



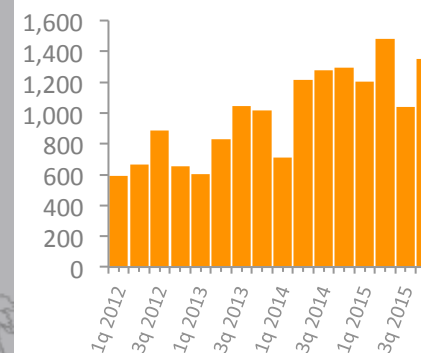
GENERAL INVESTMENT OPPORTUNITY
MARCH 2016

EXECUTIVE SUMMARY

- Omega Laen (“The Company”), established in 2009, is one of the largest non-banking mortgage loan provider in Estonia with a **consumer credit license** from Estonian FCA
- The key competitive advantage is the ability to offer **flexible loan solutions** and **quick decision** making process without compromising on the quality of the loan portfolio
- The Company has subsidiaries in Lithuania (**UAB Kredito Garantas**) and in Poland (**Balt Credit SP.**)
- By December 31, 2015, the Company had consolidated **loan portfolio EUR 8.3 M**, around **756 outstanding loans** with interest rate starting from **12%**.
- All loans issued are **backed by mortgage** and loan amount is **up to 60%** of the value of the collateral
- The Company has strong financial standing characterized by rapid revenue growth, profitable operations and flawless credit history. Consolidated **interest income** for 2015 has reached **EUR 1.54 M** and **EBITDA EUR 1.1 M**
- Lending activities are mainly financed by equity, loans from shareholders and loans from Tallinn Business Bank.
- Omega Laen is built up and owned by people with strong background in financial services



NEW LOANS ISSUED, EUR '000



KEY CONSOLIDATED FINANCIALS

EUR '000	2013	2014	2015	2016
	audited	audited	unaudited	forecast
Gross revenue	1 014	1 285	1 808	2 100
Interest income	838	1 062	1 540	1 830
Interest expense	308	498	771	940
NIM	14,1%	10,9%	10,7%	9,2%
Profit before tax	293	319	425	525
PBT margin	29%	25%	24%	25%
Net profit	290	306	378	462
Net profit margin	29%	24%	21%	22%
Gross Loans	4 243	6 121	8 285	11 000
Loan provisions	0	4	4	10
Liabilities (debt)	4 003	5 782	8 127	10 700
Equity	1 085	1 389	1 647	2 000
Total assets	5 283	7 552	10 168	13 000
ROE	30,9%	24,7%	24,9%	25,3%

KEY BUSINESS ADVANTAGES

NICHE MARKET SEGMENT

- ✓ Focused product line
- ✓ Market positioning between small credit providers and banks avoids uneven and costly competition with banks

FLEXIBILITY AND SPEED

- ✓ Ability to offer flexible loan solutions according to customer's needs
- ✓ Ability to serve non-standard cases which don't fit the strict criteria of the banks (micro-entrepreneurs, customers with income from abroad, etc.)
- ✓ The decision-making takes only **1 day**
- ✓ The whole process from application to cash transfer takes only **3 days**

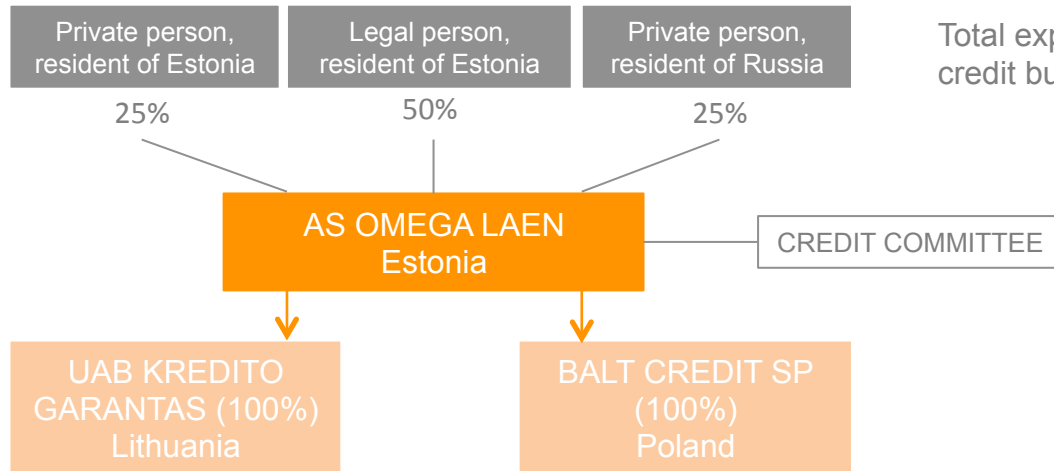
QUALITY CREDIT PORTFOLIO

- ✓ All applicants undergo a thorough quality check before being approved
- ✓ Face-to-face meeting with each potential customers
- ✓ Conservative collateral policy and well-established loan criteria
- ✓ All non-standard properties are evaluated by an independent appraiser
- ✓ Low level of loan losses

OPERATIONAL EXCELLENCE

- ✓ Excellent past portfolio growth rates: **25%-44%** yearly during the last three years, without any compromises on credit portfolio quality
- ✓ Cost-efficient operating model and lean organization
- ✓ High net profit margin: **21%** in the year 2015
- ✓ Strong capital structure: **75-79%** of loan portfolio has been financed so far by equity and by loans from shareholders

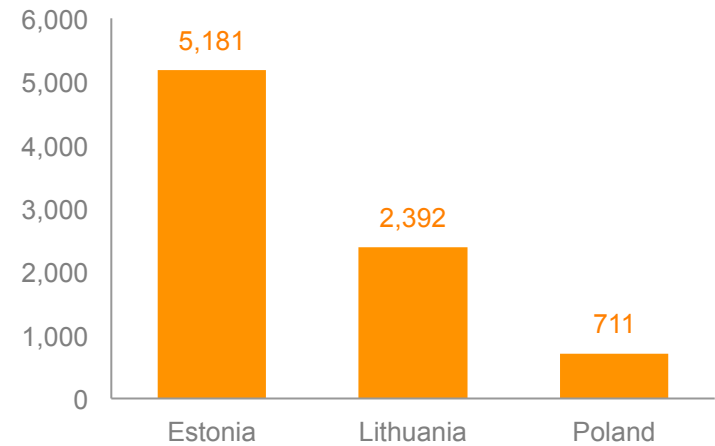
OVERVIEW OF THE COMPANY STRUCTURE



Total experience of shareholders and top management in credit business over 35 years

	ESTONIA	LITHUANIA	POLAND
Offices	Tallinn, Narva, Tartu	Klaipeda, Kaunas, Vilnaus	Warsaw
Number of loans	513	225	18
Average loan, EUR '000	10	11	40
Weighted average interest rate	20,2%	23,6%	22%
Weighted average LTV	49,9%	38,5%	37,1%

GROSS OUTSTANDING LOAN PORTFOLIO BY COUNTRY 31.12.2015 , EUR'000



- Total number of employees: 14
- IT, accounting and legal services are outsourced

PRODUCTS AND CUSTOMERS

The Company serves both private and legal persons, offering **mortgage loans** up to 100 TEUR and with up to 10 years term. Granted loans are usually the annuity type loans, but bullet loans are also possible with up to 1 years term. Average loan is around **10 TEUR**.

In Tallinn the Company offers **unsecured consumer loans** up to 7 TEUR, but having **2.5 TEUR** on average.

Loans are issued with fixed interest rates, ranging **from 12%**. Interest rate depends on the quality of the collateral and the customer credit risk profile.

- Omega Laen has total of **681 customers** with at least one outstanding loan (31.12.2015)
- The Company receives about **100 loan applications** each month
- On average **50 new loans** are issued each month.

Qualitative check is performed on each loan application, taking into consideration:

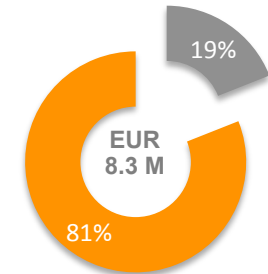
- Data provided in loan application
- Public credit default registries for both the applicant and the owner of the collateral
- Credit reports of the companies associated with the loan applicant
- Data from the court registry
- Extract from the land register
- Financial statements (for legal persons)
- Account statement (for private persons)

Customer profile: an „average customer“ is a lower or a middle class person who owns real estate. The loan are usually used for home renovation, refinancing of existing high interest consumer loans or for small business purposes. The customer has been rejected by the banks either for irregular or foreign income, or for failure to comply with any other requirements. Or the customer is looking for a creditor with the 1-day decision-making process.

Despite longer tenor an average customer usually will repay the loan after few years, either by refinancing it at a lower interest rate, selling the property or repaying the full amount from his irregular income

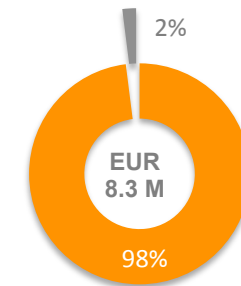
LOAN PORTFOLIO BY CUSTOMERS

- Legal entities
- Individual clients

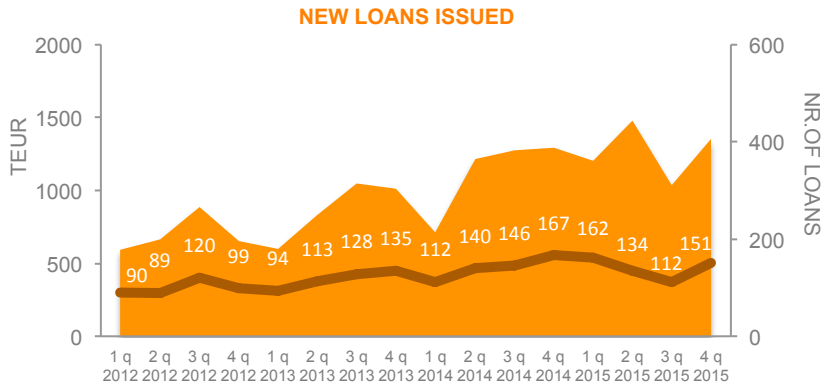


LOAN PORTFOLIO BY LOAN TYPE

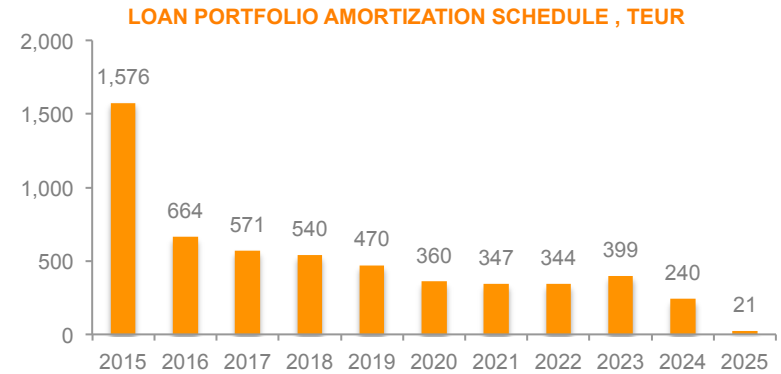
- Mortgage loans
- Unsecured loans



LOAN PORTFOLIO



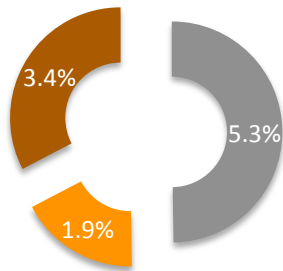
The Company has been able to increase sales continuously. The total amount of loans issued during the last 4 years is **over 15.8 M EUR**, including 12 M EUR in Estonia



* Data does not include interest payments and the principal from loans granted in 2015, amortization profile of the newly-issued loans is very similar. In practice actual amortization is even faster as significant part of the mortgage loans are repaid ahead of time

OVERDUE LOANS AS OF 31.12.2015, ESTONIA

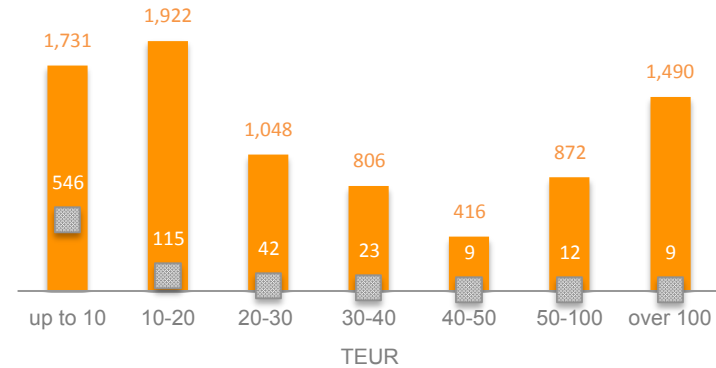
■ up to 30 d ■ 31-90 d ■ over 90 d



Total amount of overdue loans in Estonia is close to **10%** and it shows very good quality of Estonian portfolio. The share of overdue loans in other countries is higher, but it has been decreasing. Total of **18** collaterals were sold in enforcement proceedings during 6 years since the beginning with total realized loss of only **4** thousand EUR .

DISTRIBUTION OF LOAN PORTFOLIO BY LOAN SIZE

■ Amount, TEUR ■ Number of loans



57% of the total loan portfolio and **93%** of the number of loans issued are below **30** thousand EUR in size. The share of **top 10 loans** by size is **19%** of the total loan portfolio

COLLATERALS

Most of the loans issued by the Company are secured by mortgage

Company provides loan in the amount of **up to 50%** of the value of the collateral (**70%** in Tallinn)

In terms of range of acceptable types of real estate Omega Laen is very flexible:

- In addition to traditional residential property, the list of accepted collaterals includes also commercial property, arable land, land plots, etc.
- Also, differently from banks, the loan applicant does not need to be the owner of the property
- Omega Laen is ready to accept also lower rank mortgages as long as the total LTV is below 60% threshold. As of 31.12.2015 **average weighted LTV** of consolidated portfolio is **45,4%**

Still, certain internal restrictions apply to collaterals:

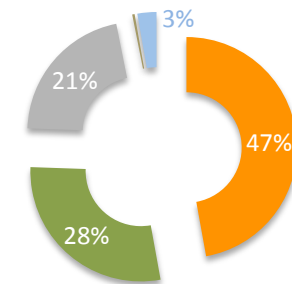
- Properties with special characteristics which limit their liquidity are not accepted (e.g. land plots with odd placement or restricted access or with no building rights or with no utilities)
- In order to mitigate the region risk the Company only provides a limited number of loans to some less liquid regions (e.g. small towns)

Valuation

- The Company evaluates the collateral using its in-house expertise and public databases
- All non-standard properties are evaluated by an independent appraiser

LOAN PORTFOLIO BY TYPE OF COLLATERAL, ESTONIA

- Apartment
- House
- Commercial
- Land
- Under construction



AVERAGE WEIGHTED LTV BY COUNTRY

