

# NEO Finance, AB

## Sales report for 2023 Q4

Vilnius  
2023-12-31



# 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 Q4 2023 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**

15 February 2024  
Vilnius

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# NEO Finance, AB CEO's comment



**The company's revenue in the 4th quarter of 2023, compared to the 4th quarter of 2022, increased by 34% reaching EUR 1.407 million. The increase in revenue was most significantly influenced by activities related to electronic money issuance which grew by 33% in 2023.**

Revenues related to peer-to-peer lending activities in the 4th quarter grew by 23%, while revenues related to investment activities jumped by 240%, reaching the EUR 136 thousand mark.

The company's EBITDA in the 4th quarter of this year grew by 22%, reaching EUR 199 thousand. For comparison, in the 4th quarter of 2022, the company's EBITDA was EUR 162 thousand. In the 4th quarter of 2023, the company achieved a pre-tax profit of EUR 86 thousand, while in the 4th quarter of 2022, a pre-tax profit of EUR 75.9 thousand was earned.

One of our essential goals is to meet and continuously improve

the standards of anti-money laundering and counter-terrorism financing (AML/CFT) prevention. Therefore, our company continues to invest in information technology systems and staff qualification enhancement. A comprehensive external AML audit was conducted during the fourth quarter, which resulted in recommendations on how to further enhance our existing systems and internal processes. These recommendations are a valuable contribution to our ongoing improvement and responsibility to shareholders and regulatory bodies.

The fourth quarter results clearly show that the growth across all of our business areas indicates we are on the right track. The significant increase in loan demand encouraged our company to strategically issue two bond emissions, with a total amount reaching EUR 1.53 million. These bonds, with a three-year maturity, were aimed at strengthening our sales volumes and improving our competitive market positions. For comparison, the total amount of bonds issued throughout the year 2023 reached 2.98 million euros."

It's also worth mentioning the first publicly organized NEO Finance event "Investors Day," which attracted over 150 participants. Attendees had the opportunity to hear presentations from eight professionals in their fields. The event is particularly special to our organization as it beautifully reflects the core value of the company – the desire to constantly improve. A few years ago, we organized private events for VIP investors, attracting about 30 participants. Now, we are pleased that as an organization, we have grown and managed to attract a much larger crowd, uniting people interested in investing, who had the opportunity not only to hear valuable insights but also to expand their network of acquaintances.

Regarding team competence, we are pleased to announce that our management team has been strengthened by experienced legal expert Aivara Masionienė, who will take responsibility for the legal and compliance department. Aivara has invaluable experience working with the Fintech sector and financial products, which she will now apply in her work at our company. We believe that her contribution will help NEO Finance continue to grow and strengthen.

### Neopay

Revenues related to electronic money issuance in the fourth quarter of last year grew by 33% to EUR 394 thousand, compared to EUR 296 thousand in the fourth quarter of 2022. Neopay's fourth quarter this year was once again successful, with the number of transactions growing by 28% compared to the same quarter in 2022.

The fourth quarter was marked by significant functional updates, geared towards customer needs, adding even greater value to our services. For example, clients were provided the ability to effectively categorize bank transactions by expenditure types, such as food, healthcare, or transport, allowing them to better understand and manage their finances.

Neopay payment solutions have become more accessible, allowing the use of payment services without programming knowledge, which increases accessibility and convenience for our clients. Moreover, taking into account the expectations of partners and clients, we implemented a feature that allows payment windows to be adapted without the Neopay brand, giving partners the opportunity to offer payment solutions as their own, maintaining brand anonymity.

A new strategic partnership with Catego was initiated, which strengthened our market positions and expanded collaboration opportunities. Additionally, the company actively participated in significant events and exhibitions, such as "European Gaming Congress" and "Future Finance Poland" in Warsaw, showcasing our innovations and strengthening ties with market participants, thus promoting our name and expanding business opportunities.

### FinoMark

The crowdfunding platform FinoMark facilitated the issuance of business loans worth EUR 694 thousand in the fourth quarter of 2023, compared to EUR 956 thousand financed in the fourth quarter of 2022.

The company's revenue in Q4 2023 reached EUR 80 thousand, compared to EUR 86 thousand in Q4 2022. The company still incurred a loss of EUR 5,6 thousand in Q4 2023.

During the fourth quarter, significant updates were made to improve customer experience and platform functionality. Loan recipients were granted more flexible payment management options, including deferred payments and the formation of single-line payment schedules. Enhanced functionality allows loan recipients to submit applications more quickly and effectively, and updates to the FinoMark website, including expanded statistics viewing options and project descriptions, provide investors with more detailed information about investment opportunities.

Expanding our service offerings on the platform, you can now find loans tailored for apartment building owner associations, and we have commenced a partnership with "BOLT", providing exclusive loans to partners. Moreover, the BuyBack feature update has doubled the investment protection to 1,000 EUR, and the loan payment process has become even faster.

A significant step in the company's operations was the acquisition of a European license, allowing for the continuation of crowdfunding activities throughout the European Union, thus opening up new

opportunities for growth and expansion. These updates and achievements demonstrate our commitment to excellence, responding to the needs of our clients and the latest market trends, aiming

to provide services of the highest quality.



**The results of the fourth quarter of 2023 for Paskolų klubas showed consistent growth. When compared to the same period in 2022, there was an 18% increase in loans issued.**

During the discussed period, the most consumer credits were granted in October - a record 4.4 million EUR. This is the largest amount of loans issued throughout the existence of Paskolų klubas. November was also exceptional - loans totaling 4.3 million EUR were issued. By the end of last year, as in 2022, borrowers actively

used refinancing options. Of the 12.6 million EUR in loans financed during the fourth quarter of 2023, more than half of this amount - 7.4 million EUR, were refinancing loans. For these loans, Paskolų klubas was able to offer better terms by reducing the monthly payment and/or previously paid interest rate.

The loan portfolio managed by peer-to-peer lending activities reached 70.7 million EUR at the end of the fourth quarter of last year and increased by 4.5 million EUR from 66.2 million EUR over the quarter. Operating expenses in 2023 increased by 23%, from 444 thousand EUR in the fourth quarter of 2022 to 548 thousand EUR in the same quarter of 2023.

We observe increasing engagement from parents/guardians in creating a financial future for their children – during the fourth quarter of 2023, 42 child welfare accounts were opened in Paskolų klubas, compared to just four in the corresponding quarter of 2022. The implementation of automated solutions to make conditions more convenient for users contributed to this change. Such a trend is encouraging and shows a changing attitude towards long-term investing and trust in our platform.

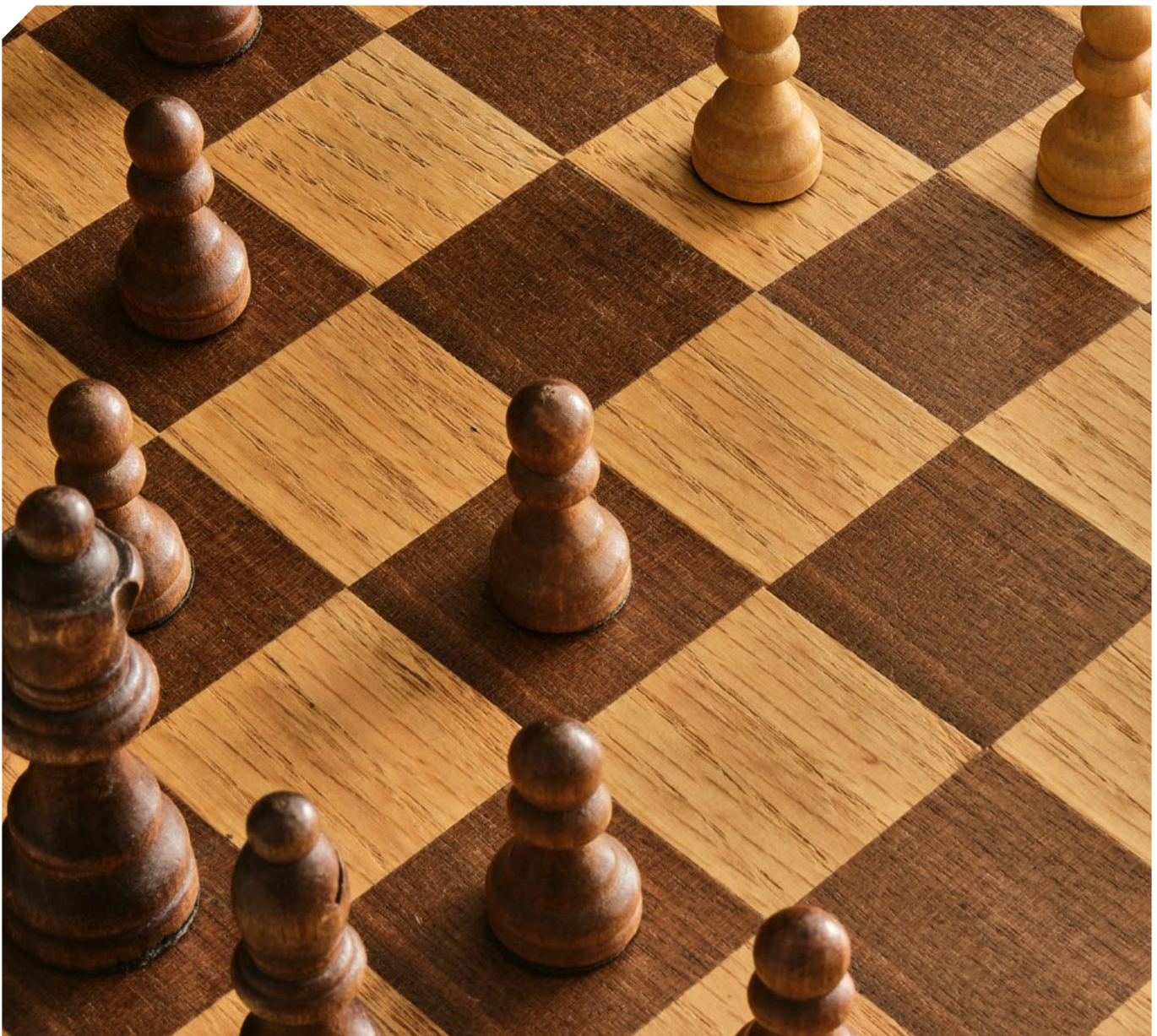


During the fourth quarter of 2023, 2.1 million EUR in interest was paid to investors, which is 28% more than in the last quarter of 2022. In the fourth quarter of 2023, investors used the BuyBack service and sold 2,475 investments to Paskoly klubas for a total of 70,848 EUR. These volumes are double those of the corresponding quarter of the previous year. The secondary market turnover in the fourth quarter of 2023 reached 435.553 EUR, with an average transaction amount of 25.49 EUR.

Although the loan default rate increased by 0.11% compared to the third quarter of last year, it remained lower than the fourth-quarter rate of 2022 – 8.59%. During the discussed period, 657 thousand EUR was collected and distributed to investors from terminated loans.

Seeing the growing interest from Benelux countries investors in our platform and correspondingly increasing investment portfolio, we decided to participate in the annual largest investor event Beleggersfair,

which took place on November 10, 2023, in Amsterdam, Netherlands. NEO Finance participated as one of the main sponsors alongside financial market players like Etoro, Saxo Bank, Societe Generale. We introduced both experienced and prospective investors to the investment opportunities and benefits of investing in our platform, which received exceptional interest from the event participants. Evaluating the results achieved so far, we believe in the potential of this market and aim to utilize the opportunities that arise.





# NEO Finance, AB company structure

NEO Finance AB is currently conducting its activities under three different brands: Paskolų Klubas, Neopay and FinoMark.

In 2016, the company was the first to be included on the Bank of Lithuania's list of P2P lending platforms. NEO Finance AB's Paskolų Klubas brand provides P2P lending services in Lithuania. Citizens of the European Union, the Free Trade Association and the European Economic Area, for whom services are provided under the NEO Finance brand, may also invest in loans.

In 2017, the company obtained an electronic money institution license, which allows it to provide services throughout the European Union. Payment initiation and account information services were launched under the Neopay brand.

In 2020, NEO Finance AB acquired the FinoMark crowdfunding platform, which began operations in February 2021 when the Bank of Lithuania included it on its list of crowdfunding platform operators. In 2023 FinoMark received the European Union (EU) and European Economic Area (EEA)

Crowdfunding Regulation (CFR) certification.

In 2019, the Dutch subsidiary NEO Finance B.V. was established, as a basis to attract investors from the Benelux countries for loans issued on NEO Finance's inter-lending platform.

As at the date of publication of this report, NEO Finance AB owns 95.35% of the shares of FinoMark UAB.

The company has no branches and/or representative offices.







## P2P Lending platform

### Services:

#### 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

### Services:

#### 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

### Services:

#### Investing for natural people and legal entities:

- Investments of more than 500 EUR per loan are possible;
- Average interest 13%;
- Personal consulting;
- BuyBack option;
- Investment period from 3 months to 3 years.

#### Provision of revolving loans to legal entities:

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

# Q4 2023 developments at NEO Finance, AB



# NEO Finance, AB events

- On November 10th, Paskolų klubas participated in one of the largest investor events in the Netherlands, aiming to enhance its brand recognition among Dutch investors. The event, which attracted 3000 participants, provided NEO Finance with a unique opportunity to present its platform and its advantages to a wide audience. The seminar, which highlighted the benefits and operating model of our platform, drew 150 participants, evidencing the growing interest and appeal of NEO Finance in the eyes of international investors.



- In collaboration with FinoMark, NEO Finance successfully organized its first public event 'Investors' Day 2023', which attracted more than 150 participants. The event featured eight comprehensive presentations on investment and financial management. A highlight of the event was an informal networking evening held in the spaces of the Lukiškės Prison. Participants had a great opportunity to make new contacts and share experiences.





# Main NEO Finance, AB 2023 financial indicators

## Loans granted

Loans granted amounted to 44 061 thousand EUR. This indicates a 19% increase in the volume of loans granted when compared to the corresponding period in 2022.

▲ +19%

## Revenue

According to unaudited data, the company's revenue amounted to 4 697 thousand EUR in 2023, representing a 33% increase compared to the revenue in 2022.

▲ +33%

## Cost of sales

The cost of sales increased by 42%, from 1 651 thousand EUR to 2 340 thousand EUR.

▲ +42%

## Operating expenses

Operating expenses increased by 15%, from 1 721 thousand EUR to 1 986 thousand EUR.

▲ +15%

## EBITDA

EBITDA increased by 70% from EUR 462 603 to EUR 784 957.

▲ +70%

## Profit (loss) before taxes

The profit before taxes in 2023 amounted to 370 800 EUR, whereas in 2022, the profit before taxes amounted to 158 608 EUR.

▲ +134%

## Gross profit

Gross profit increased by 184% from EUR 103 895 to EUR 295 473.

▲ +184%

	2023	2022	2023 / 2022 Δ, %	2021	2023 / 2021 Δ, %
Loans granted, EUR	44 061 320	37 182 230	19%	27 416 768	61%
Revenue, EUR	4 696 825	3 530 460	33%	3 443 082	36%
<i>Income P2P lending, EUR</i>	<i>3 034 889</i>	<i>2 352 114</i>	<i>29%</i>	<i>2 200 437</i>	<i>38%</i>
<i>Income from e-money issuance and management, EUR</i>	<i>1 349 404</i>	<i>1 032 988</i>	<i>31%</i>	<i>903 782</i>	<i>49%</i>
<i>Income from investment activity, EUR</i>	<i>312 532</i>	<i>145 358</i>	<i>115%</i>	<i>338 863</i>	<i>-8%</i>
Cost of sales, EUR	(2 339 654)	(1 650 676)	42%	(1 769 674)	32%
Gross profit, EUR	2 357 171	1 879 784	25%	1 673 408	41%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(1 986 371)	(1 721 176)	15%	(1 494 354)	33%
EBITDA, EUR	784 957	462 603	70%	422 522	86%
EBITDA Margin, %	16,71%	13,10%	-	12,27%	-
Pre-tax profit / loss, EUR	370 800	158 608	134%	179 054	107%
Gross profit, EUR	295 473	103 895	184%	117 739	151%

# Main NEO Finance, AB 2023 Q4 financial indicators

## Loans granted

Loans granted amounted to 12 583 thousand EUR. This indicates a 18% increase in the volume of loans granted when compared to the corresponding period in 2022.

▲ +18%

## Revenue

According to unaudited data, the company's revenue amounted to 1 407 thousand EUR in Q4 2023, representing a 34% increase compared to the revenue in Q4 2022.

▲ +34%

## Cost of sales

The cost of sales increased by 62%, from 445 thousand EUR to 773 thousand EUR.

▲ +62%

## Operating expenses

Operating expenses increased by 3%, from 531 thousand EUR to 548 thousand EUR.

▲ +3%

## EBITDA

EBITDA increased by 22 % from EUR 162 817 to EUR 199 325.

▲ +22%

## Profit (loss) before taxes

The profit before taxes in Q4 2023 amounted to 86 806 EUR, whereas in Q4 2022, the profit before taxes amounted to 75 951 EUR.

▲ +14%



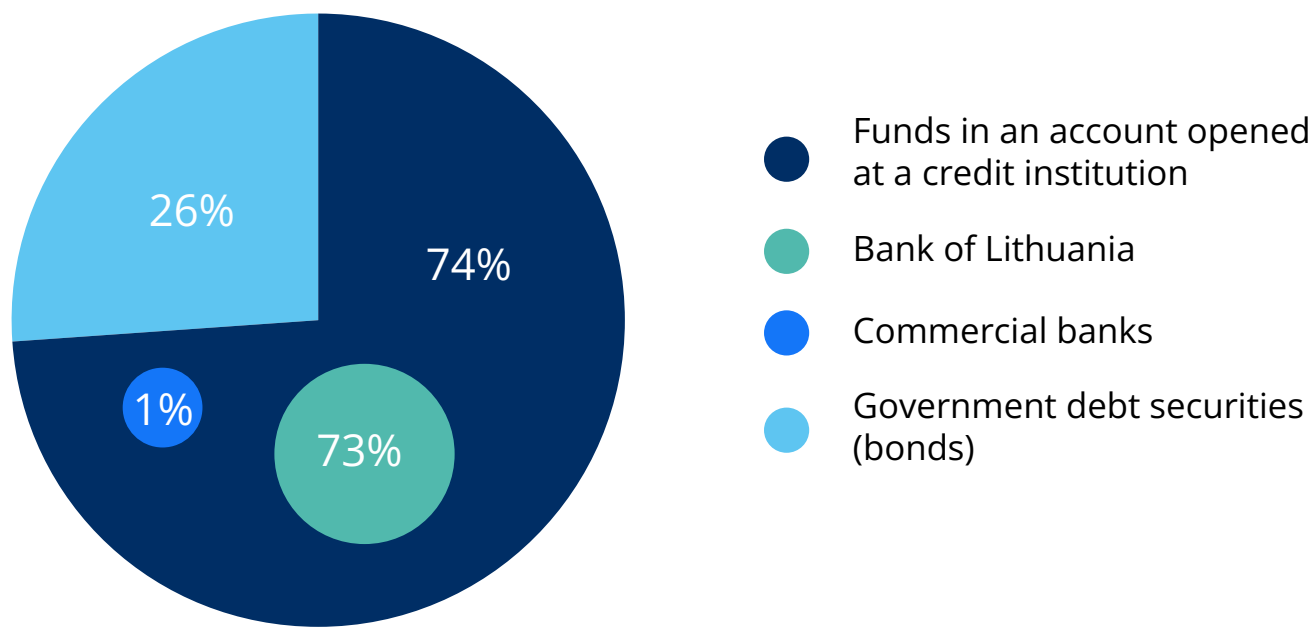
	2023 Q4	2022 Q4	Δ, %	2021 Q4	Δ, %
Loans granted, EUR	12 582 747	10 634 980	18%	6 866 829	83%
Revenue, EUR	1 407 371	1 052 097	34%	946 289	49%
<i>Income P2P lending, EUR</i>	<i>877 017</i>	<i>715 798</i>	<i>23%</i>	<i>636 452</i>	<i>38%</i>
<i>Income from e-money issuance and management, EUR</i>	<i>394 088</i>	<i>296 273</i>	<i>33%</i>	<i>240 239</i>	<i>64%</i>
<i>Income from investment activity, EUR</i>	<i>136 265</i>	<i>40 025</i>	<i>240%</i>	<i>69 598</i>	<i>96%</i>
Cost of sales, EUR	(772 566)	(445 185)	62%	(587 142)	32%
Gross profit, EUR	634 804	606 912	5%	359 147	77%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(547 999)	(530 961)	3%	(438 223)	25%
EBITDA, EUR	199 325	162 817	22%	(12 291)	-
EBITDA Margin, %	14,16%	15,47%	-	-1,30%	-
Pre-tax profit / loss, EUR	86 806	75 951	14%	(79 076)	-

# Security of clients' funds

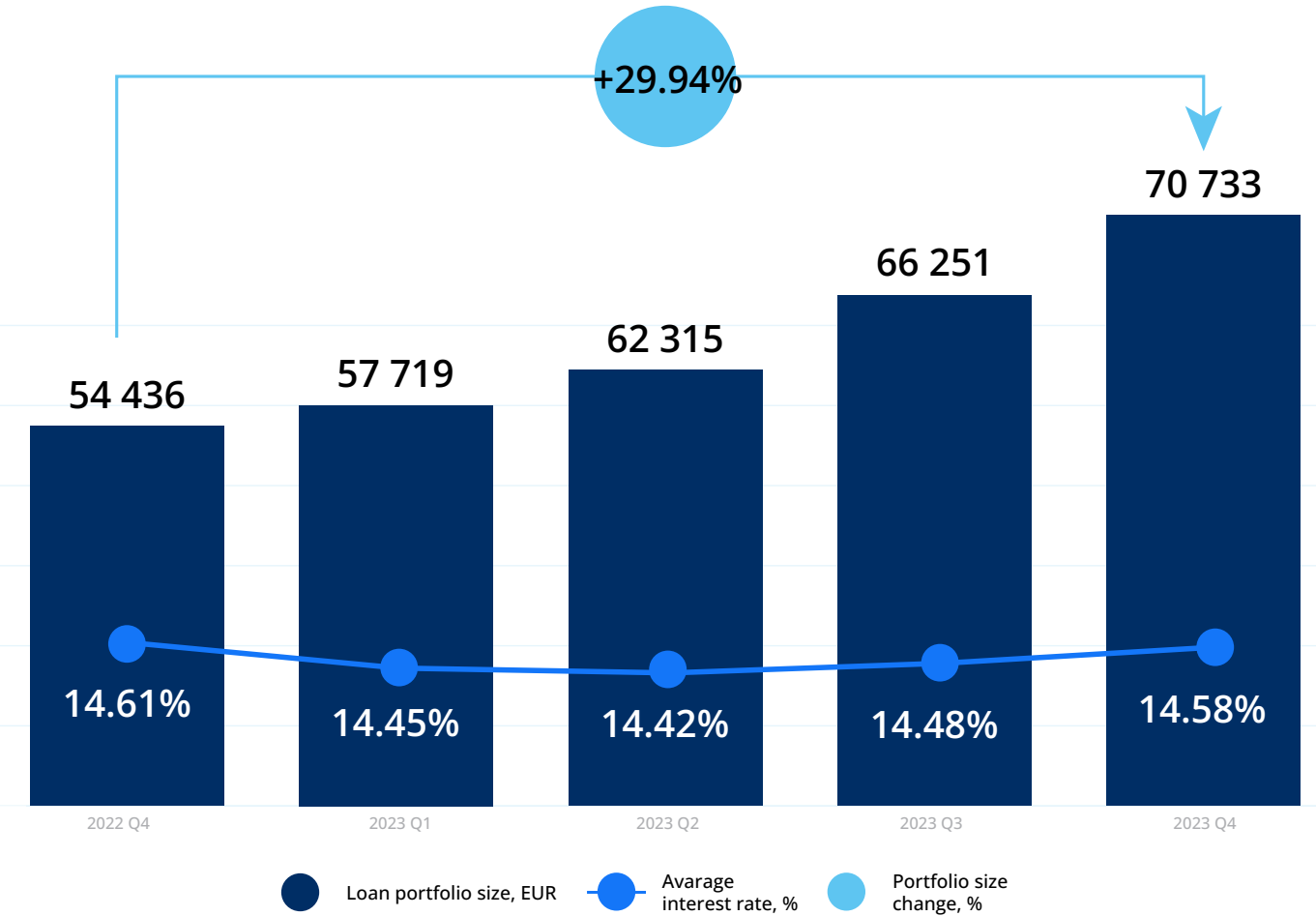
Since September 2023, the company has implemented a new method for protecting customer funds

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 – EU government securities. 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, (end of 2023)

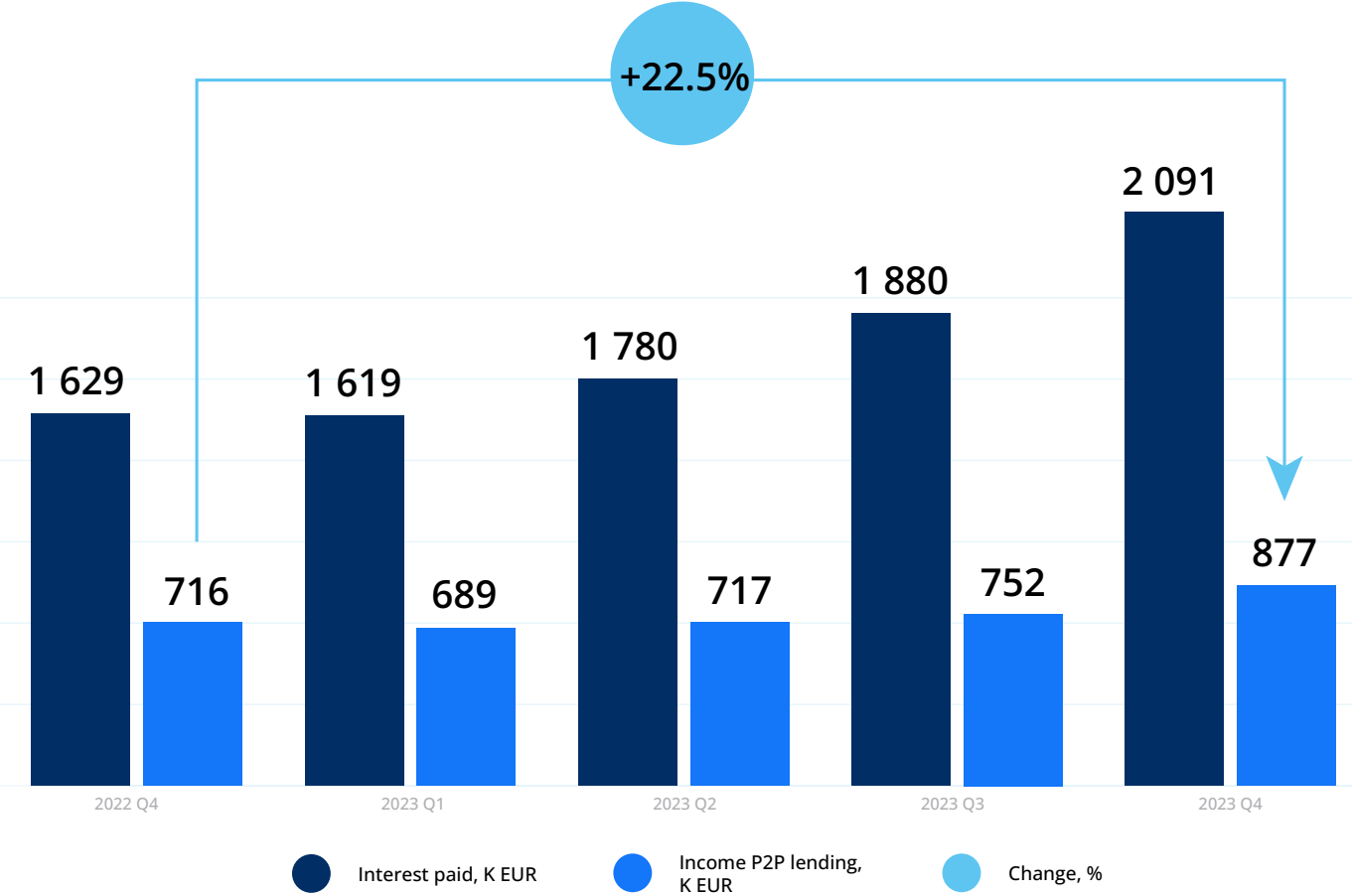


Total active portfolio, K EUR





Interest paid to investors and NEO Finance  
income from peer-to-peer lending activities



# 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 installment 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 into in the respective years and the costs for those years are presented below.

	2023 Q4	2022 Q4	2023 Q4 / 2022 Q4 Δ, %	2021 Q4	2023 Q4 / 2021 Q4 Δ, %
Loans granted, EUR	12 582 747	10 634 980	18%	6 866 829	83%
Intermediary fee income, EUR	2 096 097	1 595 231	31%	728 053	188%
Intermediary fee / Loans granted, %	16,66%	15,00%	-	10,60%	-
Other income, EUR	948 575	472 199	101%	462 016	105%
Cost of sales, EUR	(772 566)	(445 185)	74%	(587 142)	32%
General and administrative, other operating and interest expenses (depreciation excluded), EUR	(547 999)	(444 091)	23%	(194 755)	181%
Total revenue, EUR	1 724 107	1 091 284	58%	408 172	322%

# 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 2022 at the end of the year, the equity capital calculated in the company's balance sheet amounted to 2.9 million EUR, and in order 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 441 thousand EUR and exceeded the minimum equity requirement.



At the end of 2023 Q4, the company's authorized capital and share additions reached

**EUR 3 805 782**

The company's capital was not increased during 2023.

Equity capital at the end of 2023 Q4 reached

**EUR 2 894 467**



# **P2P lending platform Paskolų Klubas**



# P2P lending platform Paskolų Klubas

Paskolų Klubas, which is operated by NEO Finance AB, is the largest P2P lending platform in Lithuania. The platform unites customers who want to borrow with those who can lend and want to invest in consumer credit and thus earn a return on investment.

## Q4 2023 developments at Paskolų klubas

In the fourth quarter of 2023, Paskolų klubas platform granted loans worth 12.58 million EUR – an increase of 18.31% compared to the fourth quarter of 2022.

In 2022, Dutch investors' investment portfolio on the Paskolų klubas platform grew by 844 thousand euros, and in 2023 it reached 2.1 million euros, demonstrating the platform's particularly high attractiveness in the Dutch market.

In October and November, record numbers of funded loans were reached, amounting to 4.433 million and 4.367 million euros.

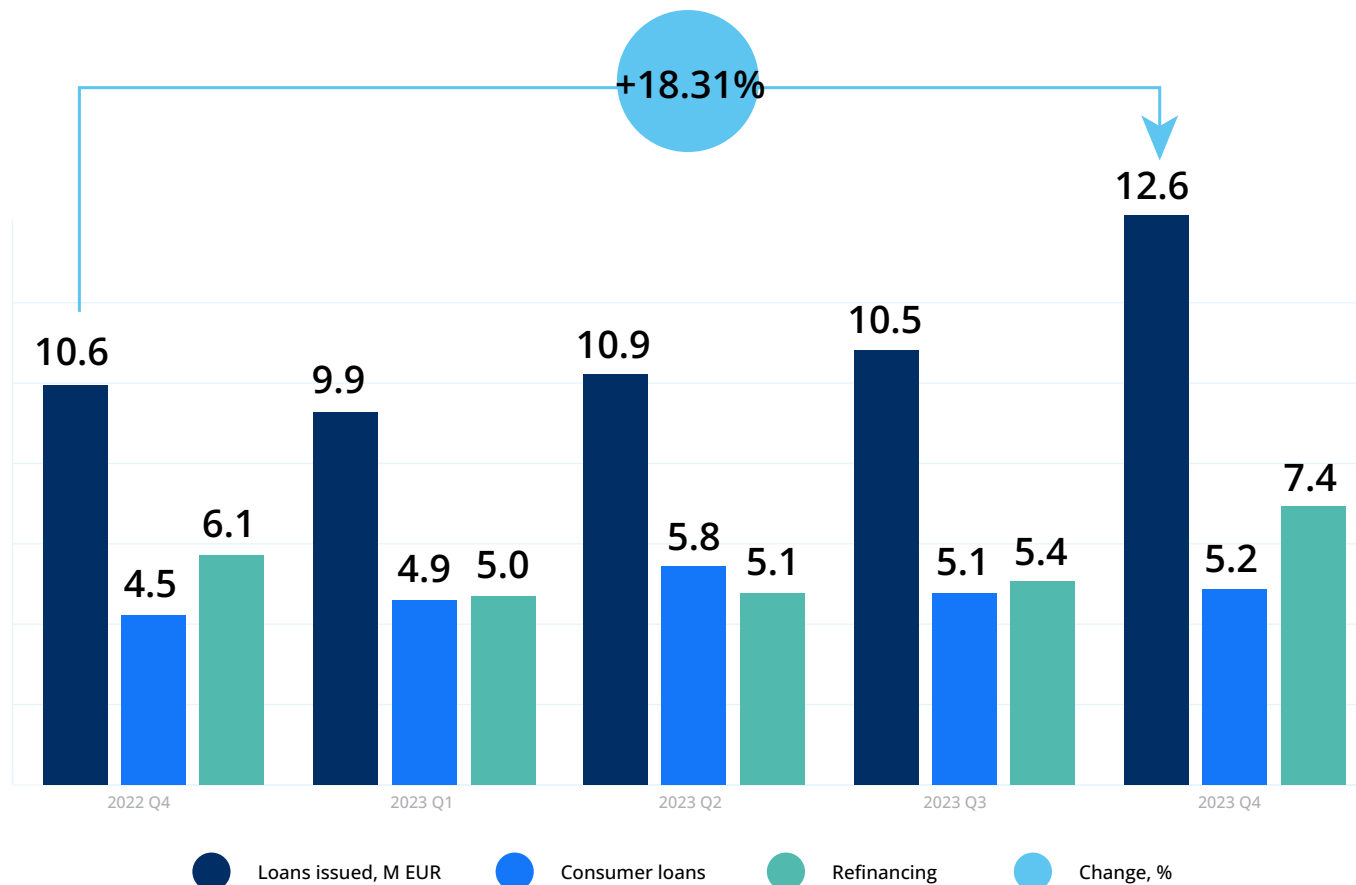
The number of investment accounts for children on the Paskolų klubas platform grew by 90% in the fourth quarter compared to the previous year, reflecting parents' intentions to plan for their children's financial future.

Interest payments to investors exceeded €2 million in Q4 2023.

## P2P lending platform, loans issued, M EUR

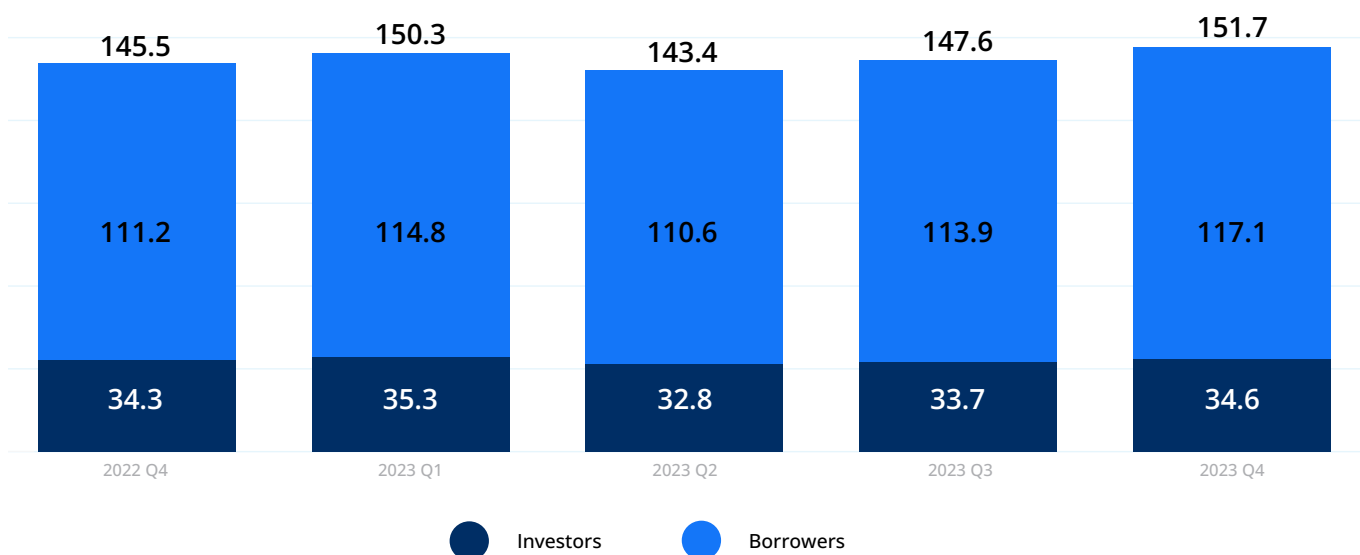
In Q4 2023, EUR 12.6 M of loans were issued through NEO Finance's Paskolų Klubas P2P platform, which is 18,31% more than in Q4 2022.

In Q4 2023 the largest number of consumer credits were granted in October through Paskolų Klubas for EUR 4.4 M.



## Registered users, thousands

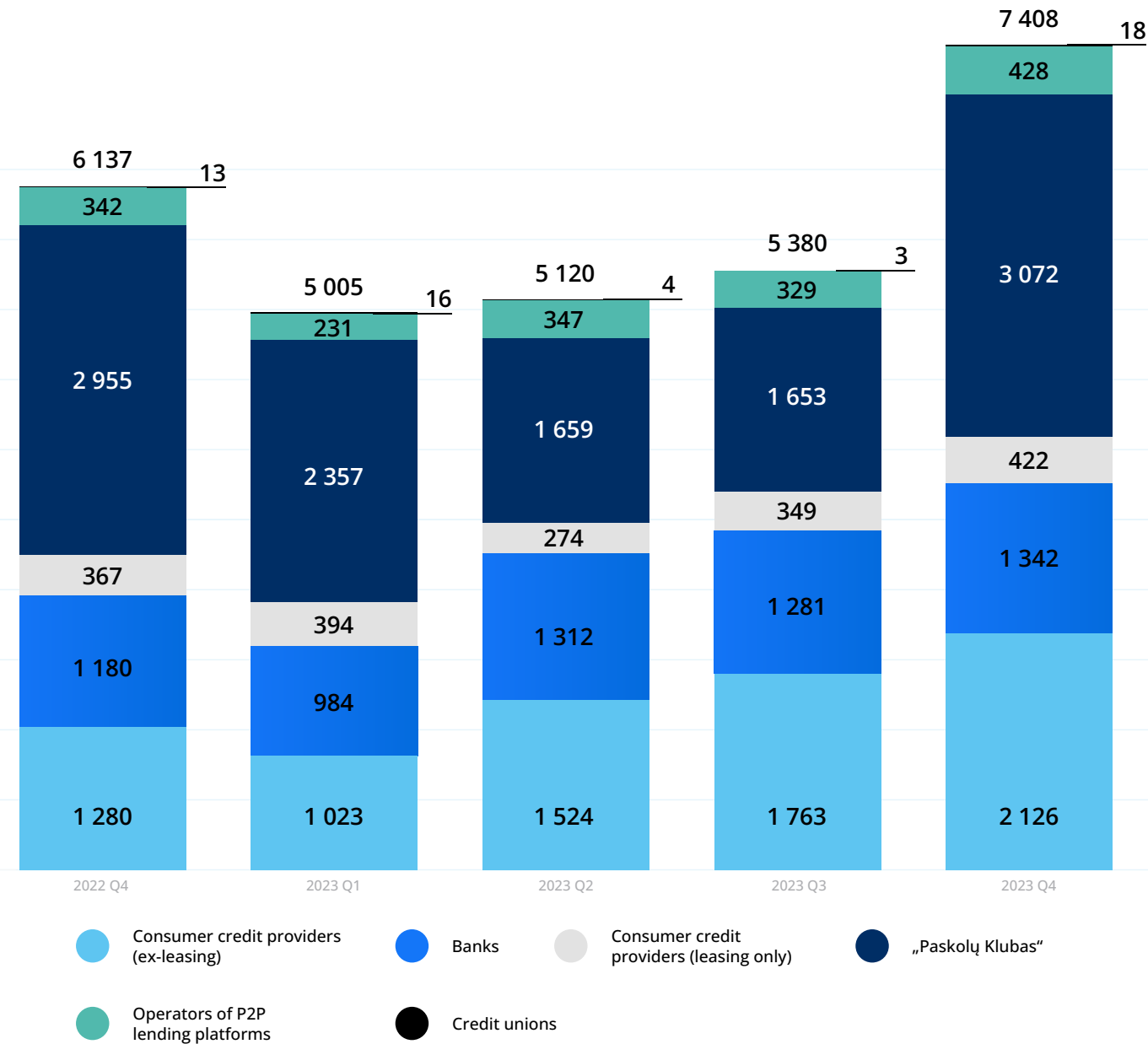
During the Q4 of 2023, the number of registered users increased by 2.7 percent. The increase in the number of consumer credit recipients was 2.8 percent, investors – 2,7 percent.



## Refinancing

Of the EUR 12.6 M Of loans financed in Q4 2023, EUR 7.4 M were financing loans. For the recipients of these loans, the P2P lending platform Paskolų Klubas helped the recipients of those loans reduce their monthly payment and/or the amount of interest paid so far.

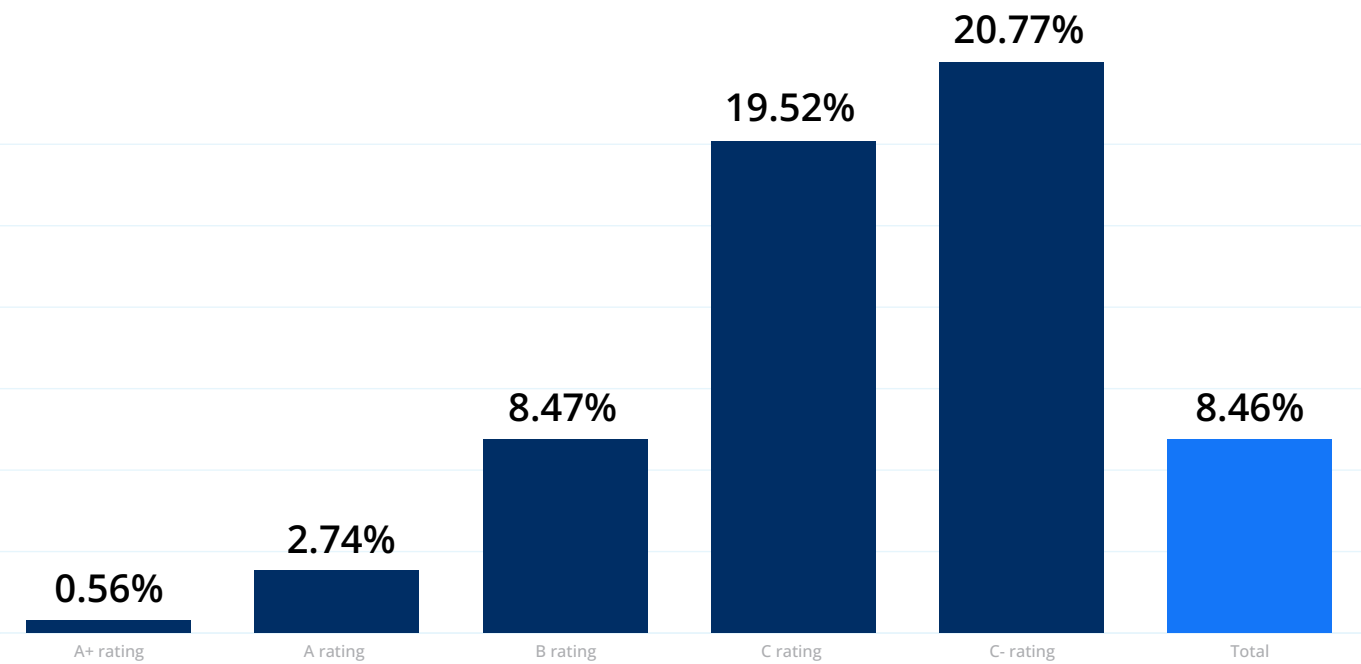
### Refinancing distribution, K EUR



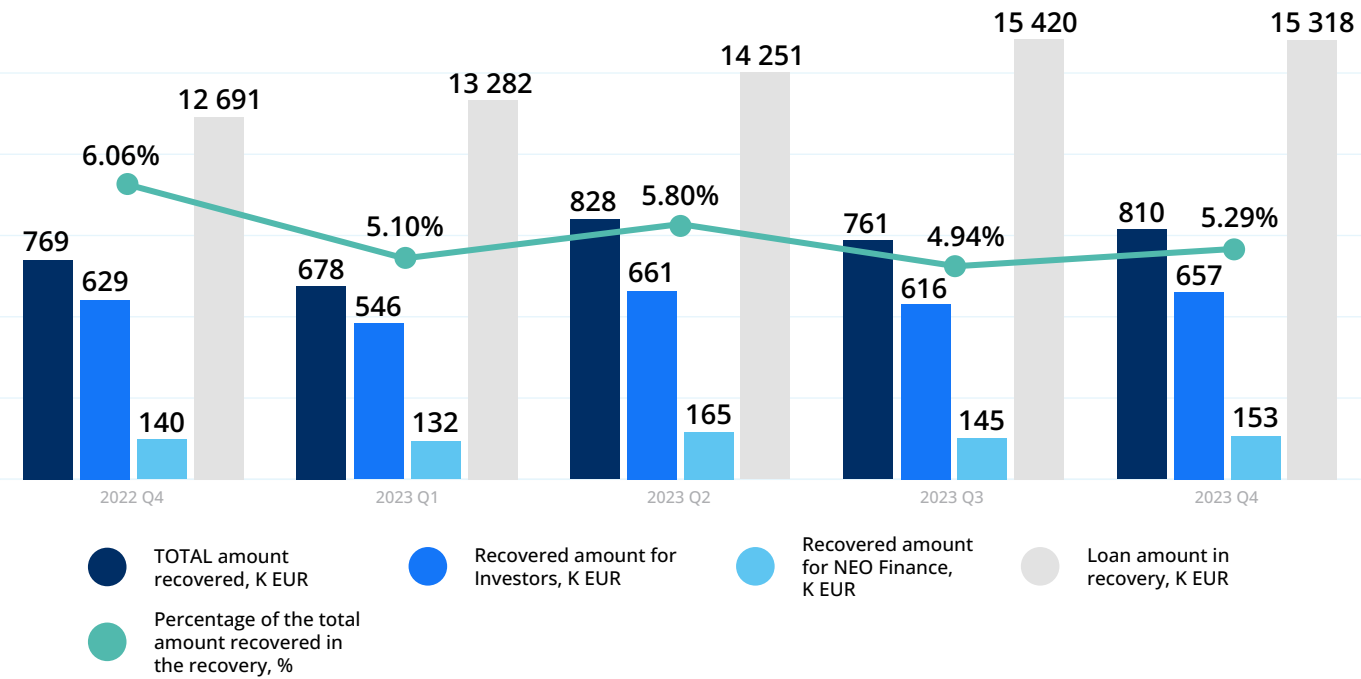
Overdue loans

At the end of Q4 2023, out of 46 719 outstanding loans, 3 798 (8.1%) were overdue for more than 90 consecutive days. Of the EUR 172 M of loans issued, loans for EUR 14.5 M (8.46%) were more than 90 days overdue. During Q4 2023, EUR 657 K were recovered and distributed to investors.

Loans, overdue >90 days, %

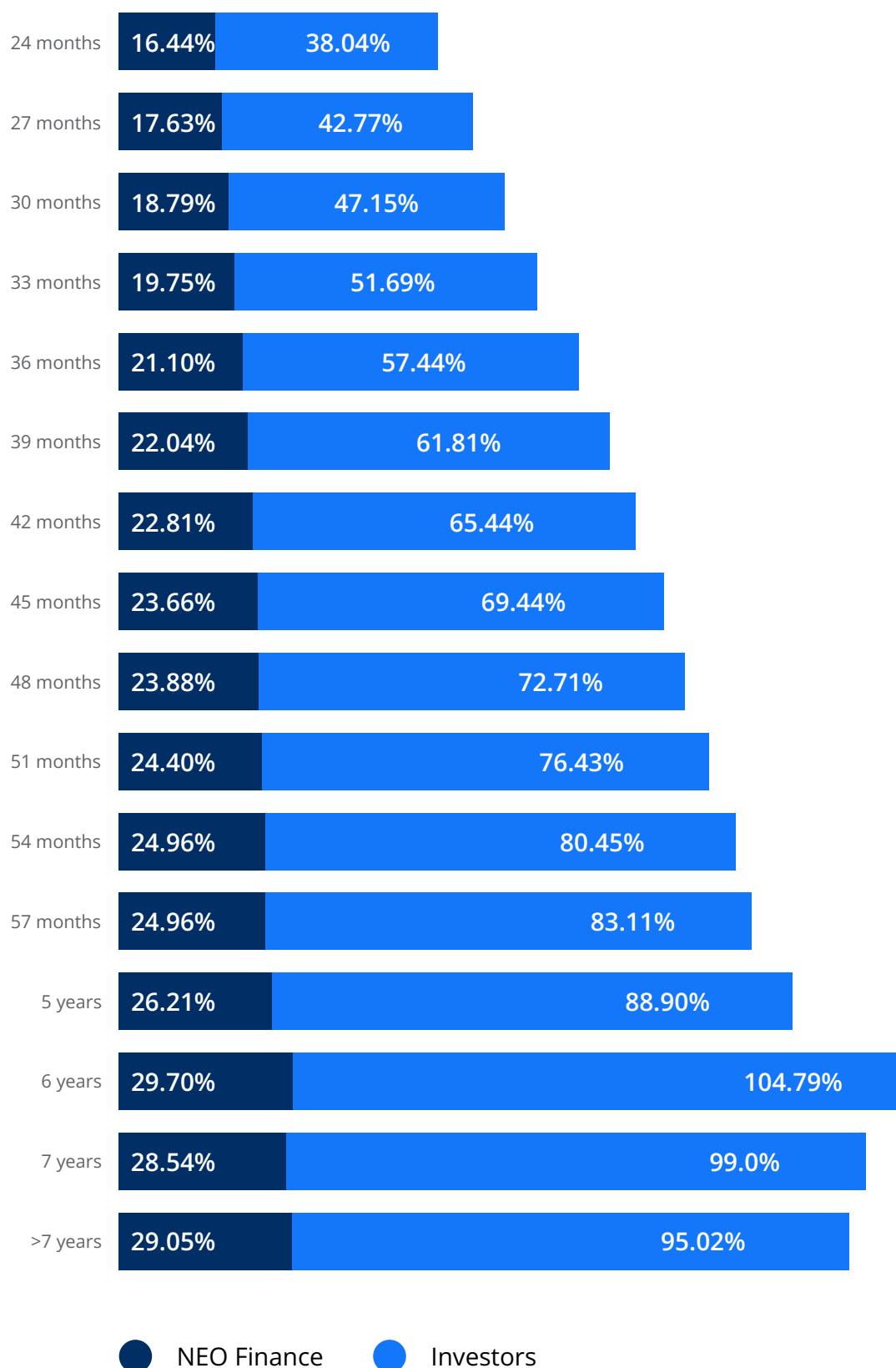


Amount recovered, K EUR





## Recovered % of principal outstanding at termination



## Months after termination

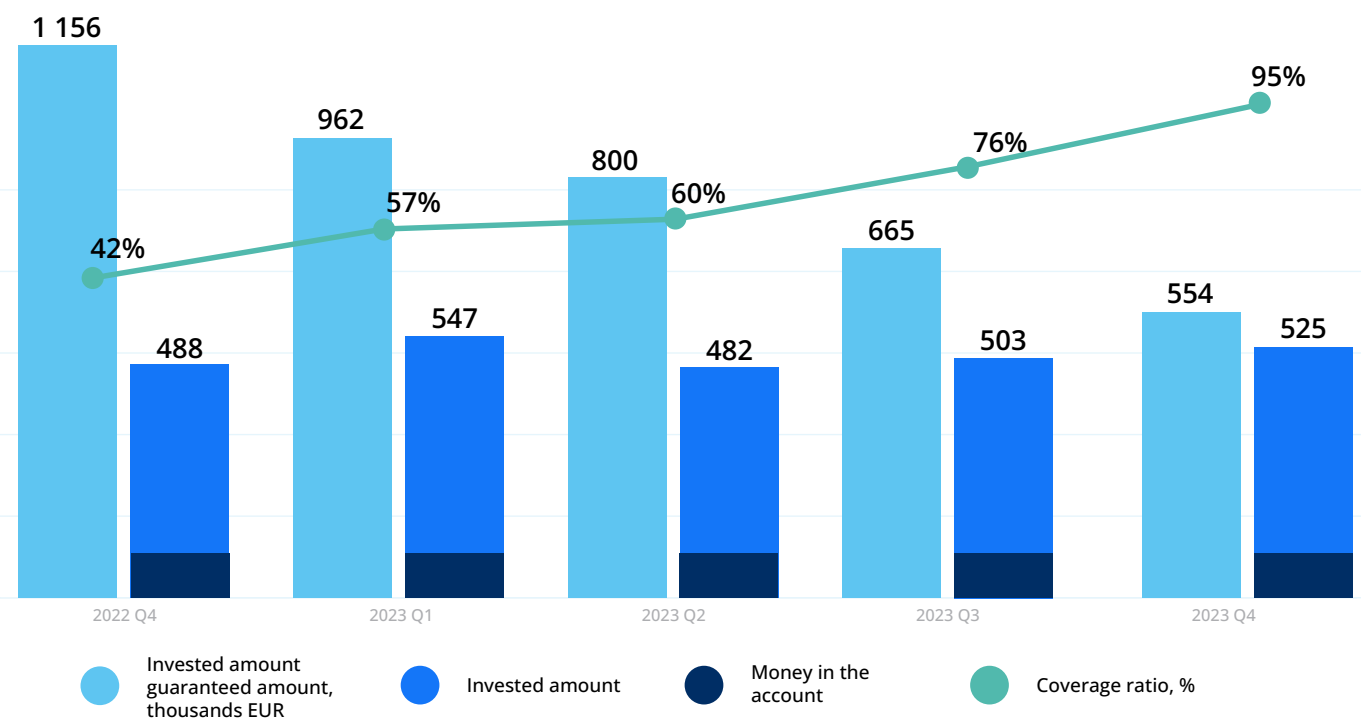
Months after termination	Principal at termination, K EUR	No. of loans
24 months	10 960	3 357
27 months	10 341	3 612
30 months	9 776	2 988
33 months	9 352	2 863
36 months	8 622	2 683
39 months	7 963	2 488
42 months	6 977	2 183
45 months	6 162	1 946
48 months	5 400	1 682
51 months	4 476	1 398
54 months	3 673	1 156
57 months	2 883	917
5 years	2 233	735
6 years.	697	275
7 years	53	34
>7 years	22	14

### Provision fund

The provision fund lets lenders reduce investment risk. If a loan defaults, the provision fund secures thererepayment of the invested amount.

In Q4 2023, EUR 44 105 was paid out to lenders from the provision fund.

### Provision fund, K EUR



To manage liquidity risk, NEO Finance AB calculates the sufficiency of its funds for covering provision fund liabilities. Since Q3 2019, some of those funds have been invested in loans, with the remainder held in a separate bank account. The purpose of this account is to support the company's internal cash flow management. To fulfil its obligations to lenders, the company may, if

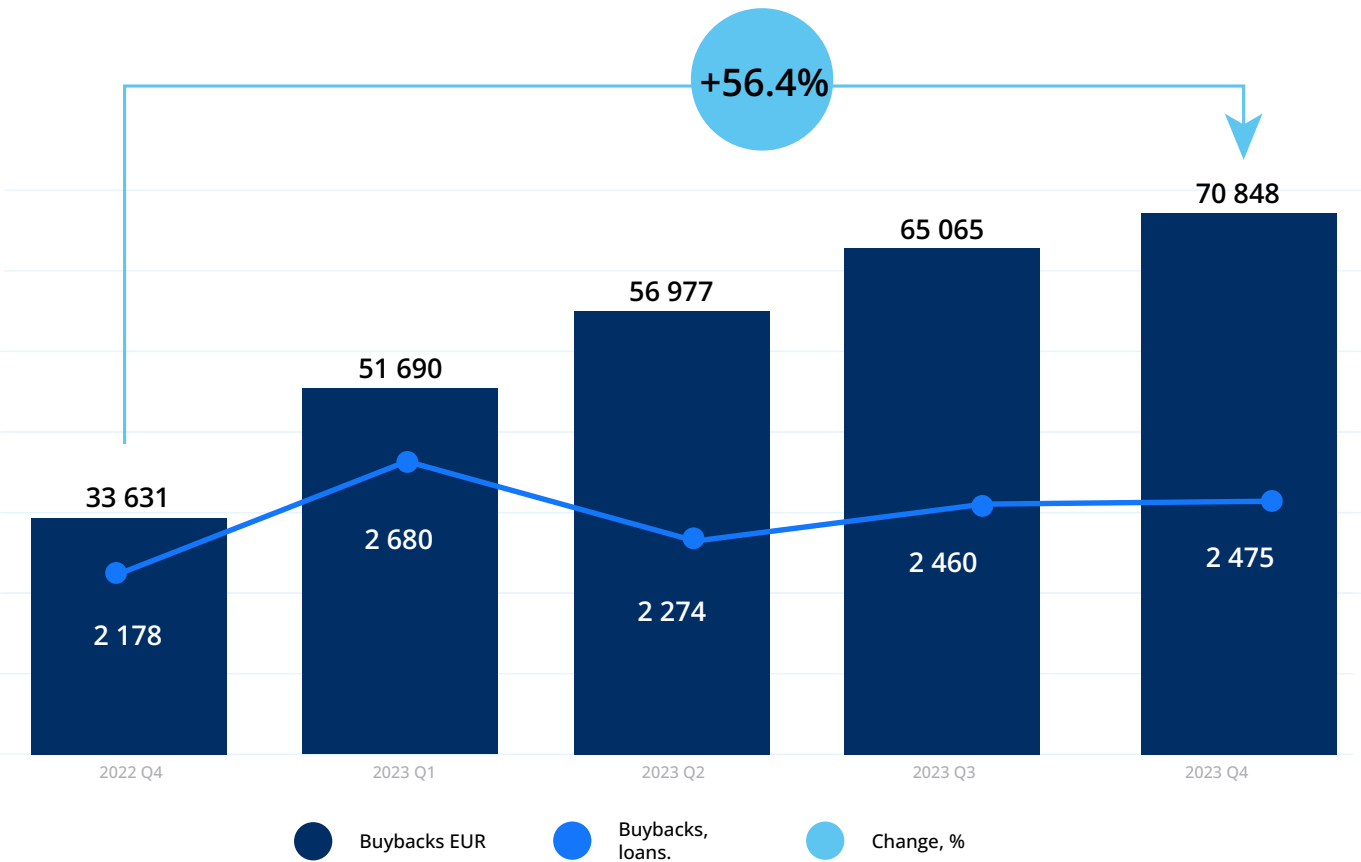
necessary, use other of its assets.  
  
\*The Provision Fund investment statistics were updated on September 23, 2022. After the updates, the invested amount consists of the net value of NEO Finance, AB's investments in loans and from this amount all NEO Finance, AB's liabilities (issued bonds, taken loans) have been subtracted.

At the end of Q4 2023, the amount accumulated in the provision fund account was EUR 525 K and the total guaranteed amount was EUR 554 K. The coverage ratio was thus 95%.  
  
Provision fund service for new investments abolished as of 1 March 2022.

Buyback service

When an agreement with a borrower is terminated, the buyback service gives lenders the opportunity, within 30 days, to sell their investment to NEO Finance AB at 50-100% of its remaining face value.

IN Q4 2023, LENDERS SOLD 2 475 investments to NEO Finance AB for EUR 70 848.

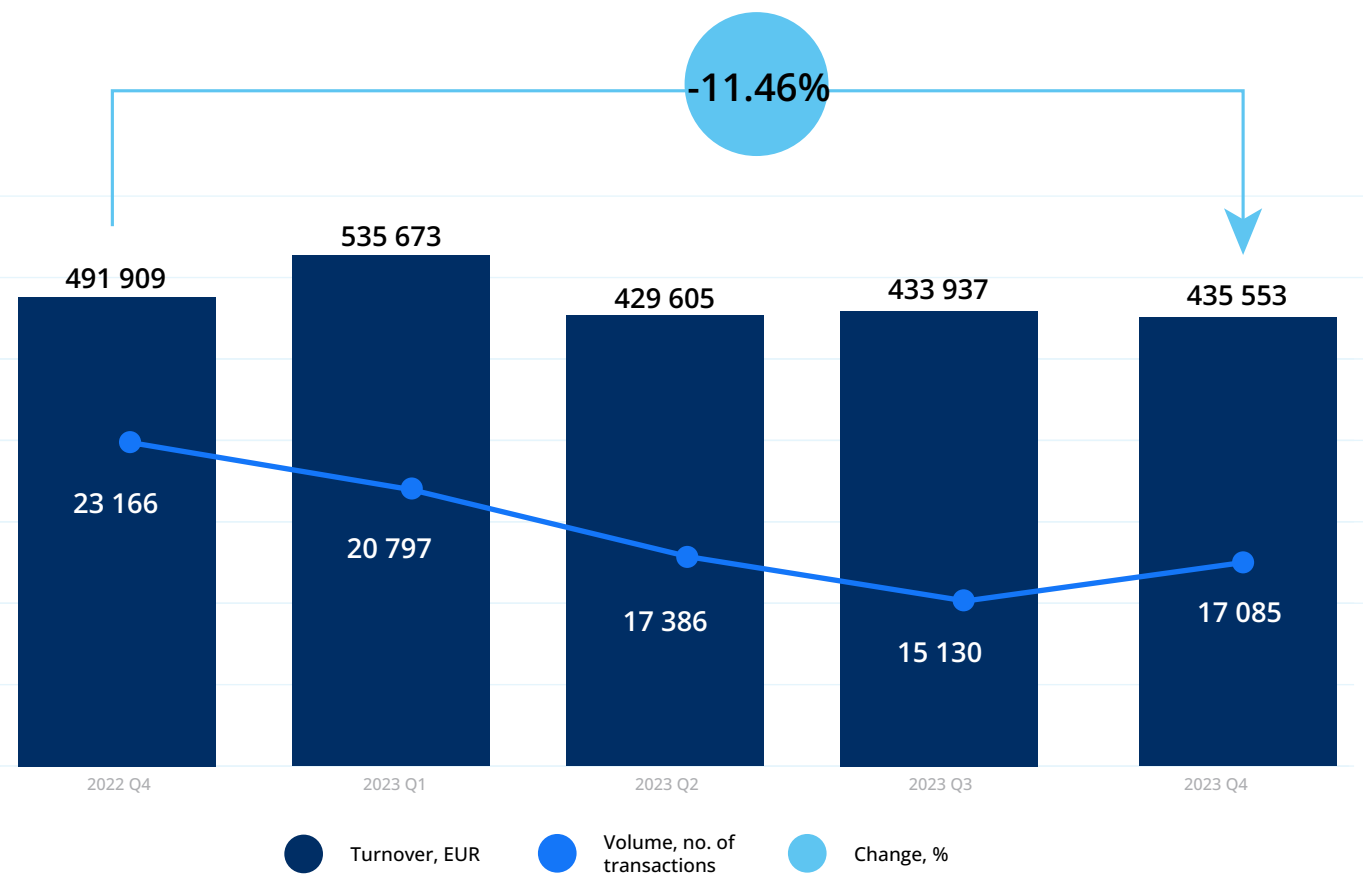


## Secondary market

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 TURNOVER IN Q4 2023 TOTALLED EUR 435 553.

THE AVERAGE TRANSACTION AMOUNT WAS EUR 25,49.





# NEO Finance, AB's investments

In Q4 of 2023  
NEO Finance, AB  
invested in loans  
K EUR 1 245.

NEO Finance AB, as a provider of consumer credit, can also invest in loans on the Paskolų Klubas P2P lending platform along with other registered lenders. By investing in loans, the company aims to increase the speed with which loans are financed, thereby ensuring the platform's attractiveness for both borrowers and lenders.

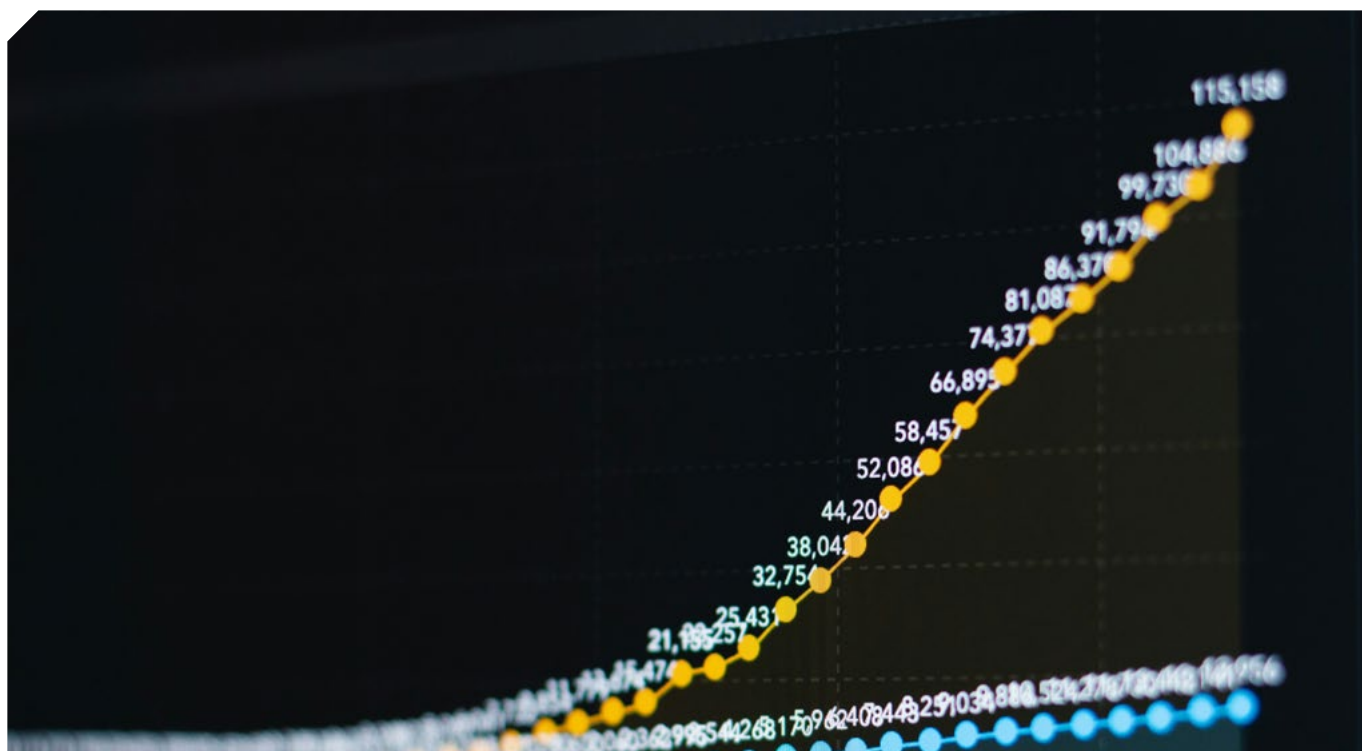
As the amount of credit requests on the Paskolų Klubas market increases and in order to finance them faster,

from May 20, 2022, a decision was made to increase the limit of NEO Finance, AB, which allows the company to invest in loans.

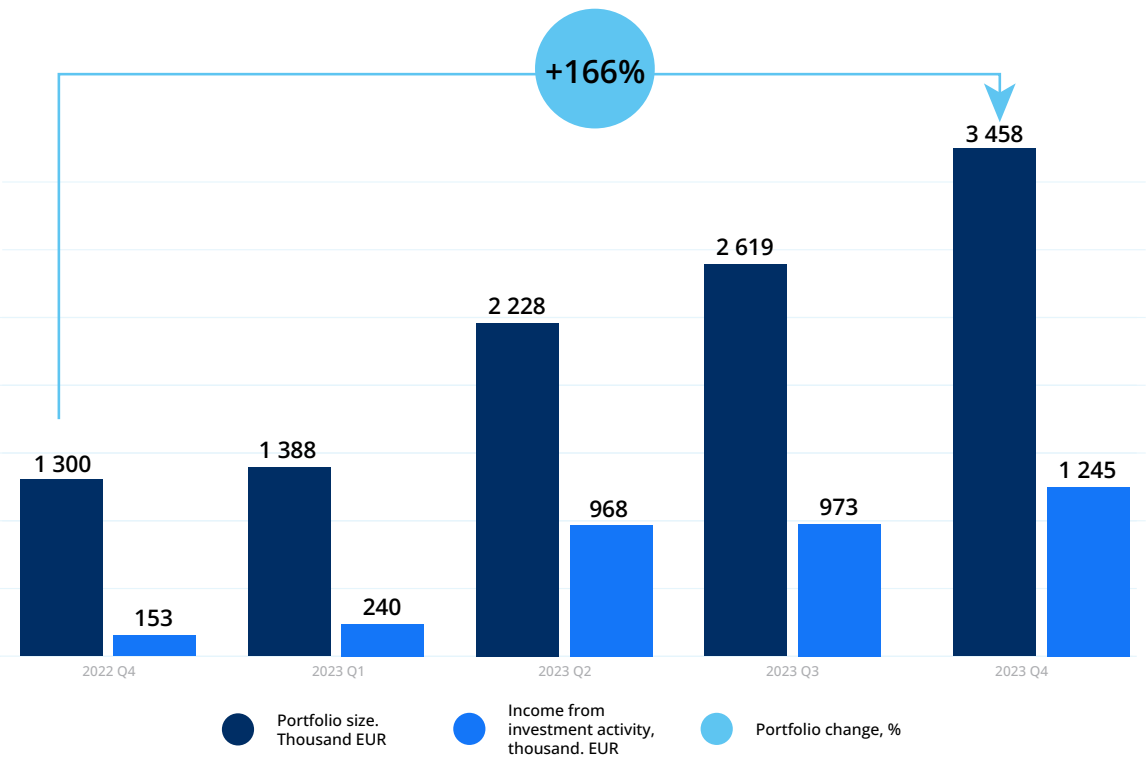
NEO Finance, AB had the opportunity to finance up to 50% of all loans placed on the market on the Paskoly Klubas platform. Due to the growing supply of loans, it was decided to increase the investment limit of NEO Finance, AB to 80% of the initial consumer credit amount. When a credit rating of A+ or A is granted to a consumer credit recipient - NEO Finance, AB can immediately grant a consumer credit of up to EUR 15,000, if a credit rating of B is granted - up to EUR 8,800, but not more than 80 percent of the initial amount of the

consumer credit. NEO Finance may not adhere to the above maximum investment amounts and grant consumer credit to consumer credit recipients of all credit ratings, if the investors have already financed at least 20 percent of the consumer credit amount and at least 24 hours have passed since the application for consumer credit was submitted to the loan market.

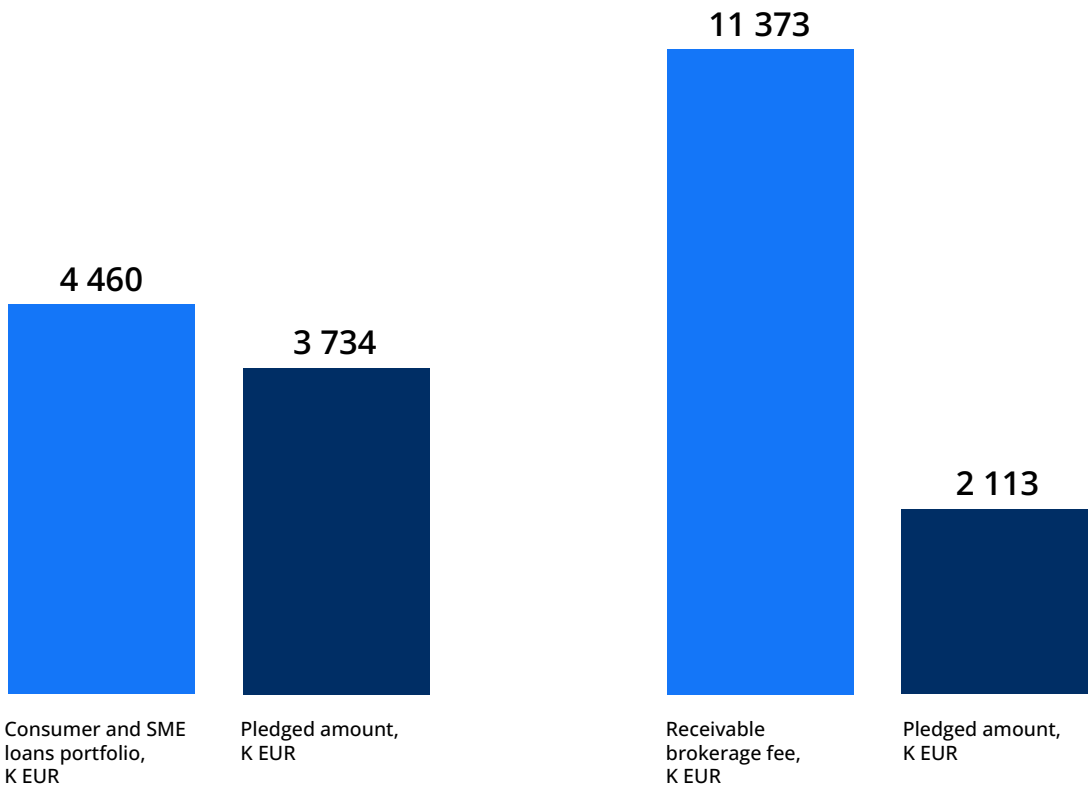
NEO Finance, AB can invest in C and C-rated loans only when other investors finance at least 20 percent of loan amount and at least 48 hours have passed from the submission of the application for consumer loan on the loan market.



NEO Finance, AB’s investments, K EUR



NEO Finance, AB loan investment portfolio, K EUR



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

# Institutional investor



As of the end of 2023 Q4, the portfolio that nordIX had acquired from NEO Finance, AB had a total size of EUR 10.8 M.

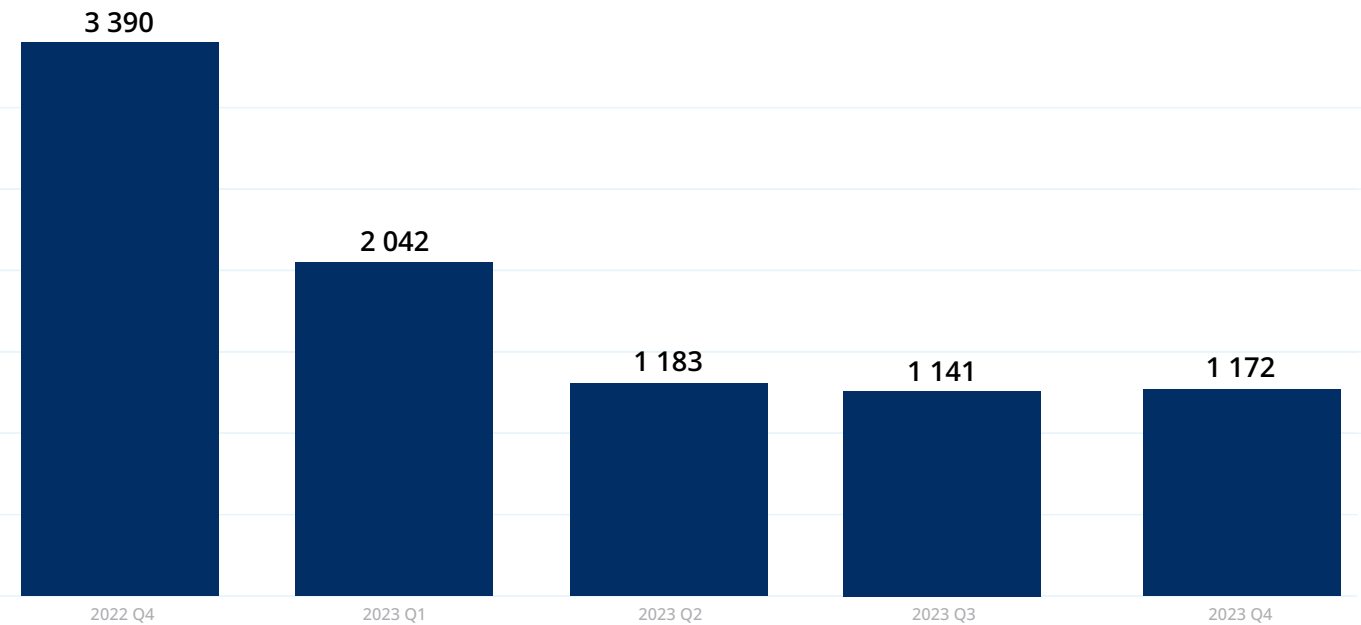
In August 2021, the company began collaborating with the institutional investor nordIX, a Germany fixed income asset manager.

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’s investments, EUR



# **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 first quarter of 2023, 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](#).

## Q4 2023 developments at Neopay

In November, following successful PIS payments with Citadele and Revolut banks, it is now possible to receive the payer's name. This feature was previously available only with SEB and Luminor banks. Additionally, Revolut bank, which had not provided the payer's IBAN information after PIS payments, now also offers the payer's IBAN number.

In October, responding to partners and clients' needs, we implemented the option for payment windows to be adapted without the Neopay brand, allowing partners to offer payment solutions as their own while maintaining brand anonymity.

In November and December, the company actively participated in events and exhibitions such as the "European Gaming Congress" in Warsaw and "Future Finance Poland" also in Warsaw, showcasing its innovations and strengthening ties with key market players.

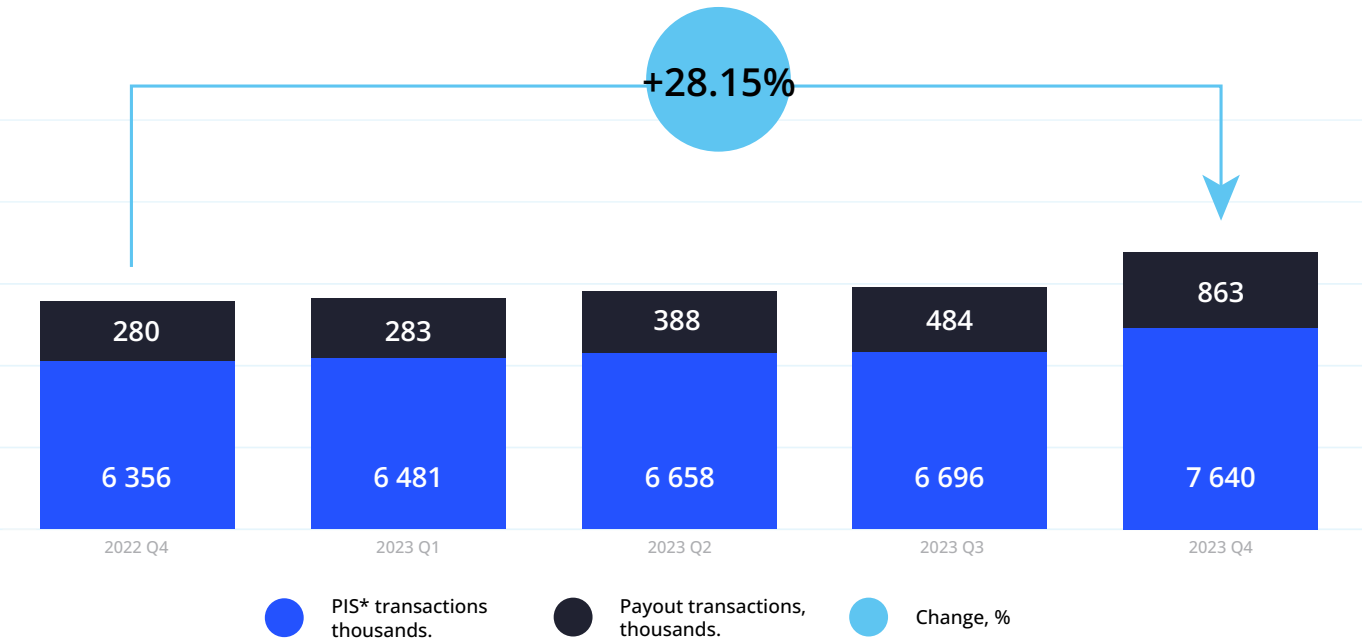
In December, clients were given the ability to efficiently categorize bank transactions into various categories, such as food, healthcare, and transportation expenses, helping them better understand and control their finances.

In December, Neopay payment solutions became accessible without the need for special programming knowledge, offering a simpler and more convenient access to Neopay payment services.

In December, a new strategic partnership was established with Catego, strengthening the company's market position and expanding collaboration opportunities.

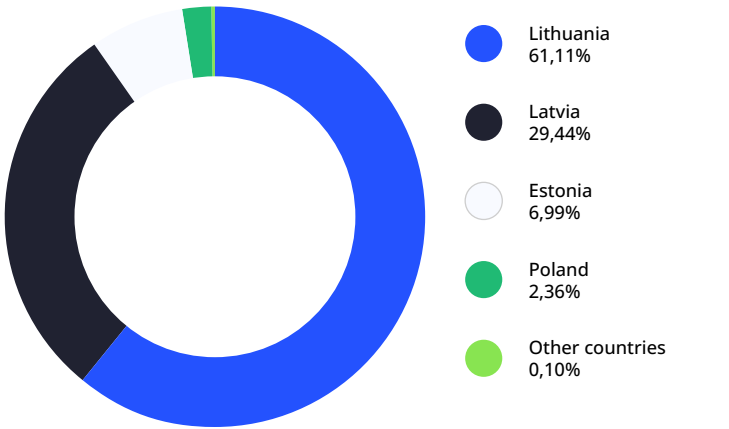


Payment transactions, pcs.

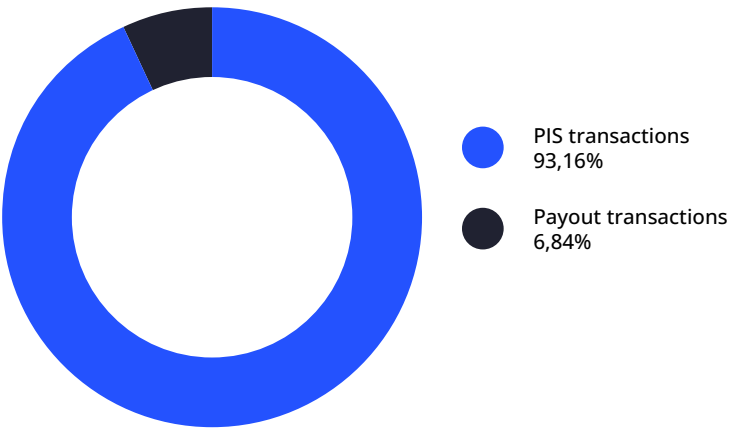


\*PIS- Payment initiation service.

Distribution of transactions by country (2023), %



Distribution of transactions by service (2023, %)



# Crowdfunding platform FinoMark



# FinoMark

In February 2021, after assessing FinoMark UAB's business model, the Bank of Lithuania gave the platform permission to carry out crowdfunding activities.

When it launched, VIP lenders from the Paskolų Klubas P2P lending platform were given an exclusive opportunity to get acquainted with projects published on the platform and invest in them. In June 2021, the crowdfunding platform was

presented publicly and became accessible to all investors. In 2023 FinoMark received the European Union (EU) and European Economic Area (EEA) Crowdfunding Regulation (CFR) certification.

## Q4 2023 developments at FinoMark

In October, a partnership with BOLT was initiated.

In October, the statistics page was updated, enabling a broader and more detailed acquaintance with FinoMark statistics.

In November, the process for loan payout to loan recipients was shortened.

In November, an Investors' Day event was organized, aimed at Paskolų klubas and FinoMark investors.

In December, payment schedule updates were made, allowing loan recipients to defer payments, extending the installment period.

In October, descriptions for projects on the FinoMark exchange were updated, allowing investors to become more familiar with the projects.

In October, the loan recipient functionality was enhanced, allowing for quicker application submission.

In November, the BuyBack feature was updated. The insurance protection was doubled to 1000 EUR.

In November FinoMark received the European Union (EU) and European Economic Area (EEA) Crowdfunding Regulation (CFR) certification.

In November, payment schedule updates were made, allowing loan recipients to create single-line payment schedules.

From December you can find loans tailored for apartment building owner associations.

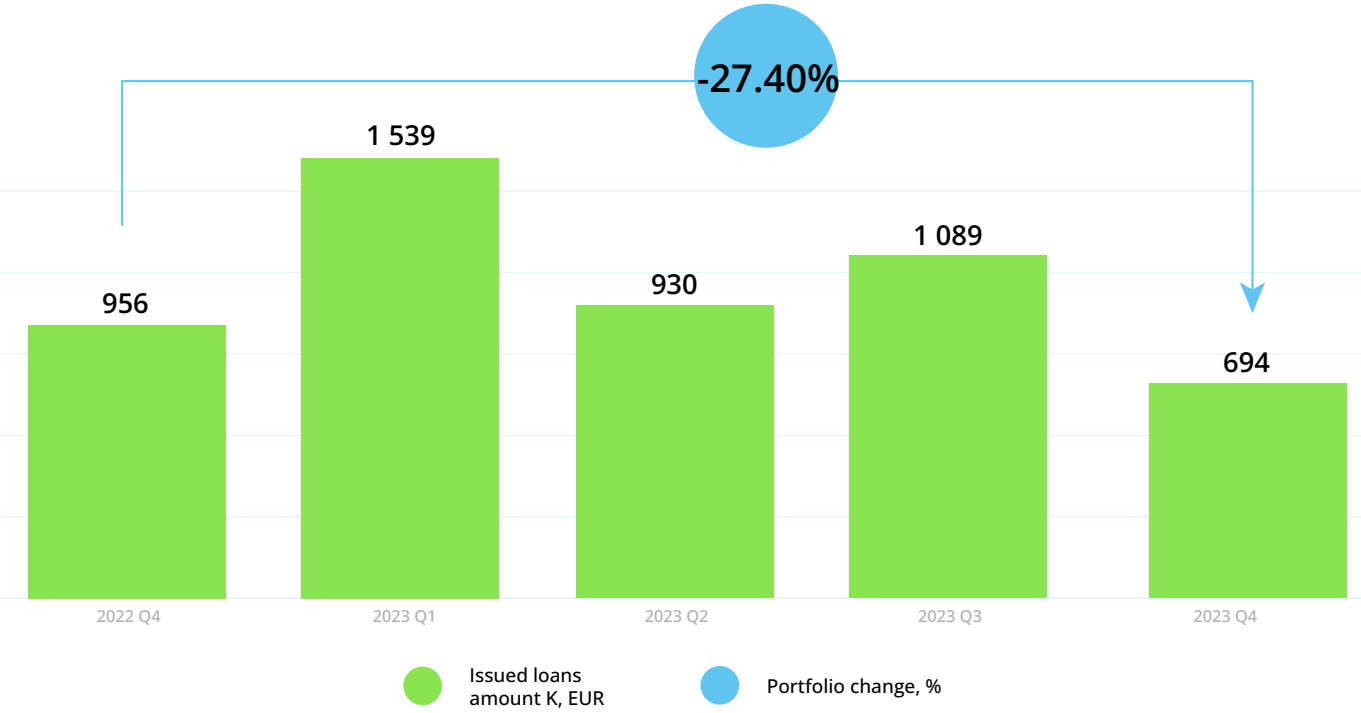
## Key Finomark, UAB 2023 financial indicators

	2023	2022	2023 / 2022 Δ, %	2021	2023 / 2021 Δ, %
Loans granted, EUR	4 251 771	2 678 000	59%	665 500	539%
Revenue, EUR	300 250	188 243	60%	167 204	80%
Cost of sales, EUR	(40 784)	(16 565)	146%	(23 026)	77%
Gross profit, EUR	259 466	171 678	51%	144 178	80%
General and administrative, other operating and interest expenses, EUR	(263 546)	(477 094)	-45%	(484 288)	-46%
Pre-tax profit / loss, EUR	(4 080)	(305 416)	-99%	(340 110)	-99%

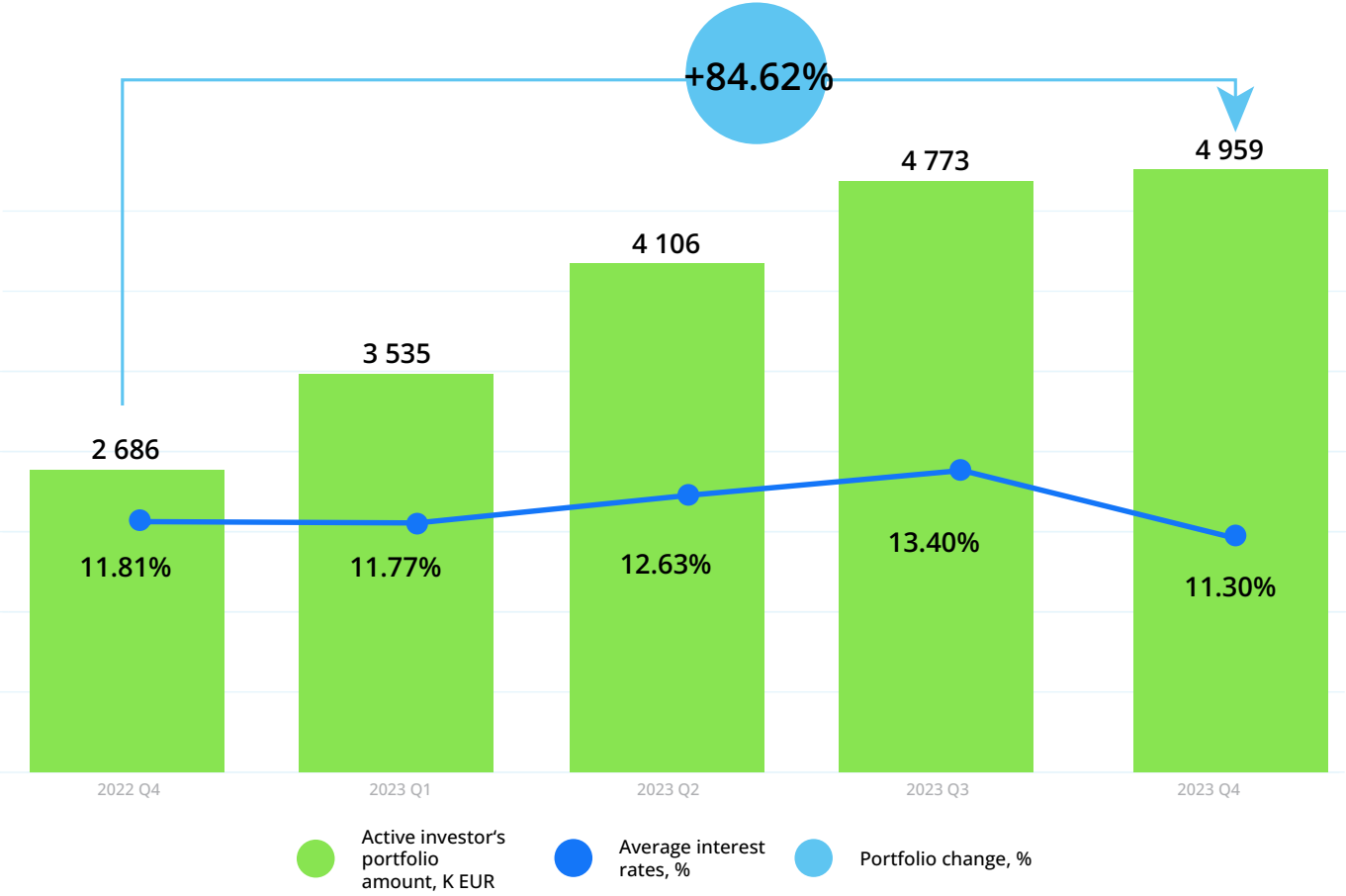
## Key Finomark, UAB 2023 Q4 financial indicators

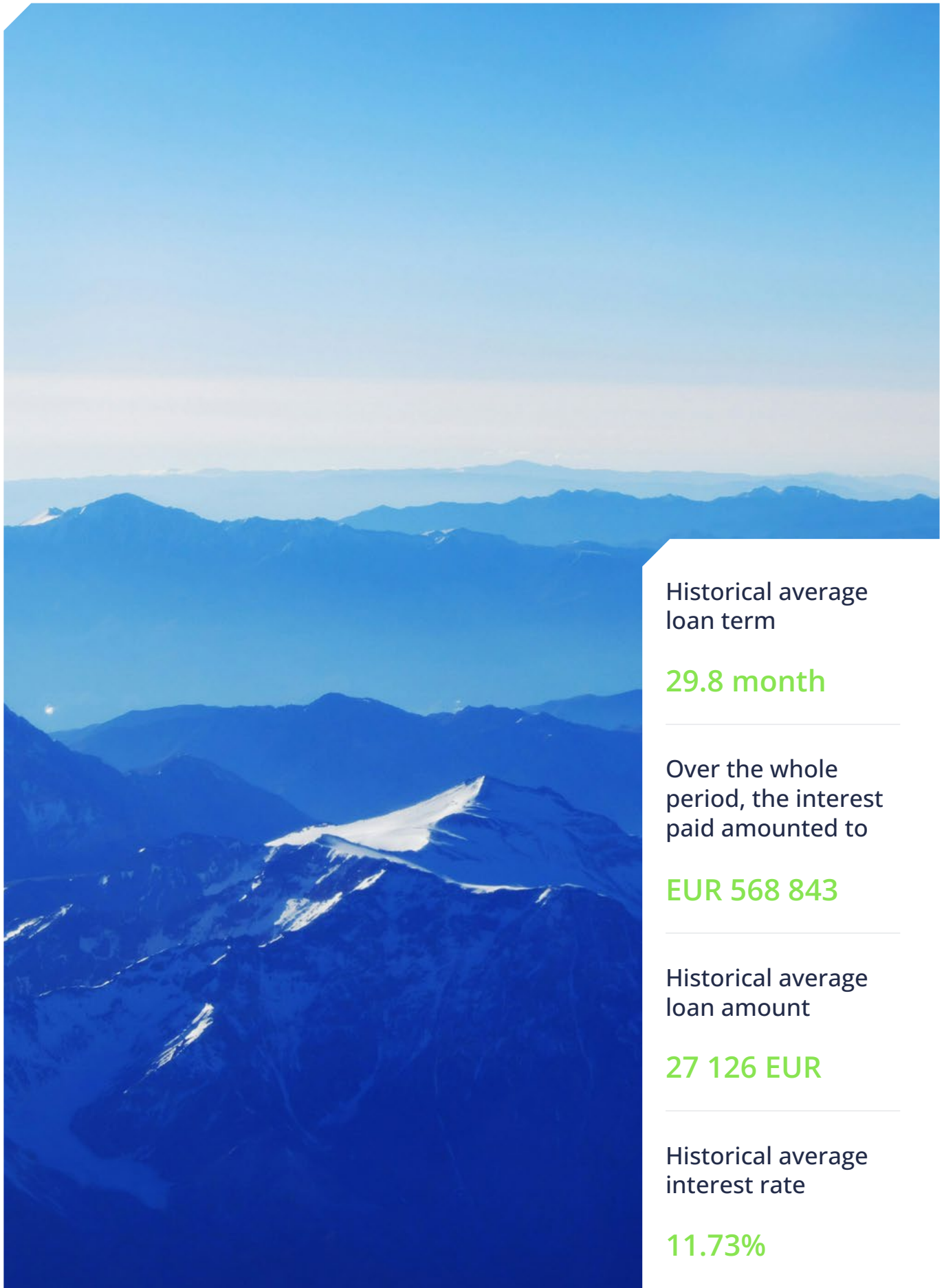
	2023 Q4	2022 Q4	2023 Q4 / 2022 Q4 Δ, %	2021 Q4	2023 Q4 / 2021 Q4 Δ, %
Loans granted, EUR	694 202	956 000	-27%	250 000	178%
Revenue, EUR	80 382	86 422	-7%	86 677	-7%
Cost of sales, EUR	(11 799)	(4887)	141%	(801)	1373%
Gross profit, EUR	68 583	81 525	-16%	85 876	-20%
General and administrative, other operating and interest expenses, EUR	(74 266)	(96 762)	-23%	(123 188)	-40%
Pre-tax profit / loss, EUR	(5 683)	(15 227)	-63%	(37 312)	-85%

“FinoMark” issued loans amount, EUR



Active investor's portfolio amount, EUR





Historical average  
loan term

**29.8 month**

Over the whole  
period, the interest  
paid amounted to

**EUR 568 843**

Historical average  
loan amount

**27 126 EUR**

Historical average  
interest rate

**11.73%**



# **NEO Finance, AB**

## **financial statements**

## 2023 condensed balance sheet, EUR

	Group		Company	
ASSETS	2023-12-31	2022-12-31	2023-12-31	2022-12-31
<b>NON-CURRENT ASSETS</b>	2 319 925	2 366 285	3 097 259	2 996 147
Intangible assets	1 146 121	1 062 134	1 074 268	956 254
Tangible assets	29 006	35 060	27 125	0 374
Financial assets	852 690	945 697	1 763 678	1 724 602
Other assets	292 108	323 394	232 188	284 917
<b>CURRENT ASSETS</b>	<b>24 691 457</b>	<b>14 203 209</b>	<b>24 418 895</b>	<b>14 143 650</b>
Inventories, Prepayments And Contracts In Progress	42 170	22 580	28 703	22 108
Amounts Receivable Within One Year	4 106 041	688 106	3 956 131	672 641
Other Currents Assets	5 036 950	-	5 036 950	-
Cash And Cash Equivalents	15 506 296	13 492 523	15 397 111	13 448 901
Deferred charges and accrued income	4 843	7 615	4 720	2 296
<b>TOTAL ASSETS:</b>	<b>27 016 225</b>	<b>16 577 109</b>	<b>27 520 874</b>	<b>17 142 093</b>
<b>EQUITY AND LIABILITIES</b>	<b>2023-12-31</b>	<b>2022-12-31</b>	<b>2023-12-31</b>	<b>2022-12-31</b>
<b>EQUITY</b>	<b>2 120 969</b>	<b>1 821 883</b>	<b>2 819 140</b>	<b>2 523 667</b>
Capital	1 848 934	1 848 934	1 848 934	1 848 934
Share Premium	1 956 848	1 956 848	1 956 848	1 956 848
Revaluation Reserve (Results)	-	-	-	-
Reserves	-	-	-	-
Retained Earnings (Losses)	(1 667 287)	(1 965 265)	(986 642)	(1 282 115)
Minority interest	(17 526)	(18 634)	-	-
Grants and subsidies	-	-	-	-
Provisions	32 783	86 012	32 783	86 012
Amounts payable and liabilities	24 833 776	14 647 035	24 641 470	14 511 422
Non-Current Amounts Payable And Liabilities	4 219 698	895 955	4 109 698	891 294
Current Amounts Payable And Liabilities	20 624 028	13 751 080	20 541 720	13 620 128
Accrued expenses and deferred income	18 747	22 179	17 530	20 992
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27 016 225</b>	<b>16 577 109</b>	<b>27 520 871</b>	<b>17 142 093</b>

## 2023 profit and loss statement, EUR

	Group		Company	
	2023	2022	2023	2022
Sales revenue	4 997 794	3 721 697	4 696 825	3 530 460
Cost of Sales	(2 383 880)	(1 658 695)	(2 339 654)	(1 650 676)
<b>GROSS PROFIT (LOSS)</b>	<b>2 613 914</b>	<b>2 063 002</b>	<b>2 357 171</b>	<b>1 879 784</b>
General and administrative expenses	(2 514 623)	(2 251 606)	(2 098 342)	(1 740 971)
Other activities	168 106	397	78 958	428
Investment in the parent, subsidiaries and associated companies shares income	-	-	-	-
Other long-term investments and loan income	-	-	-	-
Other loans granted interest income	96 376	59 149	40 192	20 059
Financial asset and Short-term investment impairment costs	-	-	-	-
Interest expenses	(10 803)	(30 305)	(7 179)	(692)
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>352 970</b>	<b>(159 363)</b>	<b>370 800</b>	<b>158 608</b>
Income tax	(53 884)	(38 639)	(75 327)	(54 713)
Profit (loss) before minority interest separation	299 086	(198 002)	295 473	103 895
Minority interest	(1 108)	16 116	-	-
<b>NET PROFIT (LOSS)</b>	<b>297 978</b>	<b>(181 886)</b>	<b>295 473</b>	<b>103 895</b>

## 2023 statement of changes in equity, EUR

	Paid up authorised or primary capital	Share premium account	Retained profit (loss)	Minority interest	Total
1. Balance at the end of the reporting (yearly) period before previous	1 784 436	1 653 415	(1 783 378)	(2 518)	1 651 955
2. Result of changes in accounting policies	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	1 784 436	1 653 415	(1 783 378)	(2 518)	1 651 955
5. Net profit (loss) of the reporting period	-	-	(181 886)	-	(181 886)
6. Increase (decrease) of other authorised or primary capital	64 498	303 433	-	-	367 931
7. Increase (decrease) of minority interest	-	-	-	(16 116)	(16 116)
8. Balance at the end of the previous reporting (yearly) period	1 848 934	1 956 848	(1 965 265)	(18 634)	1 821 883
9. Net profit (loss) of the reporting period	-	-	297 978	-	297 978
10. Profit (loss) not recognised in the profit (loss) account	-	-	-	-	-
11. Increase (decrease) of other authorised or primary capital	-	-	-	-	-
12. Increase (decrease) of minority interest	-	-	-	1 108	1 108
13. Balance at the end of the reporting period	1 848 934	1 956 848	(1 667 287)	(17 526)	2 120 969

## 2023 cash flow statement, EUR

Article	2023	2022
Cash flows from operating activities		
Net profit (loss)	297 978	(181 886)
Depreciation and amortisation expenses	465 831	355 416
Elimination of results of financing and investing activities	(85 573)	(19 367)
Elimination of results of other non-cash transactions	-	(16 735)
Decrease (increase) in other amounts receivable after one year	93 007	(50 267)
Decrease (increase) in assets of the deferred tax on profit	31 286	29 215
Decrease (increase) in stocks, except advance payments	-	-
Decrease (increase) in advance payments	(19 590)	(6 257)
Decrease (increase) in trade debtors	(84 268)	(48 017)
Decrease (increase) in other debtors	(3 333 667)	(46 367)
Decrease (increase) in prepayments and accrued income	2 772	(6 154)
Increase (decrease) in provisions	(53 229)	(108 703)
Increase (decrease) in trade of long-term creditors and prepayments received on account	(16 596)	(16 596)
Increase (decrease) in trade with short-term creditors and prepayments received on account	925	3 755
Increase (decrease) in liabilities of tax on profit	9 950	(15 871)
Increase (decrease) in liabilities related to employment relations	16 040	17 488
Increase (decrease) in other amounts payable and liabilities	6 280 863	2 519 337
Increase (decrease) in accruals and deferred income	(3 432)	4 889
<b>Net cash flows from operating activities</b>	<b>3 602 297</b>	<b>2 413 880</b>
Acquisition of fixed assets (excluding investments)	(568 024)	(565 083)
Disposal of fixed assets (excluding investments)	24 260	33 048
Acquisition of long-term investments	-	-
Disposal of long-term investments	-	-
Other increases in cash flows from investing activities	(5 036 950)	-
<b>Net cash flows from investing activities</b>	<b>(5 580 714)</b>	<b>(532 035)</b>
Cash flows related to entity's owners	-	367 931
Issue of shares	-	367 931
Cash flows related to other financing sources	4 036 955	31 565
Increase in financial debts	6 276 354	110 520
Loans received	2 796 354	110 520
Issue of bonds	3 480 000	-
Decrease in financial debts	(2 239 399)	(78 955)
Loans returned	(1 589 869)	(78 555)
Redemption of bonds	(500 000)	-
Interest paid	(149 530)	(400)
Net cash flows from financing activities	4 036 955	399 496
Adjustments due to exchange rates on the balance of cash and cash equivalents	-	(196)
<b>Increase (decrease) of net's cash flows</b>	<b>2 058 538</b>	<b>2 281 145</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>13 472 464</b>	<b>11 191 319</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15 531 002</b>	<b>13 472 464</b>

# EXPLANATORY NOTE

## of 31 December 2023

### 1. Intangible fixed assets, EUR

Indexes	Software	In total
Acquisition cost		
2021-12-31	2 114 404	2 114 404
Acquired	551 361	551 361
Written-of	(702 255)	(702 255)
Reclassifications	-	-
2022-12-31	1 963 510	1 963 510
Amortization accrued	-	-
2021-12-31	1 158 150	1 158 150
Estimated over the period	433 347	433 347
Written-of	(702 255)	(702 255)
Reclassifications	-	-
2022-12-31	889 242	889 242
Book value	-	-
2021-12-31	956 254	956 254
2022-12-31	1 074 268	1 074 268

### 2. Tangible fixed assets

Rodikliai	Žemė	Kita įranga, prietaisai, įrankiai ir įrenginiai	Iš viso
Acquisition cost			
2021-12-31	-	96 908	96 908
Acquired	1,818	8 971	10 789
Written-of	-	(53 317)	(53 317)
Reclassifications	-	-	-
2022-12-31	1,818	52 562	54 380
Depreciation accrued	-	-	-
2021-12-31	-	66 534	66 534
Estimated over the period	-	13 747	13 747
Written-off (-)	-	(53 027)	(53 027)
2022-12-31	-	27 254	27 254
Book value	-	-	-
2021-12-31	-	30 374	30 374
2022-12-31	1 818	25 308	27 126

### 3. Financial assets, EUR

Indexes	2023-12-31	2022-12-31
Investment activities debtors	997 528	997 528
Depreciation (-)	(145 488)	(52 064)
Investments in subsidiaries	911 638	779 138
Total:	1 763 678	1 724 602

### 4. Other fixed assets, EUR

	2023-12-31	2022-12-31
Deferred income tax assets	232 188	284 917
Other fixed assets	-	-
Total:	232 188	284 917

### 5. Accounts receivable within one year, EUR

	2023-12-31	2022-12-31
Buyers' debts	194 718	156 895
Investment activities debtors	2 780 865	368 525
Other receivables	-	-
Loans granted to related parties	1 025 875	175 000
Depreciation (-)	(45 327)	(27 779)
Total:	3 956 131	672 641

### 6. Cash, EUR

	2023-12-31	2022-12-31
Money in commercial bank accounts	1 541 140	451 059
Money at the Bank of Lithuania	13 855 971	12 997 842
Money in transition	-	93 081
Total:	15 397 111	13 541 982

## 7. Structure of the authorized capital, EUR

Indexed	Number of shares	Amount
Structure of the share capital at the end of the financial year		
1. According to the types of shares		
1.1. Ordinary shares	4 202 123	1 848 934
1.2. Preference shares	-	-
1.3. Employees' shares	-	-
1.4. Special shares	-	-
1.5. Other shares	-	-
Total:	4 202 123	1 848 934
2. State or municipal capital	-	-
3. Own shares owned by the company	-	-
4. Shares owned by subsidiaries	-	-
5. Shares premium	-	1 956 848

As of 31 December 2023, all shares have been paid.

## 8. Provisions

The Company forms reimbursable suretyship provisions ("Provision Fund" service) intended to cover the liabilities under the reimbursable suretyship agreements. At the end of the financial year, provisions made up EUR 32 783. At the end of the last financial year, provisions made up EUR 86 012.

## 9. Financial debts, EUR

	2023-12-31	2022-12-31
Long-term debts (from 2 to 5 years)	4 109 698	891 294
Loans received from affiliated undertakings	1 120 000	615 000
Bonds	2 980 000	250 000
Financial security liabilities after one year	9 698	26 294
Short-term debts	857 517	250 365
Loans received from affiliated undertakings	545 000	249 957
Interest on loans received from affiliated undertakings	62 517	408
Bonds	250 000	-
Total:	4 967 215	1 141 659



## 10. Accounts payable within one year, EUR

	2023-12-31	2022-12-21
Advances received	25 461	5 760
Trade payables	162 721	179 786
Payroll liabilities	60 931	56 947
Vacation pay liabilities	63 356	57 777
Social security liabilities	41 832	36 383
Personal income tax liabilities	19 470	17 933
Income tax liabilities	9 950	-
Customer money held at NEO Finance accounts	19 288 902	13 009 354
Other tax liabilities	10 348	10 583
Other payables	1 233	1 379
Total:	19 684 204	13 375 902

## 11. Income, EUR

	2023-12-31	2022-12-21
Sales revenue	4 696 825	3 530 460
Revenue related to the issuance and processing of electronic money	1 349 404	1 032 988
Investment income	312 532	145 358
Revenue related to peer-to-peer lending	3 034 889	2 352 114

Most of the revenue related to peer-to-peer lending are distributed throughout the loan period, and these revenues are received only when the borrower makes the monthly installment.

## 12. Expenses, EUR

Indexes	2023-12-31	2022-12-21
Cost of sales	(2 339 654)	(1 650 676)
Cost of services rendered	(2 339 654)	(1 650 676)
General and administrative expenses	2 098 342	1 740 972
Salaries and social security	974 001	851 293
Guarantee Fund accrual costs	(53 228)	108 703
Audit expenses	9 196	7 018
Depreciation	414 157	303 994
Other expenses	754 216	469 964

### **13. Relations with executives and other related persons**

In 2023, the Head of Administration was paid a salary of EUR 77 661 (in 2022 – EUR 96 801). The Head of Administration has not received any other income, loan guarantees nor benefits.

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### **14. Rights and liabilities of the Company not specified in the balance sheet**

The company's liabilities under compensated suretyship agreements as of 31 December 2023 amounted to EUR 554 thousands. The Company signs compensated suretyship agreements with lenders who choose the Provision Fund service when investing. On the basis of these agreements, the Company guarantees to the lenders proper performance of the obligations arising from consumer credit agreements.

The Company is not a participant of legal proceedings whose outcome could have a significant effect on the Company's financial position and/or financial results.

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### **15. Contingent liabilities**

At the end of the reporting year, the Company had no contingent liabilities

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### **16. Post balance sheet events**

On 26th of January 2023, NEO Finance, AB acquired additional 3 000 000 shares of Finomark, UAB. After the acquisition of shares, NEO Finance, AB's ownership of FinoMark, UAB increased to 95.32 percent.

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### **17. Off-balance sheet liabilities**

By 31 December 2023, the Company, having acted as an operator of a Peer-to-Peer Lending Platform, and a consumer credit provided, has disbursed consumer credit funds for a total amount of EUR 172 026 916. As of 31 December 2023, the remaining outstanding part of credit amounted to EUR 70 732 961.

