

A man with glasses and a beard, wearing a dark suit jacket over a light blue shirt, stands on the left. A woman with long blonde hair, wearing a light-colored blazer over a blue shirt, stands on the right. They are both looking down at a tablet computer held by the woman. The background consists of horizontal wooden slats. The entire image has a dark blue overlay.

# CREDITSTAR GROUP AS

Interim Report  
Q4 2022

Tallinn, 31 January 2023

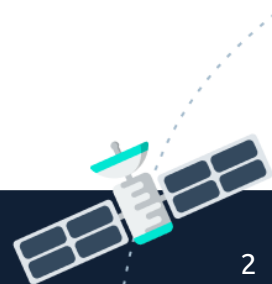


## Good results in 2022 despite challenging market conditions

- ✦ Despite the challenging market circumstances in 2022, we have stayed focused on growing our company. Compared to 2021, we increased our net loan portfolio by 20% to 217 million euros and income by 23% to 59 million euros.
- ✦ With volatile circumstances for crowdfunding platforms and the bond market, access to capital has become more expensive and challenging in the second part of the year. In light of this, we are pursuing several fundraising initiatives that we anticipate completing in the first half of 2023.
- ✦ We continue to observe high demand for our products. We have diligently controlled our loan volumes across the markets over the second part of the year, and customer repayments have remained at expected levels.
- ✦ We are pleased that the business model has remained robust and well-managed during these times. We believe we can emerge stronger from current market circumstances and capitalise on growth opportunities.

## Positive outlook for 2023

- ✦ We continue to see excellent growth possibilities in our current markets. - We anticipate portfolio volumes to rise further, and lending will remain focused on higher-quality consumers.
- ✦ Creditstar will aggressively pursue possibilities to secure additional debt and equity funding to support future expansion and capitalise on growth prospects.
- ✦ We want to broaden our product offerings in the current markets by focusing on scaling out credit line products and providing options for purchase financing, as well as scaling our recently introduced investment product SmartSaver.
- ✦ The Group will continue streamlining lending operations and enhancing its technology and underwriting models across all markets and platforms.
- ✦ We constantly review and optimise our operating models to ensure the business remains lean and efficient. Increasing profitability is one of our key priorities as we scale the business.





## Creditstar Group completes two bond issues and raises €14 million

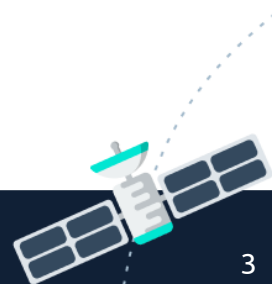
- ✦ We are pleased that, despite the challenging capital-raising process and adverse market circumstances, we raised €14 million in November 2022 and issued two bonds with maturities of 18 and 36 months.
- ✦ Creditstar's new bonds were issued on December 1st, 2022, with annual interest rates of 12.5% and 13.5% for the 18-month and 36-month bonds, respectively.

## Investor event and additional debt and equity financing

- ✦ On November 17th, the Creditstar executive team held an investor event. In addition to providing an update on the Group's latest developments, the event provided an opportunity for attendees to meet and hear from management about future plans.
- ✦ Creditstar has a resilient business model, and we view this as a good opportunity to obtain additional funds in order to emerge from the crisis stronger and ready to capitalise on growth prospects.
- ✦ Creditstar is seeking possibilities to raise additional debt and equity capital to fund future expansion.

## Creditstar Group won the 2022 Best Use of IT for Consumer Lending award.

- ✦ Creditstar received the award for Best Use of IT in Consumer Lending. The Banking Tech Awards recognise achievement and innovation in the application of information technology in financial services throughout the globe. The awards are granted to institutions that have used the finest technology in the field of consumer lending and are at the forefront of consumer lending innovation. The 2022 awards event was held on December 1, 2022, at the Royal Lancaster Hotel in London.





## Creditstar Launches Monefit SmartSaver

- ✦ Creditstar launched SmartSaver under the Monefit brand to offer a financial solution that provides an ideal balance between investing and saving.
- ✦ SmartSaver offers European retail and corporate investors an opportunity to earn more on their investments, allowing customers to earn a fixed rate of 7% interest annually and helping them reach their financial goals faster.
- ✦ SmartSaver, which is based on the P2P model, has no hidden fees or lock-in periods for withdrawals. Customers can start their investment journey with as low as 10 euros and withdraw their funds at any time given ten days' notice. SmartSaver is open to anyone at least 18 years old with a personal bank account in the European Economic Area, UK or Switzerland.
- ✦ SmartSaver funds are invested in consumer credit issued by our group, Creditstar, to accelerate our consumer lending business in our key markets.
- ✦ Initial customer response is positive, and we are now looking to scale the product.





# 2,077,000€

## Q4 2022 – Net profit

### Profit and interest income

- ★ Interest income increased by 5.7% in comparison to Q3 2022.
- ★ Net profit amounted to EUR 2,077 thousand.
- ★ Operating profit decreased by 8.5% to EUR 4,850 thousand in Q4 2022 compared to EUR 5,301 in Q3 2022.

### Expenses

- ★ Operating expenses increased from EUR 2,606 thousand in Q3 2022 to EUR 3,147 thousand in Q4 2022.
- ★ Interest expense on loans and issued bonds amounted to EUR 6,804 thousand.
- ★ Wages and salaries cost was EUR 1,116 thousand, a decrease of EUR 109 thousand in Q4 2022 compared with the previous quarter.





The financial and other additional information published in the Interim Report January – December 2022 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations, and Groups cash flows.

**Consolidated financial statements in the report for the period January – December 2022 are not audited.**

Aaro Sosaar

Member of the Management Board

Tallinn, 31.01.2023



# Consolidated Comprehensive Income Statement

In thousands Euro's

	2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2022
Interest income	48 068	13 755	14 612	15 056	15 916	59 339
Interest expense	-18 865	-5 075	-5 473	-5 929	-6 804	-23 281
<b>Net interest income</b>	<b>29 203</b>	<b>8 680</b>	<b>9 139</b>	<b>9 127</b>	<b>9 112</b>	<b>36 058</b>
Other income	26	1	10	5	1	17
Operating expenses	-9 491	-2 949	-2 841	-2 606	-3 147	-11 543
Wages and salaries	-4 497	-1 364	-1 452	-1 225	-1 116	-5 157
<b>Operating profit</b>	<b>15 241</b>	<b>4 368</b>	<b>4 856</b>	<b>5 301</b>	<b>4 850</b>	<b>19 375</b>
Depreciation	-2 106	-347	-348	-349	-344	-1 388
FX realized cost	-98	-13	-46	-13	-19	-91
Loan impairment charges	-7 308	-1 905	-2 173	-2 123	-2 336	-8 537
Corporate income tax	-312	-100	-105	-121	-74	-400
<b>Net profit</b>	<b>5 417</b>	<b>2 003</b>	<b>2 184</b>	<b>2 695</b>	<b>2 077</b>	<b>8 959</b>
FX translation adjustment	416	-314	-364	-271	-114	-1 063
<b>Comprehensive profit</b>	<b>5 833</b>	<b>1 689</b>	<b>1 820</b>	<b>2 424</b>	<b>1 963</b>	<b>7 896</b>



# Consolidated Balance Sheet

In thousands Euro's



31.12.2021 31.03.2022 30.06.2022 30.09.2022 31.12.2022

## Assets

Cash	5 985	2 006	2 039	2 485	1 308
Loans to customers	180 981	192 945	206 023	214 280	217 429
Other assets	11 798	11 869	12 295	12 553	12 187
<b>Total assets</b>	<b>198 764</b>	<b>206 820</b>	<b>220 357</b>	<b>229 318</b>	<b>230 924</b>

## Liabilities and Equity

Borrowings	158 292	163 961	175 626	179 999	178 395
Payables and prepayments	2 318	3 016	3 068	2 632	3 879
<b>Total liabilities</b>	<b>160 610</b>	<b>166 977</b>	<b>178 694</b>	<b>182 631</b>	<b>182 274</b>

## Equity

Issued capital	21 000	21 000	21 000	21 000	21 000
Voluntary reserve	5 656	5 656	5 656	8 256	8 256
Retained earnings	11 498	13 187	15 007	17 431	19 394
<b>Total equity</b>	<b>38 154</b>	<b>39 843</b>	<b>41 663</b>	<b>46 687</b>	<b>48 650</b>
<b>Total Liabilities and Equity</b>	<b>198 764</b>	<b>206 820</b>	<b>220 357</b>	<b>229 318</b>	<b>230 924</b>





# Consolidated Cash Flow Statement

In thousands Euro's

	2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2022
<b>Operating activities</b>						
Net profit	5 417	2 003	2 184	2 695	2 077	8 959
Adjustment to net profit:						
Depreciation	2 106	347	348	349	344	1 388
Interest income	-48 068	-13 755	-14 612	-15 056	-15 916	-59 339
Interest expense	18 865	5 075	5 473	5 929	6 804	23 281
Impairments	7 068	1 905	2 173	2 123	2 336	8 537
Change in operating assets:						
Loans to customers	-36 218	-11 979	-13 078	-8 257	-3 149	-36 463
Other receivables and prepayments	-1 088	-1 027	-323	84	274	-992
Change in operating liabilities	-350	1 108	52	-436	1 247	1 971
Interests received	37 936	11 782	11 889	12 933	13 886	50 490
<b>Total cash flow from operating activities</b>	<b>-14 332</b>	<b>-4 541</b>	<b>-5 894</b>	<b>364</b>	<b>7 903</b>	<b>-2 168</b>
<b>Investing activities</b>						
Additions to tangible fixed assets	-	-	-	-263	-56	-319
Additions to intangible fixed assets	-1 192	-	-	-428	-171	-599
<b>Total cash flow from investing activities</b>	<b>-1 192</b>	<b>-</b>	<b>-</b>	<b>-691</b>	<b>-227</b>	<b>-918</b>
<b>Financing activities</b>						
Proceeds from debt issued and borrowed funds	50 981	6 665	13 981	7 052	17 718	35 917
Repayment of debt issued and borrowed funds	-15 462	-1 047	-2 806	-2 293	-19 692	-16 339
Interest paid	-19 151	-5 107	-5 437	-6 315	-6 849	-23 708
Dividends paid incl. CIT	-	-	-	-	-	-
Equity injections	3 850	-	-	2 600	0	2 600
<b>Total cash flow from financing activities</b>	<b>20 218</b>	<b>511</b>	<b>5 738</b>	<b>1 044</b>	<b>-8 823</b>	<b>-1 530</b>
<b>Total cash flow</b>	<b>4 694</b>	<b>-4 030</b>	<b>-156</b>	<b>717</b>	<b>-1 147</b>	<b>-4 616</b>
<b>Cash and cash equivalents in beginning</b>	<b>1 533</b>	<b>5 985</b>	<b>2 006</b>	<b>2 039</b>	<b>2 485</b>	<b>5 985</b>
FX impact	-242	51	189	-271	-30	-61
Change in cash and cash equivalents	4 694	-4030	-156	717	-1 147	-4 616
<b>Cash and cash equivalents in the end</b>	<b>5 985</b>	<b>2 006</b>	<b>2 039</b>	<b>2 485</b>	<b>1 308</b>	<b>1 308</b>



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creditstar group