

## Placet Group Q3 overview

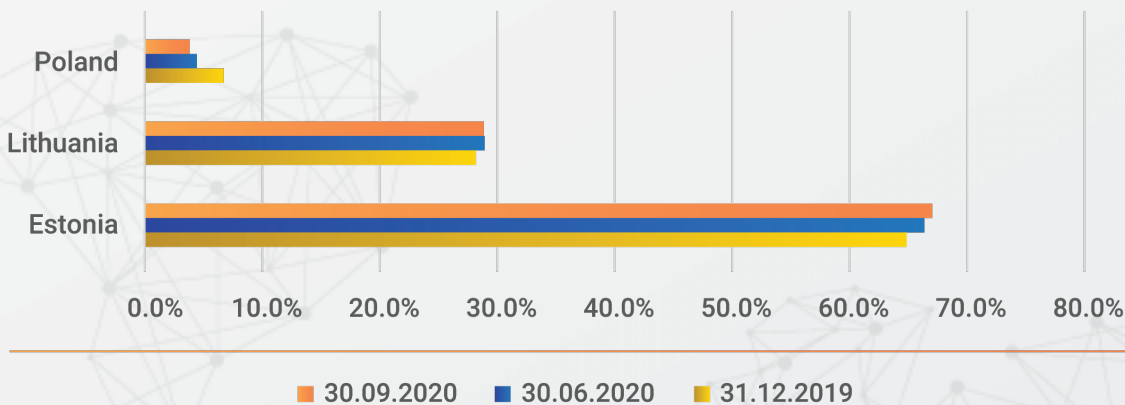
With a keen eye on the impact of the current economic downturn, we have adhered to our long-term growth ambitions, even during this time of crisis. As a result, we had a strong third quarter, as we were able to increase lending volumes and reduce credit losses in spite of the current economic situation.

In Q3, we focused more attention on the optimization of lending processes, and this led to an increase in our loan portfolio without a significant increase in NPL (Non-Performing Loans). In addition, we put more effort in the development of complex statistical analyses to enable better monitoring of AML (Anti-Money Laundering) risks. We believe that these activities will ensure we move forward in a profitable and sustainable manner. This is also testified by the growth in our customer base, with 392 new customers added during Q3 and a total of 2,459 customers since the beginning of the year.

We have continued to pursue our open and local credit policy, reviewing all loan applications on a customer-by-customer basis. As a consequence, our loan portfolio has continued to grow, increasing by EUR 637 thousand in Q3 (from EUR 3.65 million after the first half of 2020), representing a 2% increase over three months. Total growth since the beginning of the year stands at 11%, which in absolute terms means an increase in the loan portfolio by EUR 4.3 million to a total of EUR 42.6 million (as of 30.09.2020).

The largest growth in the loan portfolio occurred in Estonia, which was 3% in Q3 and 16% since the beginning of the year. Consumer loans experienced the biggest growth. Loan losses amounted to EUR 809 thousand in Q3, i.e., EUR 256 thousand less than in Q2. The quality of the loan portfolio has not been significantly affected by the COVID-19 pandemic. According to experts, realization of credit losses will take place over a longer period of time. This is why Placet Group has focused more attention on credit risk management and the optimization of lending processes.

## Loan portfolio by country



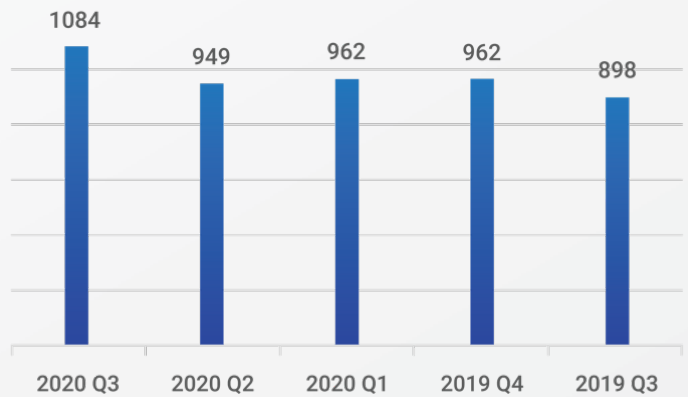
Q3 was also successful in terms of business volumes. Placet Group generated EUR 3.1 million in net interest income and EUR 176 thousand in net fee and commission income. In total, the company's net income amounted to EUR 3.3 million, expenditures to EUR 2.25 million, which included EURO 0.8 million in loan provisions, a significant part of which was based on forward looking model-based macro indicators. Net profit for Placet Group amounted to EUR 1.08 million in Q3. This constitutes a 14% increase from Q2 (EUR 0.95 million) and a 21% increase from Q3 2019 (EUR 0.9 million). Net interest income decreased by 1.5% compared to the previous quarter. Net fee and commission income increased by 15.3% compared to Q2. Operating expenses decreased by 19% compared to the previous quarter. In Q3, other financial expenses

amounted to EUR 32 thousand (Q2: EUR 0.2 thousand). Quarterly profit before taxes was EUR 1.15 million and net profit EUR 1.08 million.

### Q3 2020 in comparison with Q2 2020

- Net profit EUR 1.08 million (EUR 0.95 million),
- Net income EUR 3.3 million (EUR 3.3 million)
- Operating expenses EUR 1.48 million (EUR 1.82 million)
- Payroll costs EUR 0.55 million (EUR 0.53 million)
- Loan provisions EUR 0.8 million (EUR 1.06 million)
- Income tax expenses EUR 70K (EUR 82K)
- Return on equity 20.17% (18.55%)
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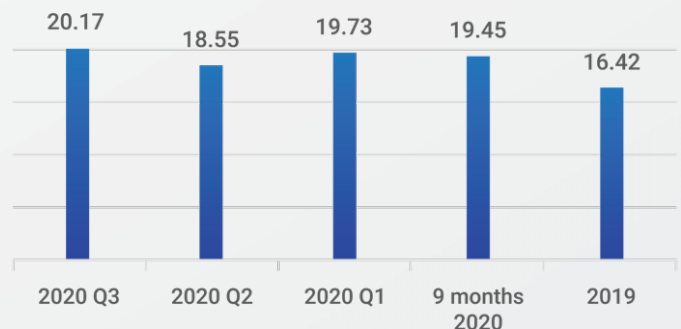
### Profit by quarters (in thousands)



### Q3 2020 in comparison with Q3 2019

- Net profit EUR 1.08 million (EUR 0.9 million),
- Net income EUR 3.3 million (EUR 2.95 million)
- Operating expenses EUR 1.48 million (EUR 1.55 million)
- Payroll costs EUR 0.55 million (EUR 0.49 million)
- Loan provisions EUR 0.8 million (EUR 1 million)
- Income tax EUR 70K (EUR 67K)

### Return on equity (%)



### Ratios

	Q3 2020	Q2 2020	Q1 2020	9 months 2020	2019
ROE %	20.17	18.55	19.73	19.45	16.42
ROA %	9.75	8.99	9.60	9.43	7.85
NIM %	29.70	31.45	30.45	29.03	26.72

**Explanations to ratios** (quarterly ratios have been expressed on an annualized basis)

Return on equity (ROE) = net profit for the quarter / average equity \*100

Return on assets (ROA)= net profit for the quarter / average assets \*100

Net interest margin (NIM) = net interest income / interest-bearing assets, average \* 100

Income statement	Q3/2020	Q2/2020	9mnth/2020	Q3/2019	9mnth/2019
Net interest income	3 134 488	3 183 311	9 267 849	2 659 324	7 563 884
Net fee and commissions income	175 518	152 307	530 409	293 813	999 947
Other income, net	134 834	51 945	188 966	56 002	143 488
<b>Total net operating income</b>	<b>3 444 840</b>	<b>3 387 563</b>	<b>9 987 224</b>	<b>3 009 139</b>	<b>8 707 319</b>
Payroll expense	-551 120	-530 394	-1 640 615	-484 556	-1 541 889
Marketing expense	-324 886	-325 982	-1 360 409	-360 186	-1 154 915
Rental, office expense and tangible assets depreciation	-31 508	-30 364	-123 659	-24 400	-83 663
IT expense and intangible assets depreciation	-281 901	-237 992	-764 609	-67 208	-302 462
Other expense	-302 204	-176 583	-139 045	-109 339	-680 974
<b>Total operating expense</b>	<b>-1 491 619</b>	<b>-1 301 315</b>	<b>-4 028 337</b>	<b>-1 045 689</b>	<b>-3 763 903</b>
<b>Net profit before impairment losses</b>	<b>1 953 221</b>	<b>2 086 248</b>	<b>5 958 887</b>	<b>1 963 450</b>	<b>4 943 416</b>
Impairment losses on financial assets	-808 820	-1 054 942	-2 764 556	-999 043	-2 581 078
<b>Profit/loss before income tax</b>	<b>1 144 401</b>	<b>1 031 306</b>	<b>3 194 331</b>	<b>964 407</b>	<b>2 362 338</b>
Income tax	-58 285	-70 157	-199 230	-66 889	-200 402
<b>Net profit for the reporting period</b>	<b>1 086 116</b>	<b>961 149</b>	<b>2 995 101</b>	<b>897 518</b>	<b>2 161 936</b>

#### Outlook for the Q4

There is still a lot of uncertainty due to the spread of COVID-19, but the outlook for the fourth quarter of 2020 is positive. The growth of loan volume in Estonia has been spurred by the Placet Group credit card project launched in October. This has allowed customers to use their credit limit with greater ease. Placet Group's close cooperation with P2P platform Moncera has contributed to the growth of lending volumes in Lithuania.