



Express Credit

INVESTOR PRESENTATION 2018Q1 RESULTS

May, 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 2018Q1 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*

BUSINESS PROFILE:



Pawn loans
Consumer loans

BRANDS:

Banknote
VIZIA

VALUES:



Simplicity



Accessibility



Respect



Progress

COMPANY:

86 branches

250+ employees

2.500.000+ loan issue transactions

EUR 34.9m value of loans

KEY FINANCIALS:

EUR 18.1m net loan portfolio (2018Q1)

EUR 1.7m EBITDA (2018Q1)

EUR 9.0m value of issued loans (2018Q1)



2009
established as a pawn broking chain



2017
3rd largest non-bank consumer lender in Latvia

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

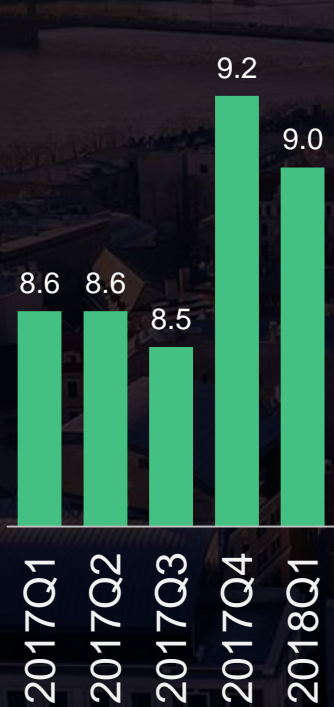


HIGHLIGHTS

Launch of online lending operations has attracted new clients and improved services for existing clients.

VIZIA - new brand name introduced, focusing on online segment with unique proposition and values.

Changes in corporate income tax legislation will provide positive impact on profitability and financial ratios.



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.

EUR 223m

Consumer loans

EUR 36m

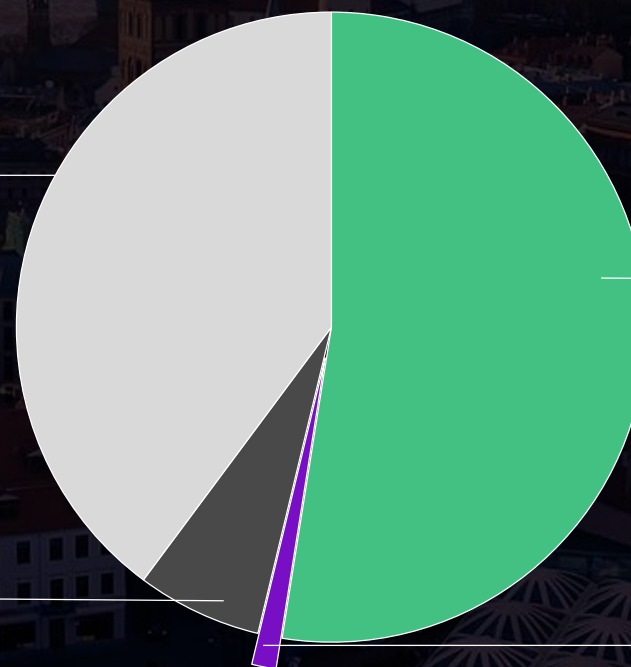
Mortgage

EUR 294m

Leasing, car title

EUR 7m

Pawn loans

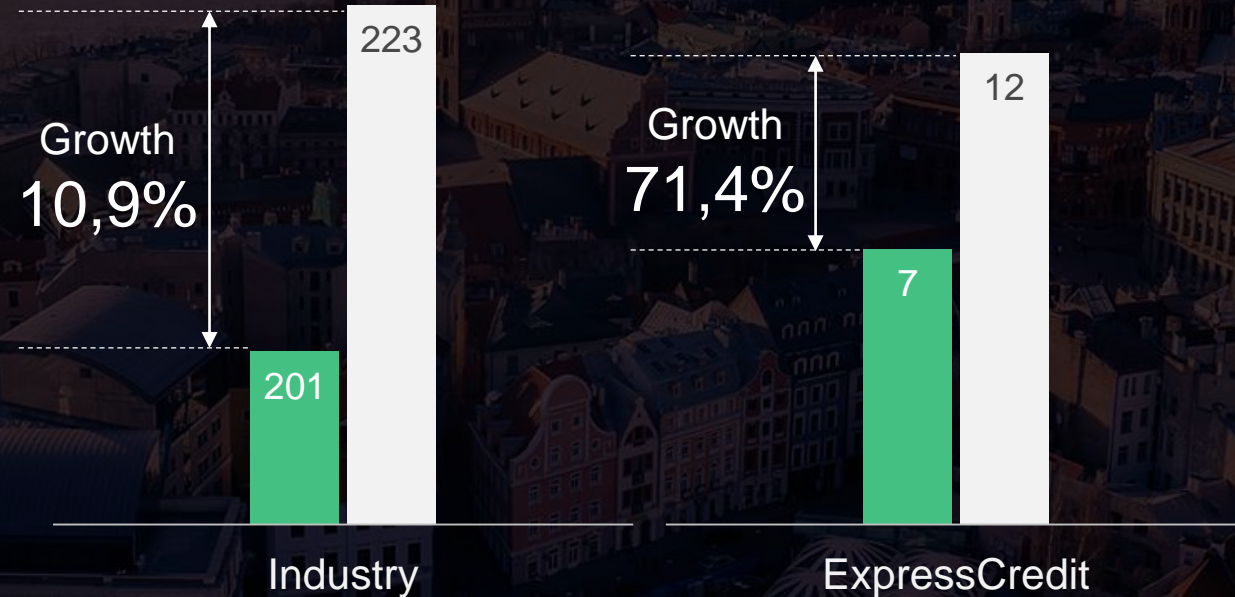


Fast growing segment.

ExpressCredit* grows even faster,
it has 6%** market share.

2016H1, EURm

2017H1, 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 2017H1



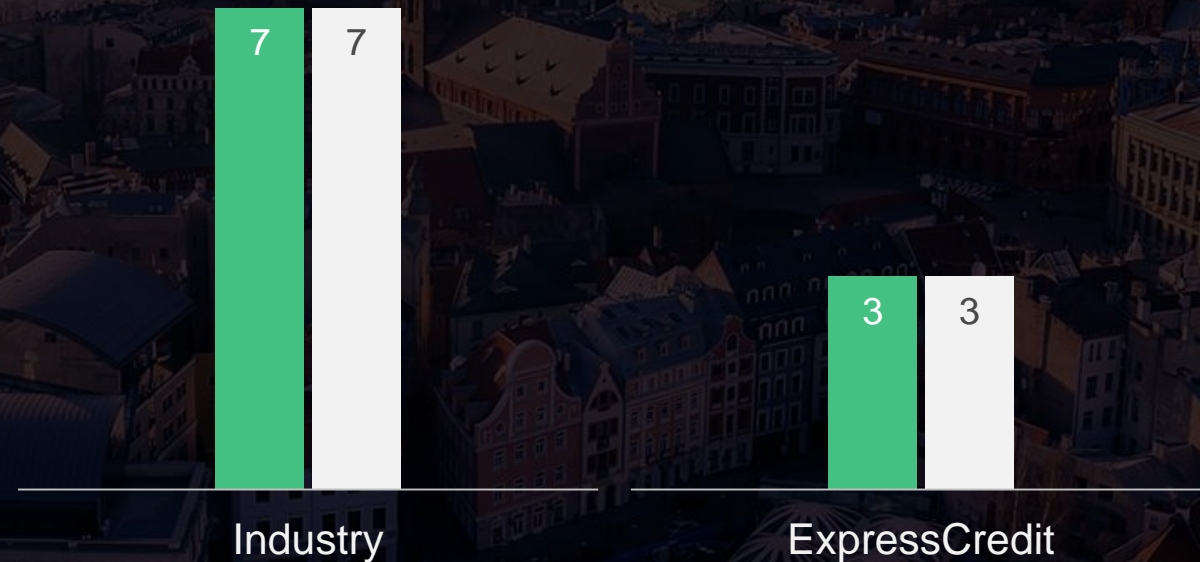
MARKET OVERVIEW: PAWN LOANS

Stable segment.

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

2016H1, EURm

2017H1, EURm



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

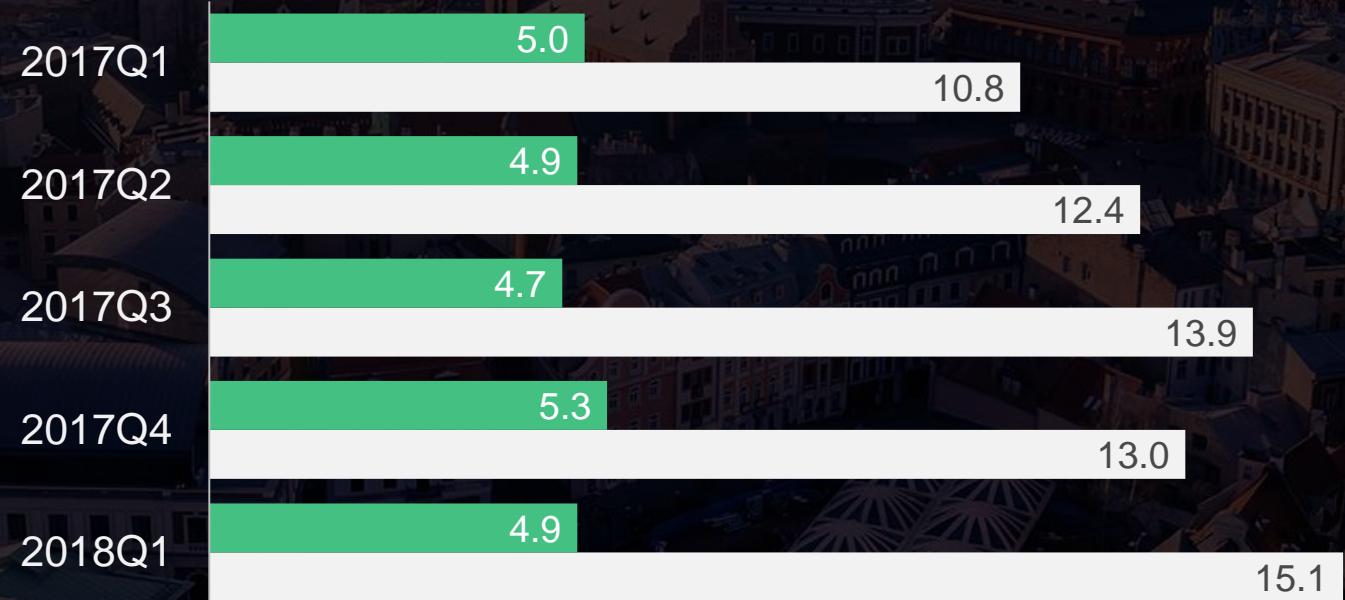
** Based on loan portfolio as at the end of 2017H1

CONSUMER LOANS

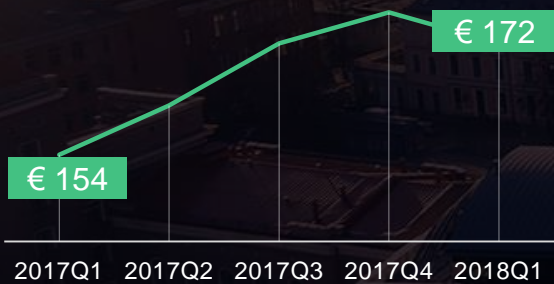
54% of loans issued by value in 2018Q1

LOANS ISSUED, EURm

NET LOAN PORTFOLIO, EURm



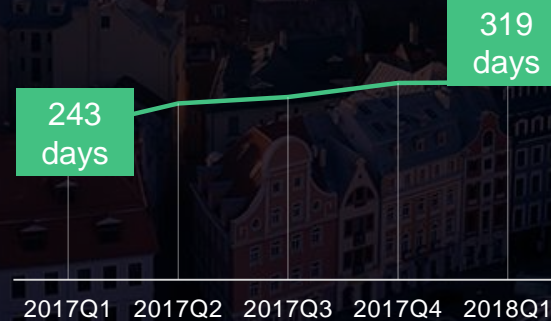
Average loan tranche size per issue



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.

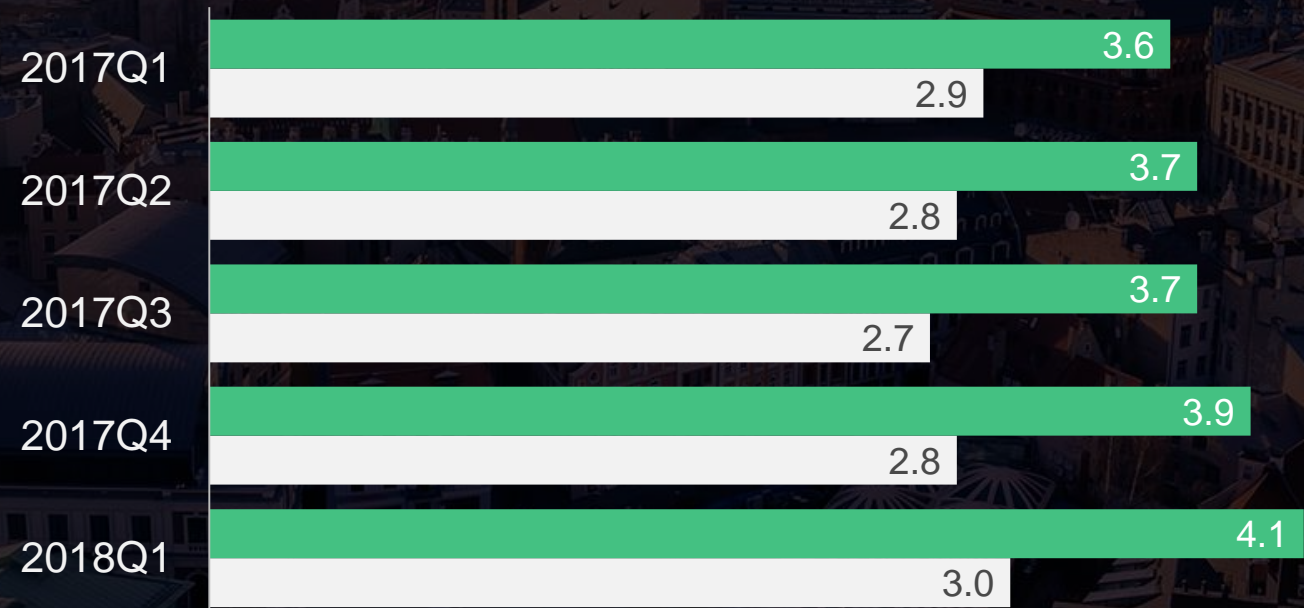
PAWN LOANS

46% of loans issued by value in 2018Q1

LOANS ISSUED, EURm

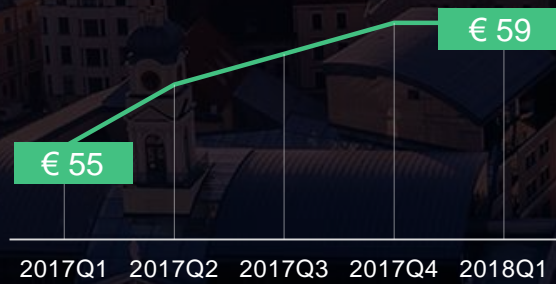
NET LOAN PORTFOLIO, EURm*

* Includes car title loan and mortgage loan legacy portfolios



Stable customer base
and stable performance
of lombard operations

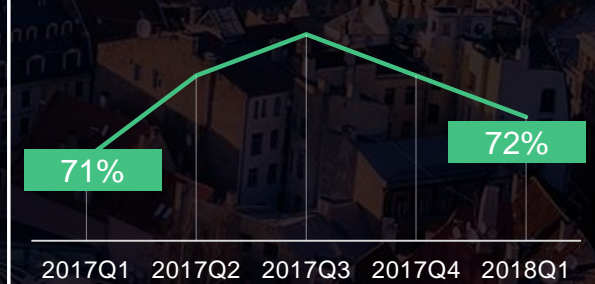
Average loan size
per issue:



Pawn mark-up:



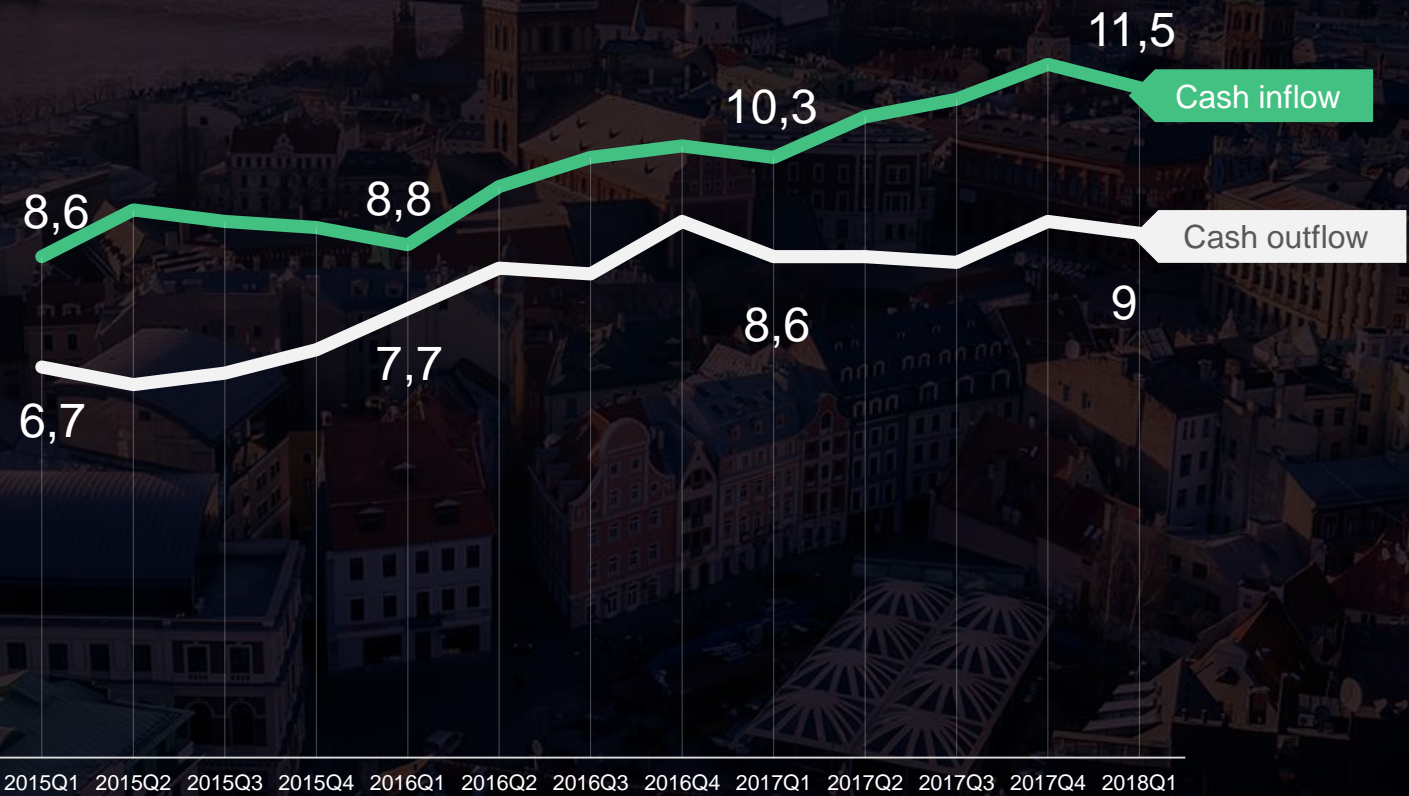
Redemption rate*

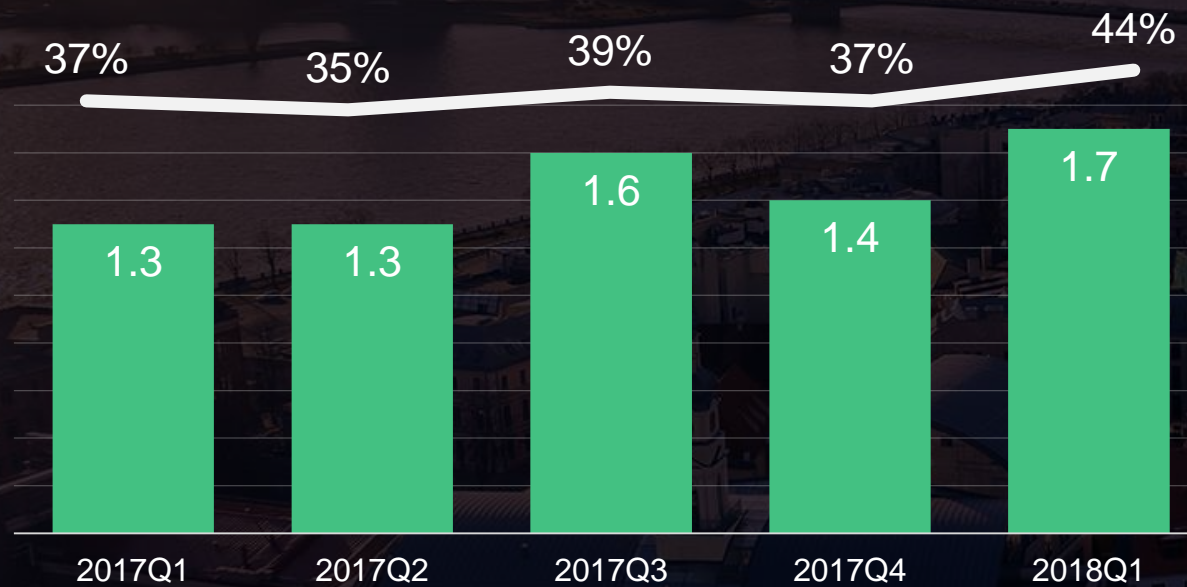


* Items begin redeemed or extended within 3 months since issuance, by value of loans excl. item purchasing.

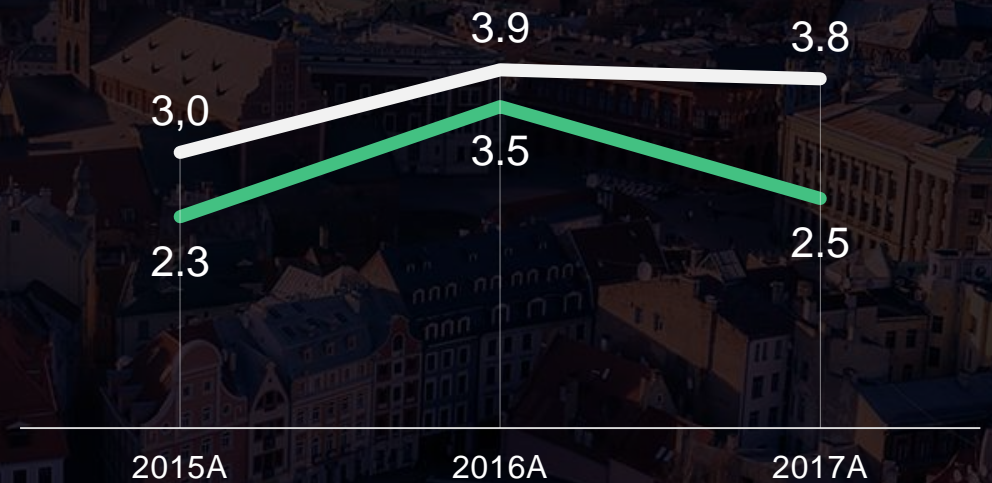
KEY FINANCIALS

2017 was the best in the Group's history in terms of turnover and profitability.




EBITDA, EURm
EBITDA margin*

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


Net Debt/EBITDA ratio
Net Debt/Equity ratio



KEY FINANCIALS: PROFITABILITY

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

Income statement, EUR'000	2017Q1	2018Q1	%, y-o-y
Interest and similar income	3 286	3 542	7,8%
Gross profit from sale of goods**	321	335	4,4%
Gross profit	3 607	3 877	7,5%
Selling expense	-1 877	-1 493	-20,5%
Administrative expense	-485	-605	24,7%
Net other income / (expense)	36	-135	-475,0%
EBITDA	1 323	1 697	28,3%
Depreciation	-42	-53	26,2%
Interest and similar expense	-399	-549	37,6%
Taxes	-200	0	-100%
NET PROFIT	682	1 095	60,6%

* 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	2017Q1	2018Q1	%, y-o-y
Fixed and intangible assets	725	620	-14,5%
Loans to related parties	1 312	1 399	6,6%
Net loan portfolio	13 776	18 172	31,9%
Inventory and scrap	584	915	56,9%
Other assets	527	944	79,2%
Cash	1 022	1 415	38,4%
TOTAL ASSETS	17 945	23 465	30,8%
Share capital and reserves	1 500	1 500	0,0%
Retained earnings	1 306	2 186	67,4%
Profit/loss for the current year	681	1 095	60,8%
Equity	3 487	4 781	37,1%
Interest-bearing debt	13 483	17 548	30,1%
Trade payables and other liabilities	974	1 135	16,5%
Liabilities	14 458	18 684	29,2%
TOTAL EQUITY AND LIABILITIES	17 945	23 465	30,8%



FINANCING STRUCTURE

Diversified financing structure with established investor demand.

Interest-bearing debt	2017Q4, EUR'000*	2018Q1, EUR'000*	Interest rate, %	Maturity
Secured bonds	1 000	750	14,0%	2018/11
Unsecured bonds	3 490	3 470	15,0%	2022/12
Unsecured notes	3 573	4 496	14,0%	2021/10
Peer-to-peer lending platform	8 105	8 650	11% - 15%	According to issued loans
Leases	175	173	EURIBOR+ 3,5%	Up to 3 years
Accrued interest and bonds commissions	4	5		
TOTAL	16 346	17 544		

* As at the end of the period.



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