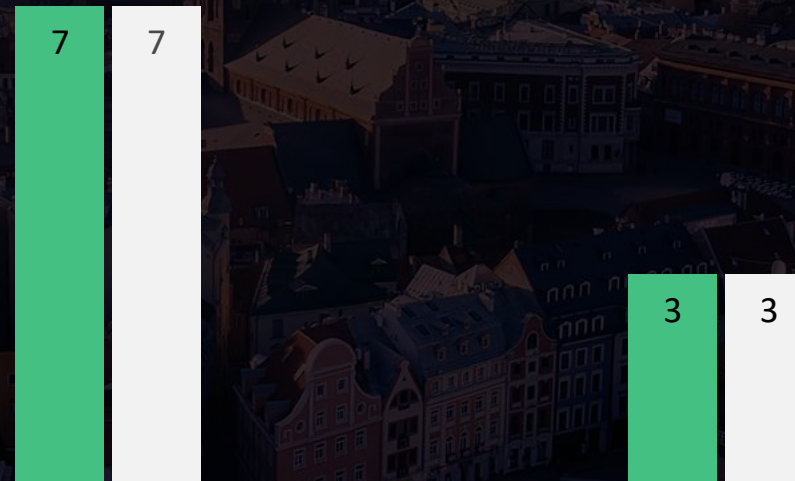
MARKET OVERVIEW: PAWN LOANS

Stable segment.

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

2016, EURm

2017, EURm



Industry

ExpressCredit

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

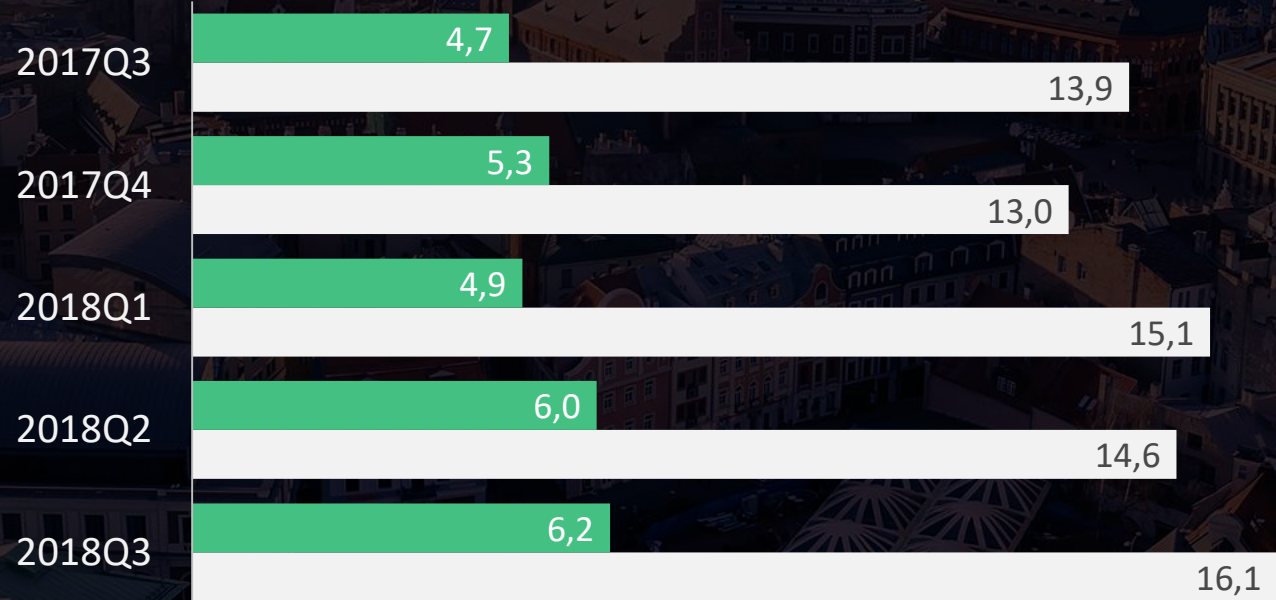
** Based on loan portfolio as at the end of 2017

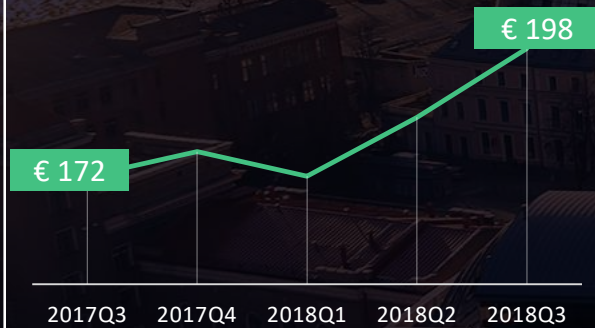
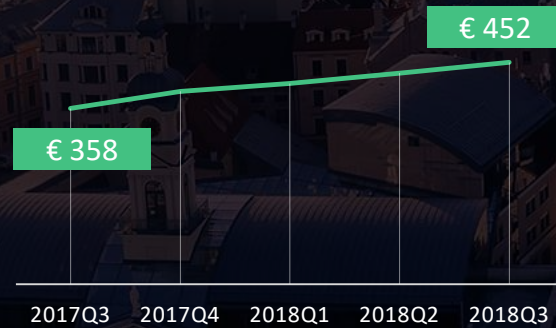
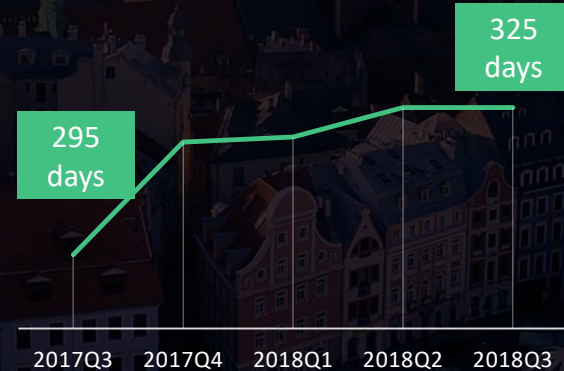
CONSUMER LOANS

61% of loans issued by value in 2018Q3

LOANS ISSUED, EURm

NET LOAN PORTFOLIO, EURm



Average loan tranche size per issue**Average loan size per customer****Weighed average term of loans issued****Non-performing loans ratio**

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

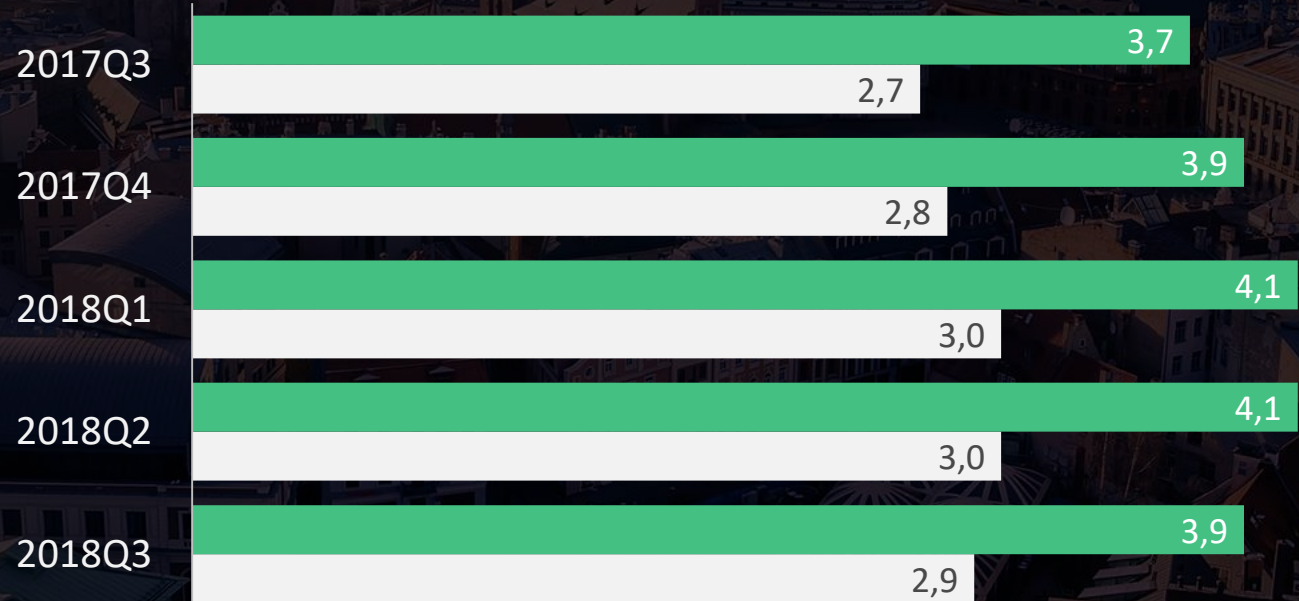
PAWN LOANS

39% of loans issued by value in 2018Q3

LOANS ISSUED, EURm

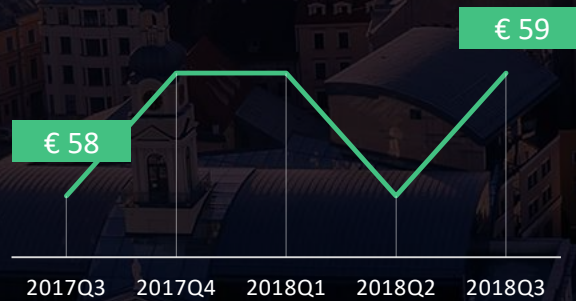
NET LOAN PORTFOLIO, EURm*

* Includes car title loan and mortgage loan legacy portfolios

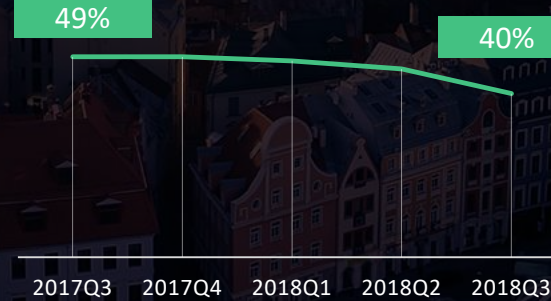


Stable customer base and stable performance of lombard operations.

Average loan size per issue:



Pawn mark-up:



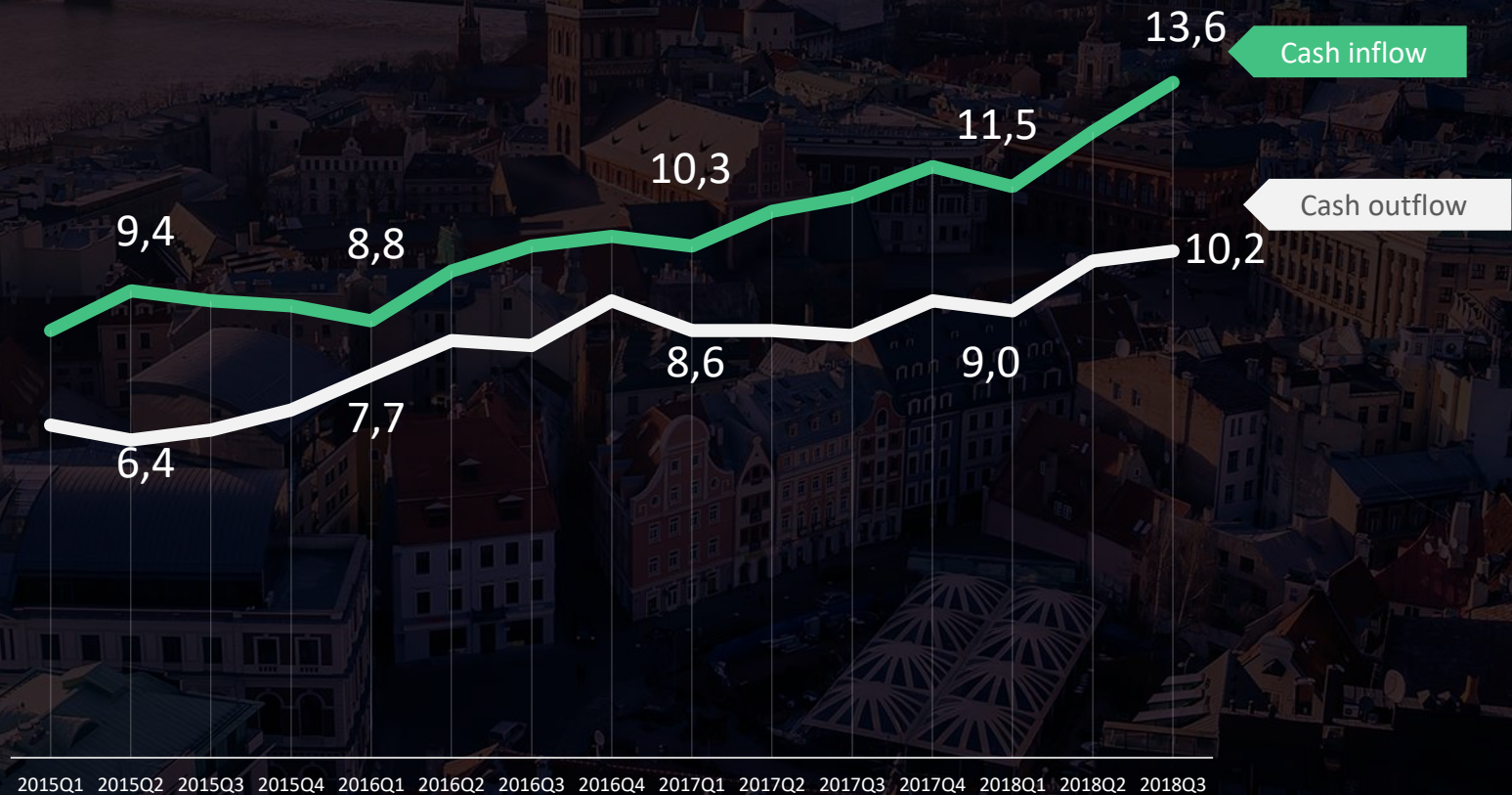
Redemption rate*

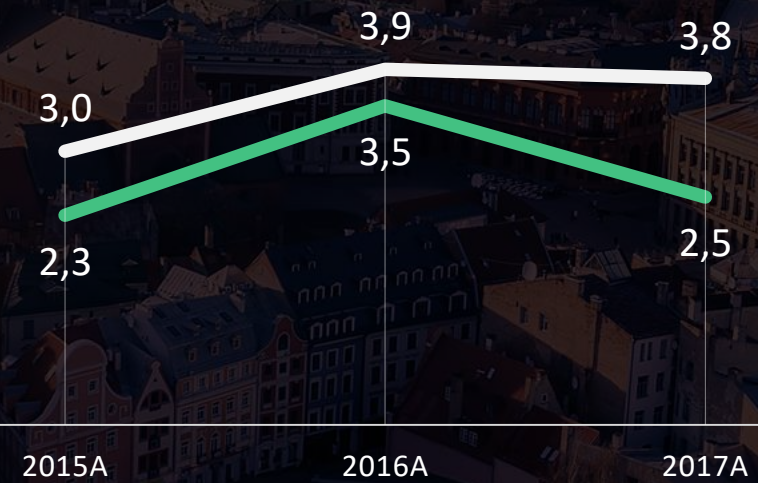
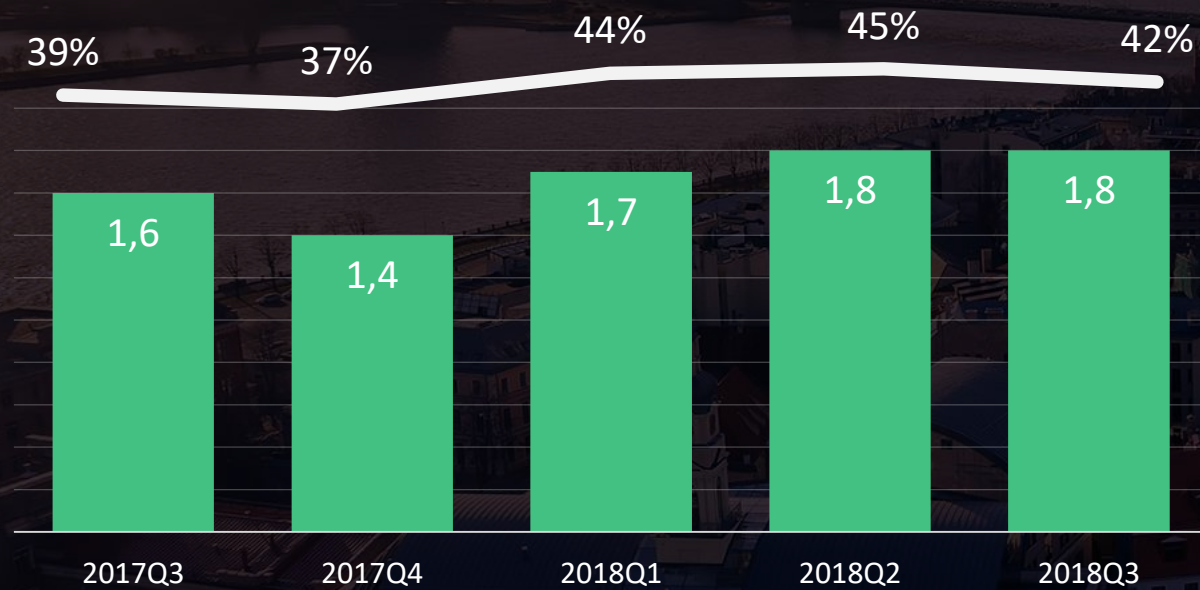


* Items begin redeemed or extended within 3 months since issuance, by value of loans excl. item purchasing.

KEY FINANCIALS

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





EBITDA, EURm

EBIDTA margin*

Net Debt/EBITDA ratio

Net Debt/Equity ratio

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



KEY FINANCIALS: PROFITABILITY

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

Income statement, EUR'000	2017Q3	2018Q3	%, y-o-y
Interest and similar income	10 377	11 039	6.4%
Gross profit from sale of goods**	1 042	1 125	8.0%
Gross profit	11 419	12 164	6.5%
Selling expense	-4 709	-4 611	-2.1%
Administrative expense	-1 684	-1 960	16.4%
Net other income / (expense)	-929	-420	-54.8%
EBITDA	4 097	5 173	26.3%
Depreciation	-0.1	-0.2	35.3%
Interest and similar expense	-1 298	-1 700	31.0%
Taxes	-558	-15	-97.3%
NET PROFIT	2 241	3 458	54.3%

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

** Sale of foreclosed items.



KEY FINANCIALS: BALANCE

Balance sheet, EUR'000	2017Q3	2018Q3	%, y-o-y
Fixed and intangible assets	567	626	10.4%
Loans to related parties	1 238	1 335	7.8%
Net loan portfolio	16 545	19 002	14.9%
Inventory and scrap	709	1 151	62.3%
Other assets	484	391	-19.2%
Cash	3 119	2 074	-33.5%
TOTAL ASSETS	22 662	24 579	8.5%
Share capital and reserves	1 500	1 500	0.0%
Retained earnings	1 306	446	-65.8%
Profit/loss for the current year	2 241	3 458	54.3%
Equity	5 047	5 404	7.1%
Interest-bearing debt	16 395	18 301	11.6%
Trade payables and other liabilities	1 220	874	-28.4%
Liabilities	17 615	19 175	8.9%
TOTAL EQUITY AND LIABILITIES	22 662	24 579	8.5%

FINANCING STRUCTURE

Diversified financing structure with established investor demand.

Interest-bearing debt	2017Q4, EUR'000*	2018Q3, EUR'000*	Interest rate, %	Maturity
Secured bonds	1 000	0		
Unsecured bonds	3 490	3 411	15.00%	2020.12
Unsecured notes	3 573	4 496	14.00%	2021.10
Peer-to-peer lending platform	8 105	10 226	11%-13.5%	According to issued loans
Leases	175	164	Euribor + 3,5%	Up to 3 years
Accrued interest and bonds commissions	0.004	0.006		
TOTAL	16 346	18 297		

* As at the end of the period.



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