

Finbee performance report

2023 Q1



Finbee CEO insights

“ Let's start with positive news!

We set a new record in March this year. The amount of consumer and business loans issued during the month **exceeded 4,8M EUR.**

The results of the already ended first quarter are excellent: we issued 38% more consumer loans in the amount of **5,4M EUR**, and the issuance of business loans grew more than double and amounted to **6,3M EUR.**

During 2023 Q1 together with you, we invested 2,35M EUR in consumer and business loans. EUR, part of which we transferred to the nordIX fund. In this way, we can ensure even faster financing of loans. ”

Darius Noreika, CFA

Financing tendencies

“ Such growth trends were primarily determined by the European Central Bank's (ECB) **increased interest rates in the euro area**. Borrowing from banks became more expensive, which encouraged consumers to turn to alternative financing market participants.

We strongly felt this in the business financing segment, receiving **more low-risk businesses** willing to borrow, for whom borrowing from banks has become much more expensive than before. We expected to receive lower risk customers as early as second half of 2022, when the ECB started raising interest rates and that's exactly what we've been watching lately.

Meanwhile, the macroeconomic situation in the segment of consumer loans is favorable. The unemployment rate in Lithuania reaches 5.9% (**1.2% less than a year ago**) and shows good opportunities for the population to fulfill their obligations.

The resulting situation creates an opportunity for investors to form portfolios of **lower-risk** loans at attractive interest rates and thus create the conditions for safely earning higher returns in the future.

“

Platform updates

“ This quarter we will provide more information to investors about new and existing loans:

- it will be possible to see **when** the customer has fully paid the loan installment, **what amount** of loans he has or had in the past on the Finbee platform;
- we will introduce the possibility of setting an **untouchable account balance**, which will not be lent by automatic lending portfolios - this will allow investors to accumulate the desired amount of free funds in their account without stopping automatic lending portfolios and, if necessary, transfer it to their bank account.

We will continue to grow and provide our investors with security, promptness, professional support and, of course, competitive returns.

Thank you for trusting Finbee and actively investing!

“

Darius Noreika, CFA



finbee[©]

Our Investors



**Investor: I have earned
over €143.000
interest.**

*"Finbee is the platform where I have received the most interest from all P2P platforms overall. Since 2015 I have already received **over €143,000** in interest."*

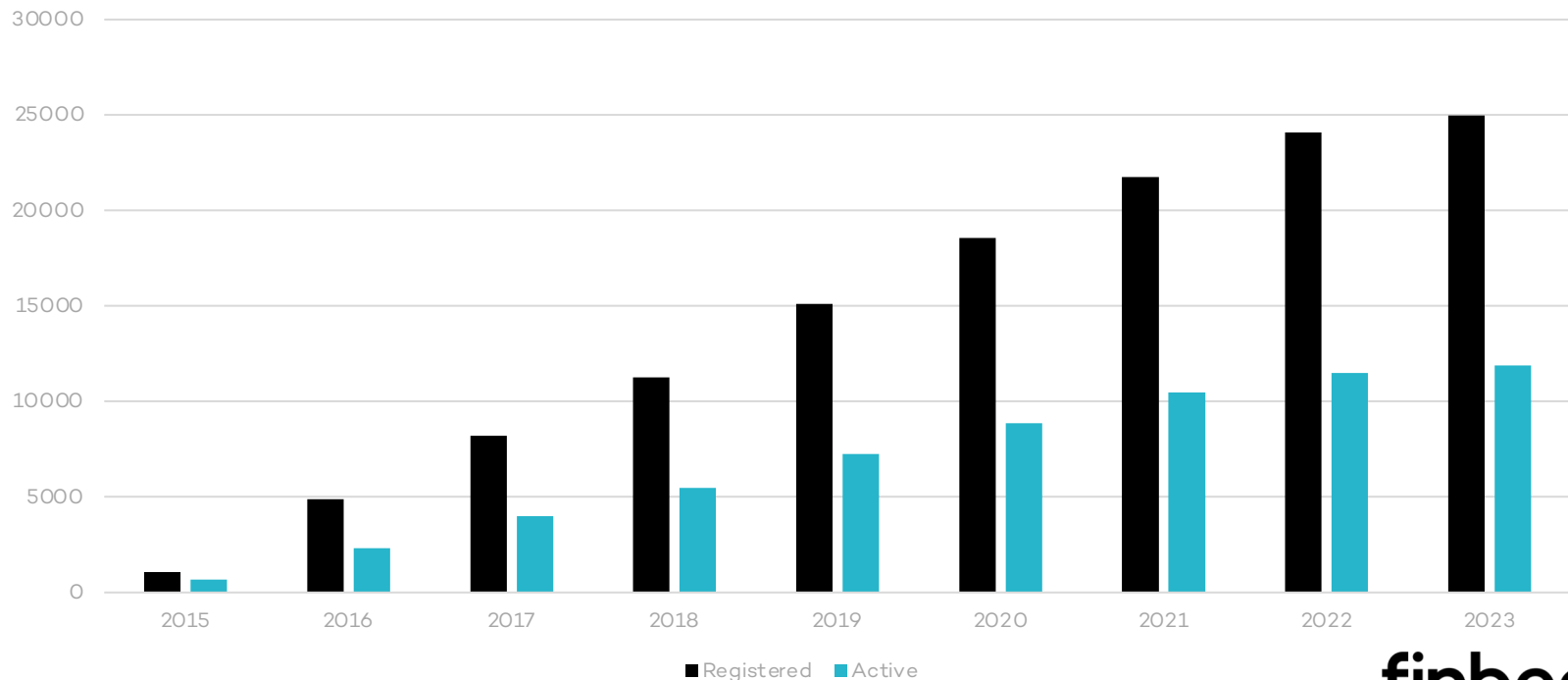
-investor **Andreas, P2P-anlage blog author** sharing his experience.



Our investors

24.966

The amount of registered investors at the end of 2023 Q1. Almost **12.000** of our investors have made **at least one investment**.



**Where
do you
rank?**

Where do you rank by portfolio size?

Place	Portfolio size	2022 Q4
TOP legal entity	6.239.651 Eur	↑ 42%
TOP private inv.	501.396 Eur	↑ 8%
Top 10% active*	6.071 Eur	
Top 50% active*	629 Eur	
Top 90% active*	56 Eur	

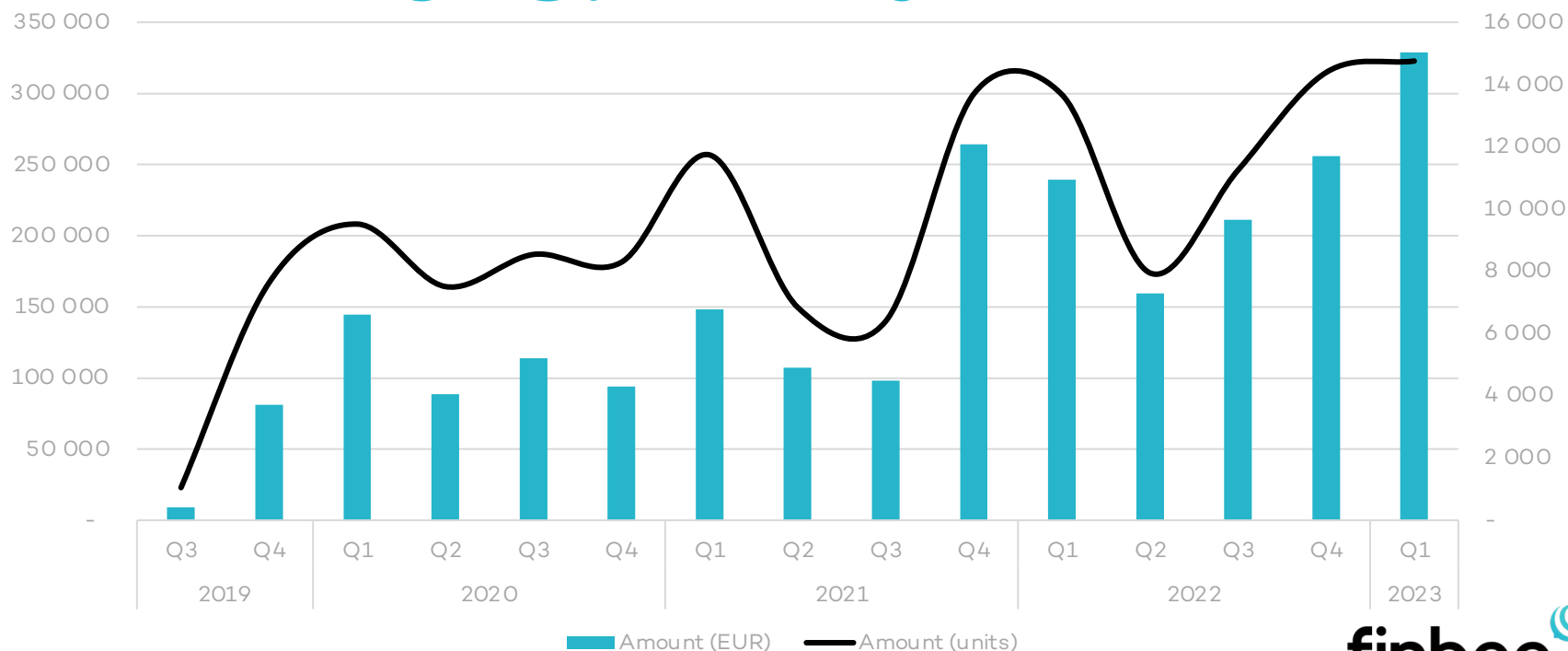
**Among those who invested in at least one loan in the last 12 months.*

Secondary market statistics

Growing liquidity

328.727 Eur

Amount of loans bought in secondary market during 2023 Q1. The turnover **has doubled** since 2021.



**Where
are
you?**

Where do you rank by secondary market trade volume in 2023?

Place	Bought	Sold
TOP	50.166 Eur	46.271 Eur
TOP 10%	1.481 Eur	1.278 Eur
TOP 50%	83 Eur	54 Eur
TOP 90%	9 Eur	5 Eur

**We know that
we generate
great returns
for our hive
and
we invest
together!**

Finbee co-investment

In 2023 Q1 we invested together:



0,82M EUR

to consumer loans



1,53M EUR

to business loans



7,50M EUR

Finbee active portfolio

finbee



Business loans

Finbee Verslui CEO Insights

“

After the end of the first quarter of this year, we reviewed its most important highlights, which I invite you to familiarize yourself with:

- First of all, we have observed an **increased demand** for business financing in recent months. This is inevitably influenced by an even stricter assessment of business risk by banks, rising loan prices at banks due to changes in EURIBOR, and seasonality, when businesses begin to intensively prepare for the spring/summer seasons.
- Despite the fact that we are still living in a period of economic uncertainty, our loan portfolio remains really **high quality**. It is heartening to see how our small and medium-sized businesses are able to adapt and remain resilient to external shocks. This shows the stable share of non-performing customers in the business portfolio.
- Considering the circumstances of this period, we evaluate some business sectors more conservatively than usual. This is a necessary condition in order to properly assess the risk of borrowers and protect investors' funds.

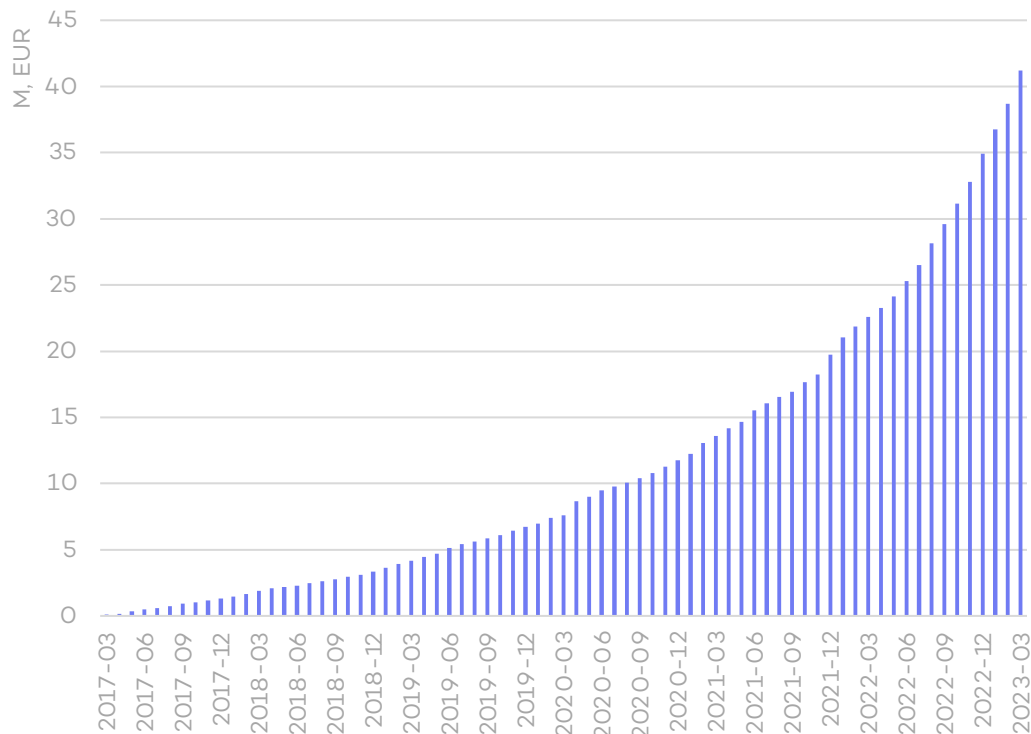
Thank you for your trust!

”

Tomas Mačiulaitis

Our business loans

64% average YoY growth



6 years

in the market

3.094 units

loans issued

↑ 11%*

41M EUR

loans issued

↑ 20%*

13.315 EUR

average loan amount

↑ 6%*

3M EUR

interest paid to the investors

↑ 20%*

* Compared to 2022.12.31

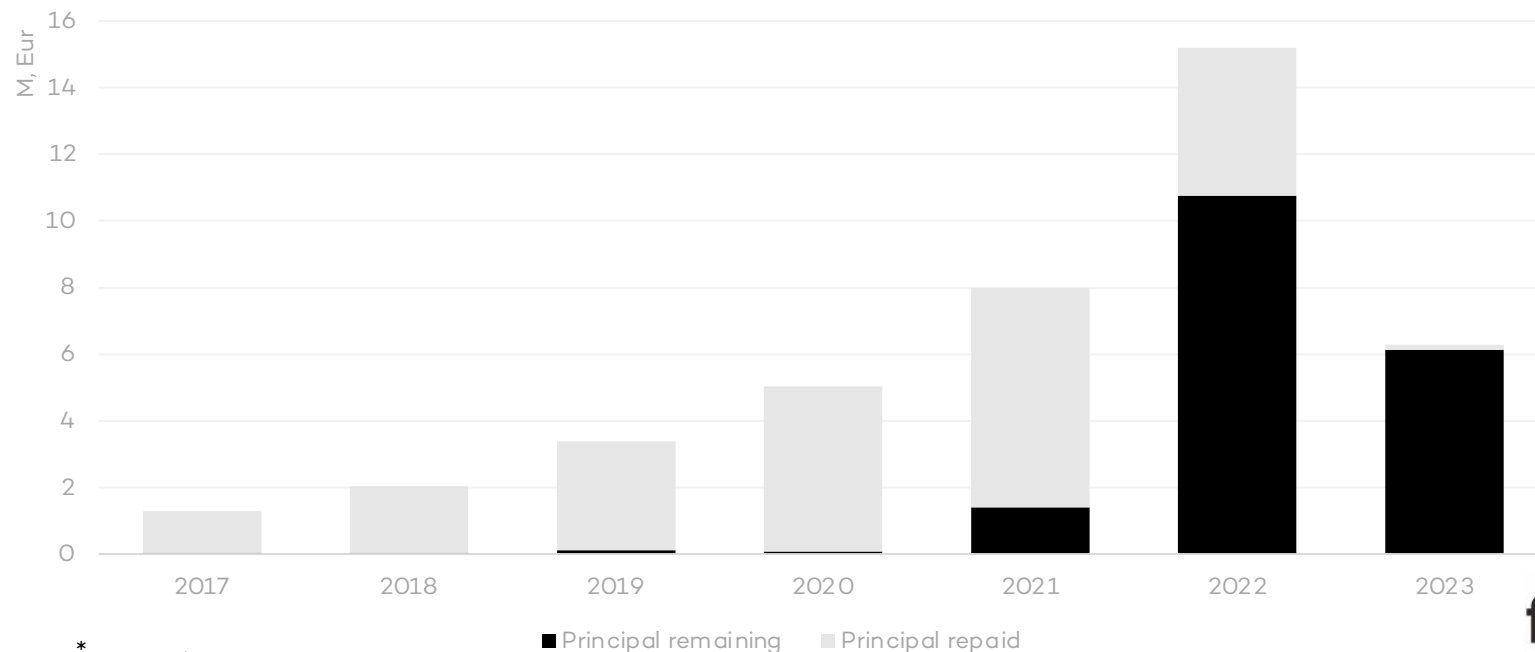
Loan volume

18,5M EUR **↑27%***

active loan portfolio 2023.03.31

20 months

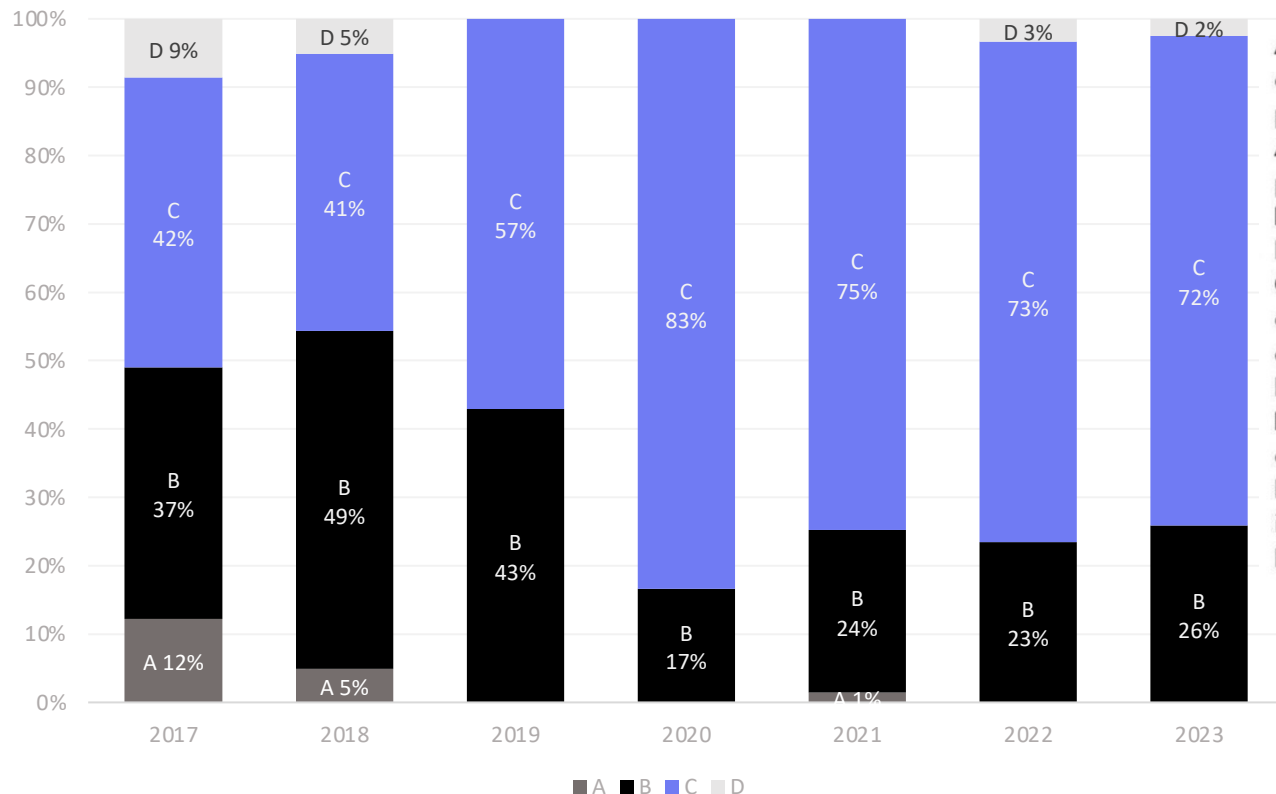
average loan duration



* Compared to 2022.12.31

Business loans by rating, %

Stable composition of the portfolio



A* – lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.

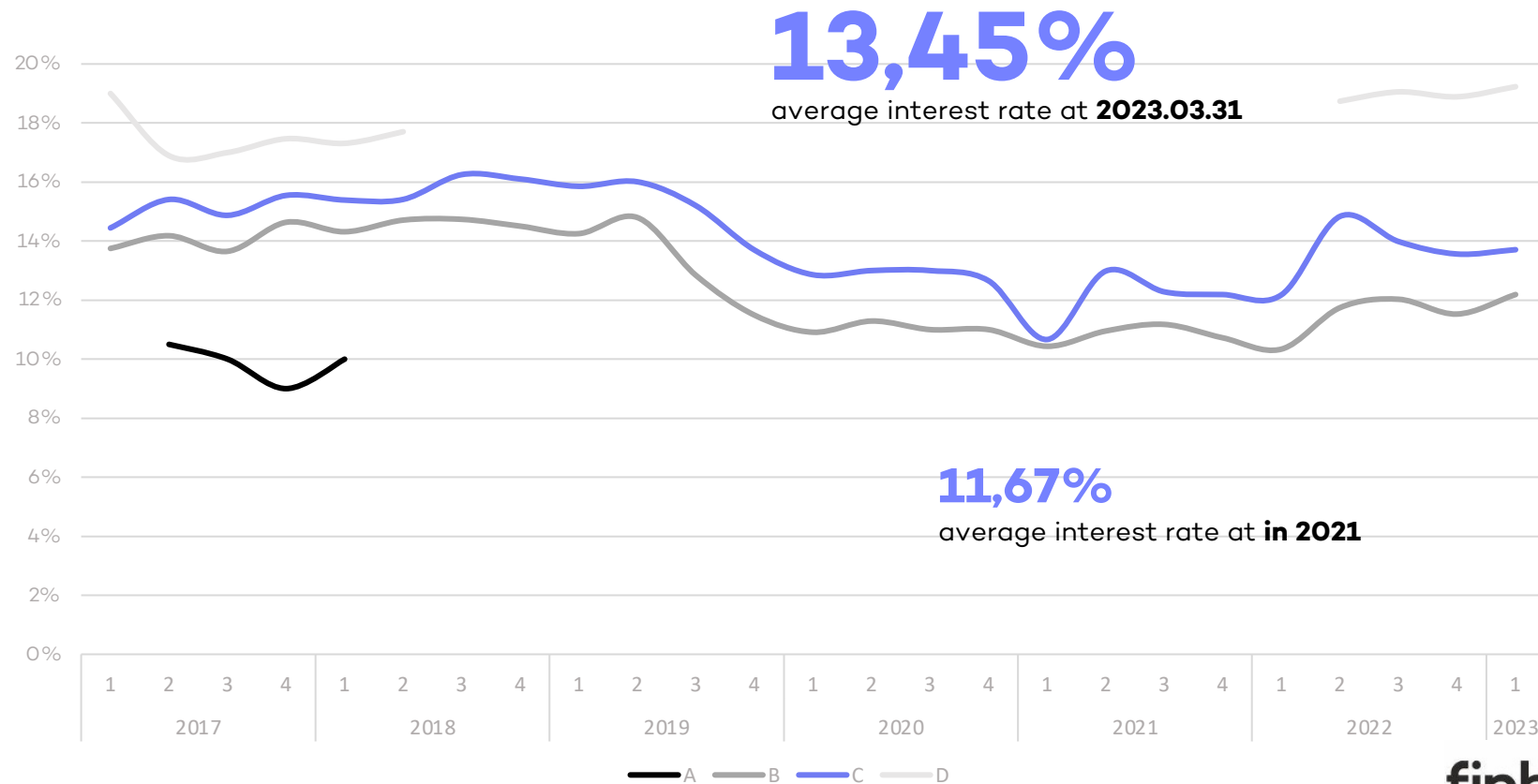
A – very low risk customers. Low probability of default.

B – low risk customers. Small delays are likely, but offset by a higher interest rate.

C – medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.

D – high risk customers. High likelihood of solvency problems for the customer, but the risk is compensated by a high interest rate. Historically generates the highest returns for investors.

Interest rate, %



Active debt prevention

In Q1:



Sent **18.524** emails and
4.145 text messages to
the borrowers



Made **4.022** calls to late
borrowers (including private
individuals)



Terminated **28** contracts



Put **29** borrowers to the court

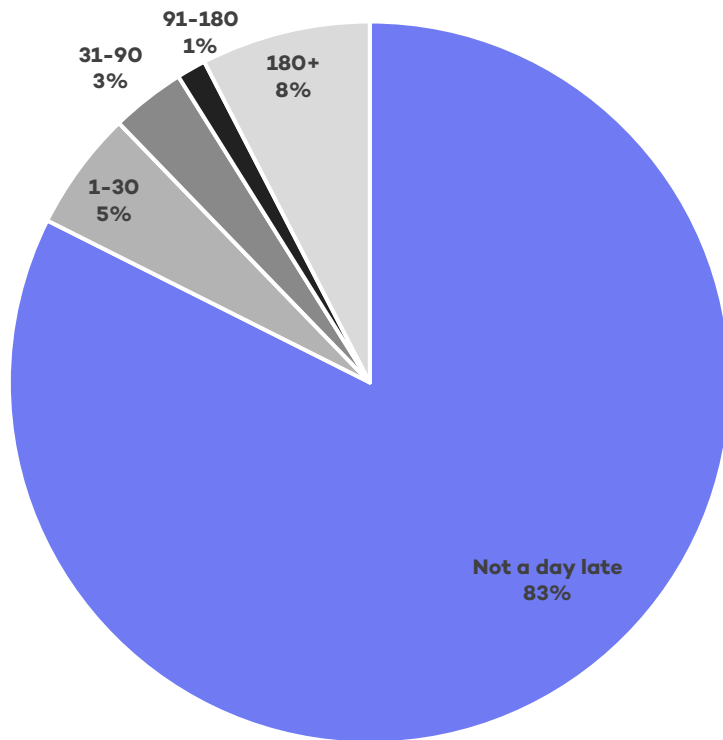
Recovery

**How do we deal with late
borrowers?**

Portfolio composition

by days late, unites

83% borrowers not a day late



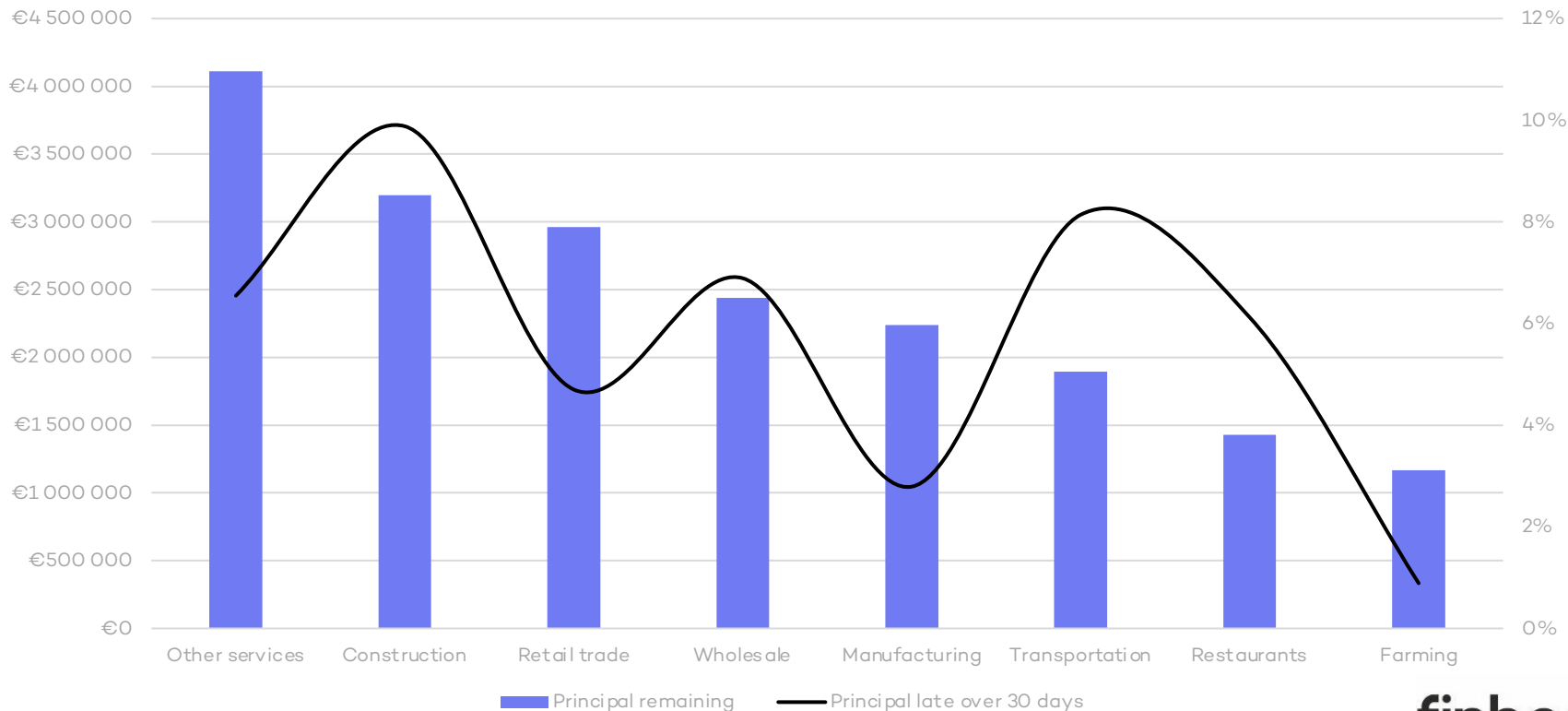
83%
not a day late

85%
borrowers made
a payment in
the last 30 days

3,55%
loans originated in 2022
have defaulted

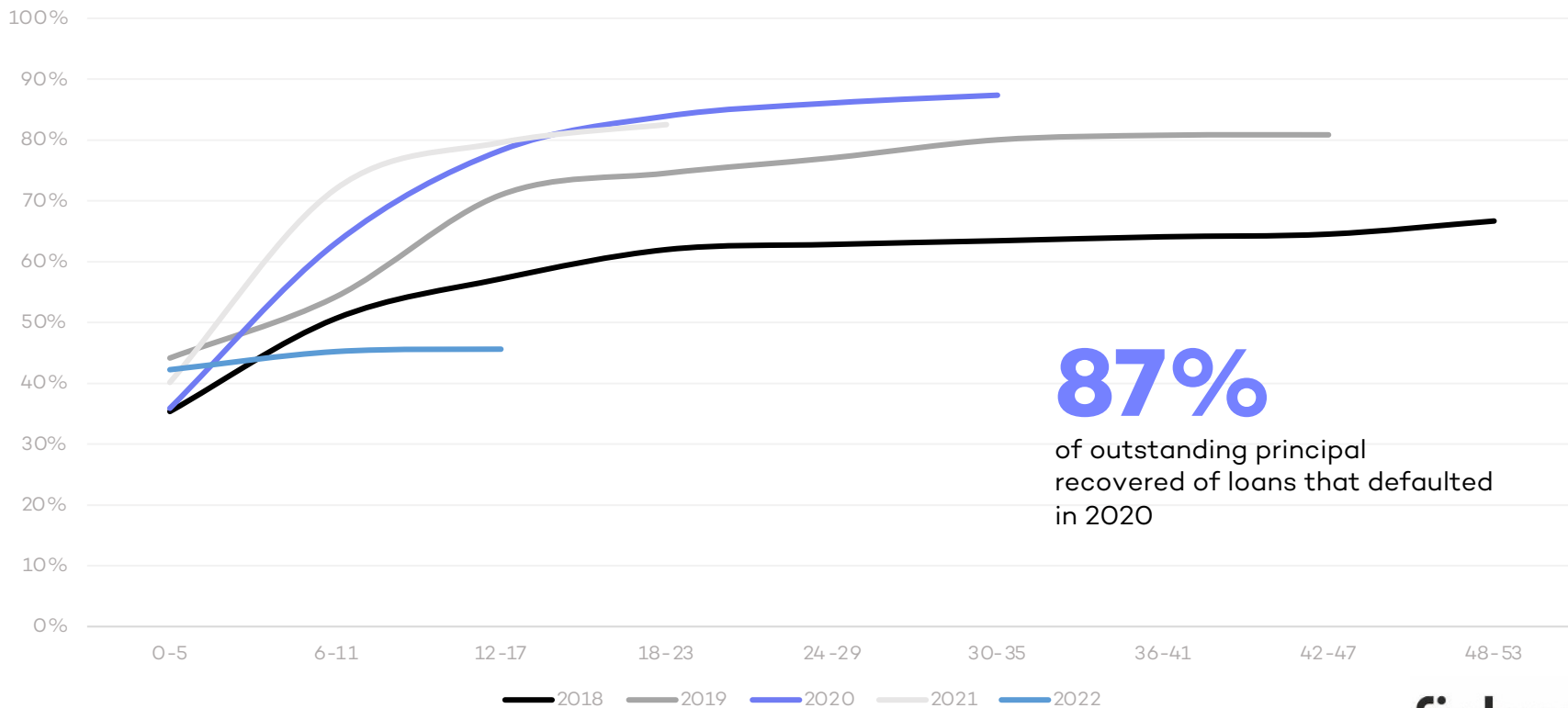
Business loans portfolio, by sector

Manufacturing, retail trade companies and farmers are among the least likely to be late

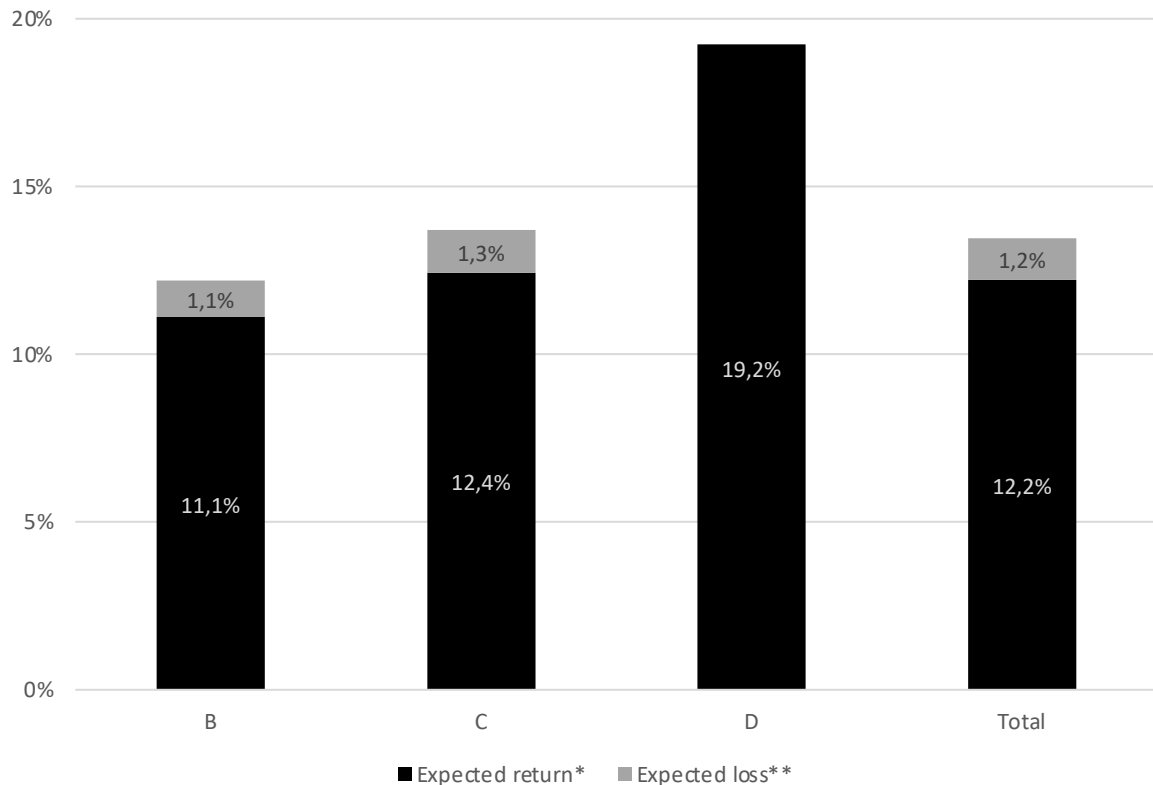


Loans recovered

during equal number of months after the start of recovery, % of outstanding principal at default



Return on loan portfolio



12,2%

Return on business loan portfolio

* **The expected return is calculated as :**

Weighted average interest rate (%) – expected loss (%) on the original loan amount

** **Expected loss (%) = PDw x EAD x (1-RR)**

PDw: Probability of default (%) = Number of defaulted loans at origination / Number of total loans originated

EAD: Loan balance at the date of the first default moment (%) = Loan balance at the time of default / Loan amount at origination

RR: Recovery rate, the proportion (%), that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD

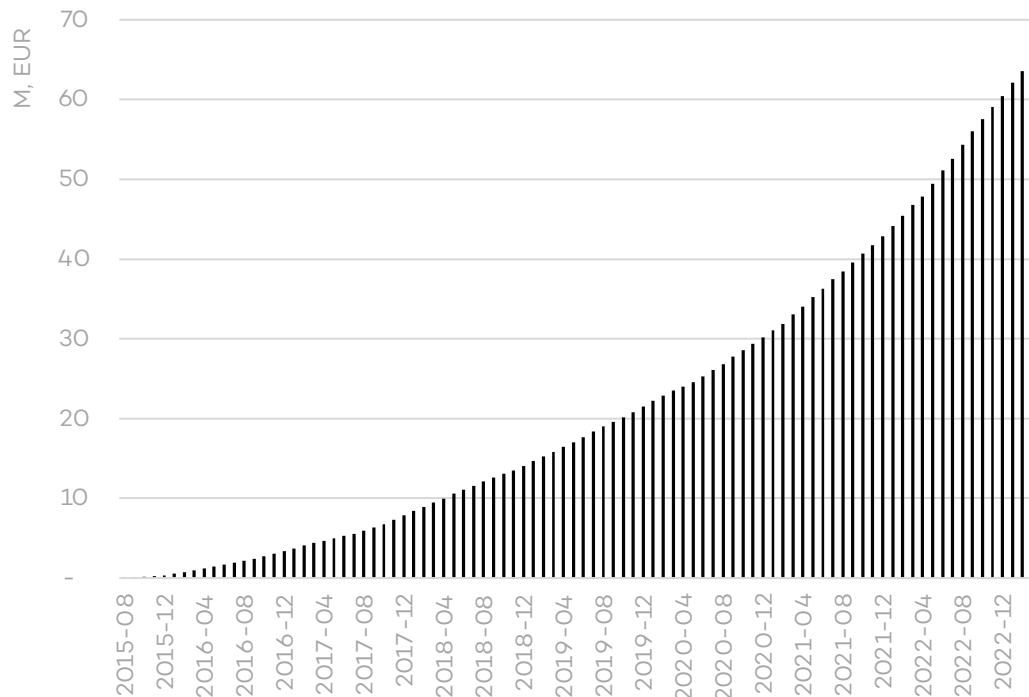
A photograph of two hikers walking away from the camera on a dirt path that leads up a grassy hill. The hiker on the left is wearing a dark jacket and blue jeans, carrying a dark backpack. The hiker on the right is wearing a green jacket and blue jeans, carrying a bright yellow backpack. The path is made of dirt and stones, and the surrounding landscape is a mix of green grass and low-lying shrubs. In the background, a large, flat-topped hill rises against a sky with soft, golden light, suggesting the sun is low on the horizon. The overall mood is peaceful and adventurous.

finbee

Consumer loans

Consumer loan portfolio

35% average YoY growth



7 years

in the market

23.486 units ↑ 7%*

loans issued

65M EUR ↑ 9%*

loans issued

2.804 EUR ↑ 1%*

average loan amount

10,9M EUR ↑ 7%*

interest paid to investors

* Compared to 2022.12.31

Loan volume

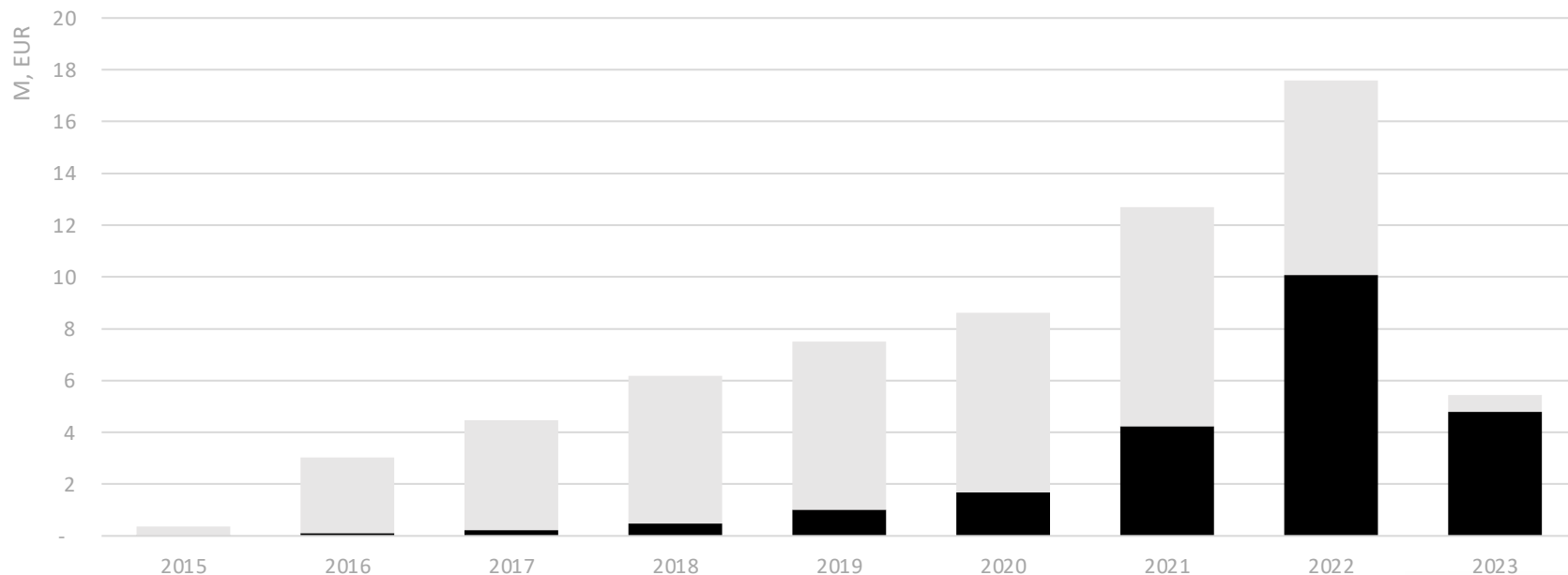
22,6M EUR

active loan portfolio at 2023.03.31

↑ 8%*

25 months

average loan duration

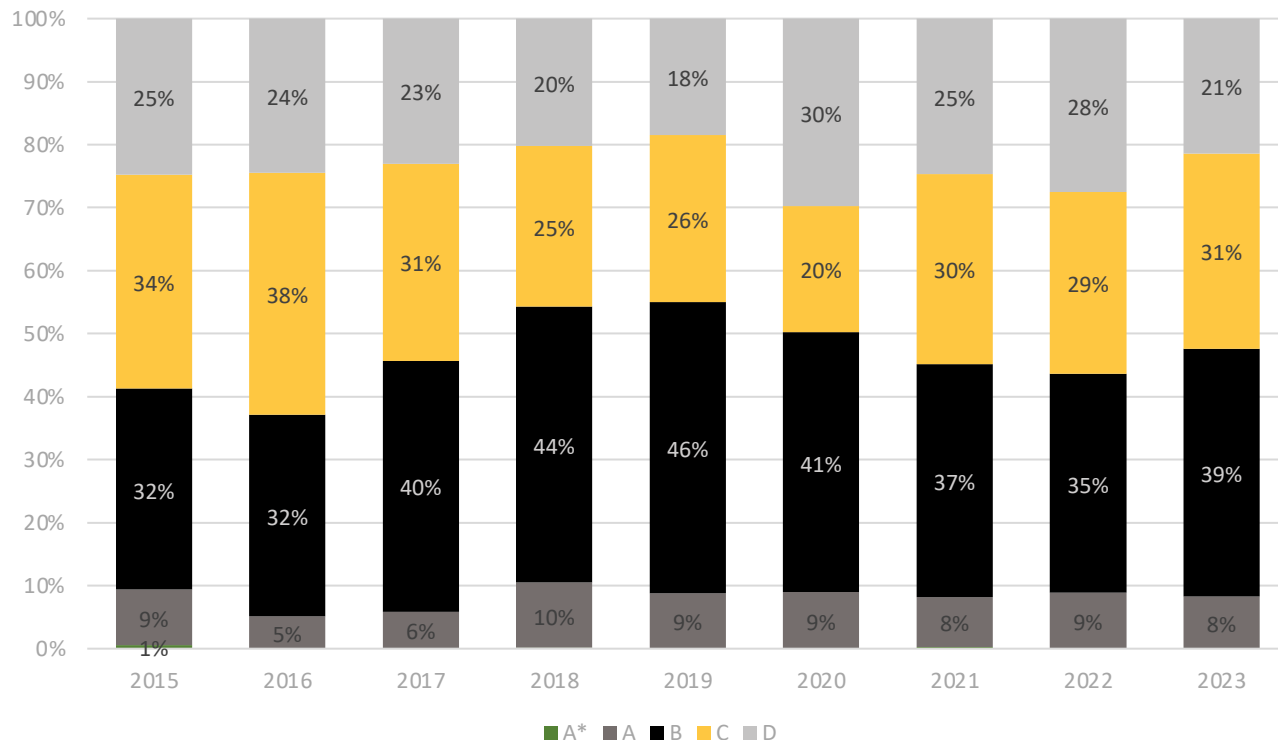


* Compared to 2022.12..31

■ Principal outstanding ■ Principal repaid

Distribution of loans, by rating, %

More loans were issued to low and average risk customers in the beginning of 2023



A* - lowest risk customers. Minimal chance of delays. Very low interest rate paid by customers.

A - very low risk customers. Low probability of default.

B - low risk customers. Small delays are likely, but offset by a higher interest rate.

C - medium risk customers. Higher delays and defaults are likely. This is compensated by customers paying a higher interest rate.

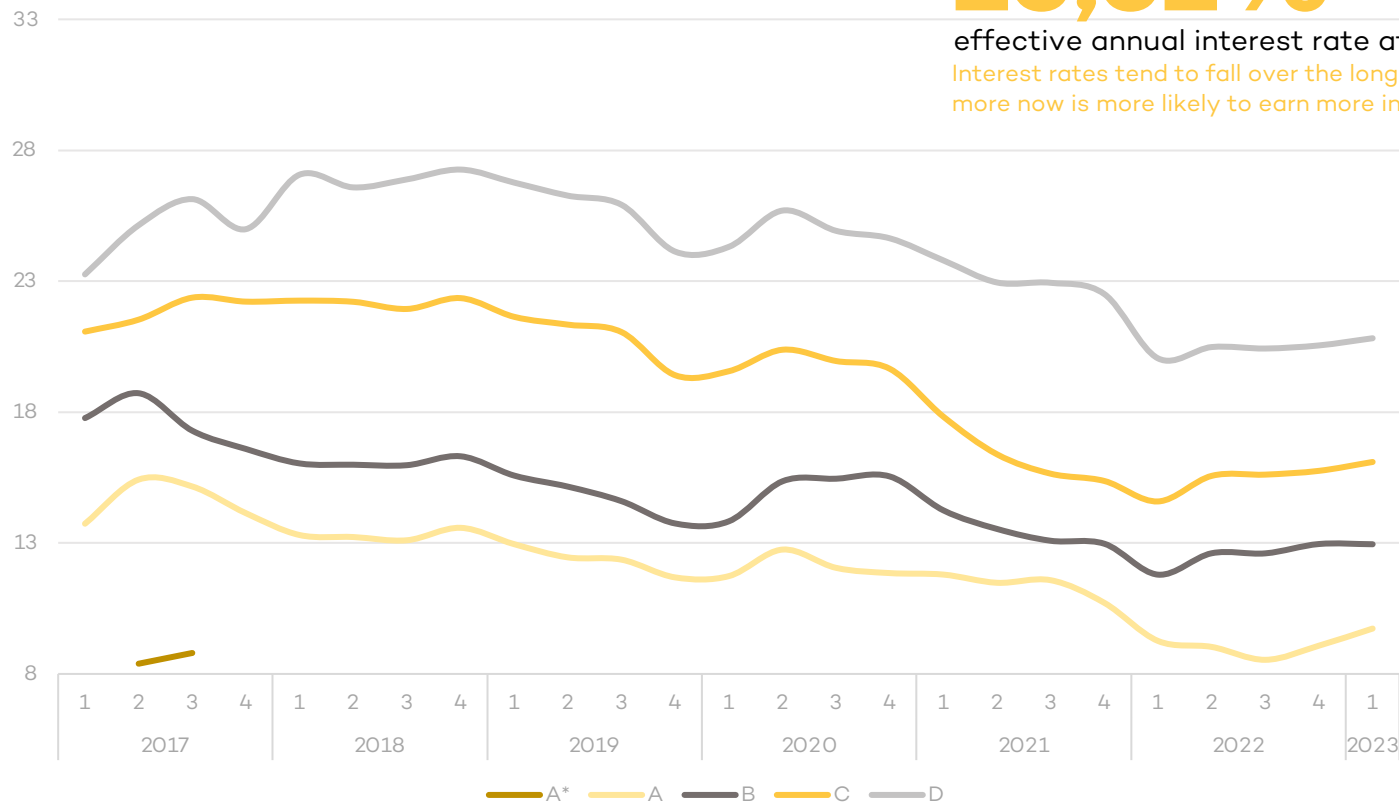
D - High risk customers. High likelihood of solvency problems for the customer, but the risk is compensated by a high interest rate. Historically generates the highest returns for investors.

Interest rate, %

15,31%

effective annual interest rate at 2023.03.31

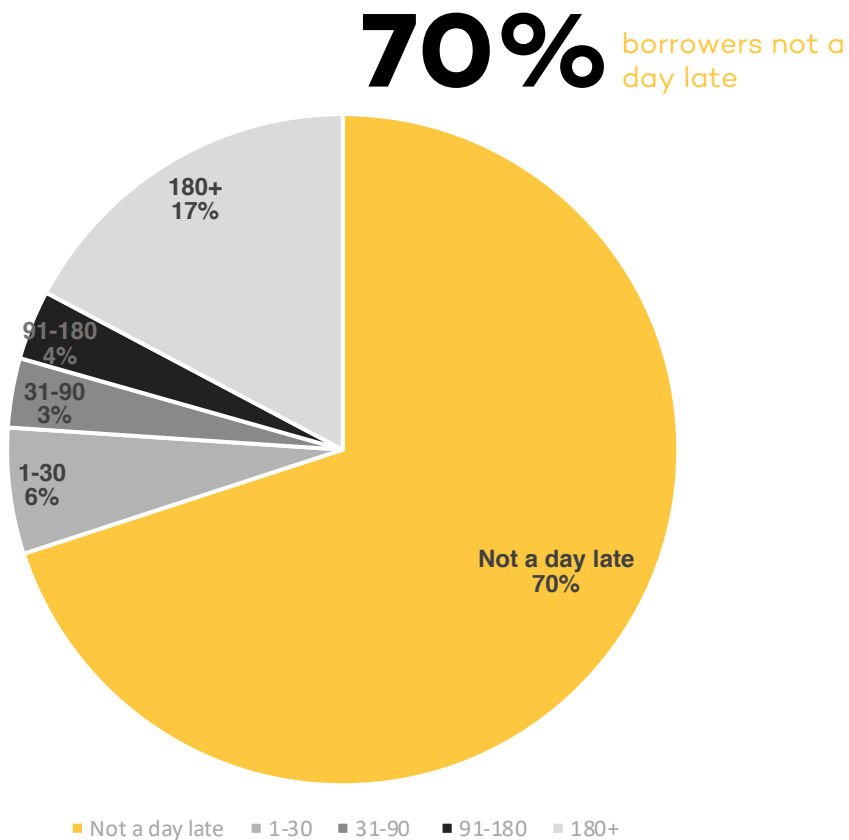
Interest rates tend to fall over the long term, therefore, investing more now is more likely to earn more in the future



*The effective interest rate reflects the actual rate of return on the investment, net of interest.

Portfolio composition

by days late, units



70%

not a day late

78,8%

borrowers made a payment in the last 30 days

4,95%

loans originated in 2022 have defaulted

Active debt prevention

In Q1:



Sent **78.938** emails and **29.441** text messages to the borrowers



Made **4.022** calls to late borrowers (including private individuals)



Terminated **86** contracts



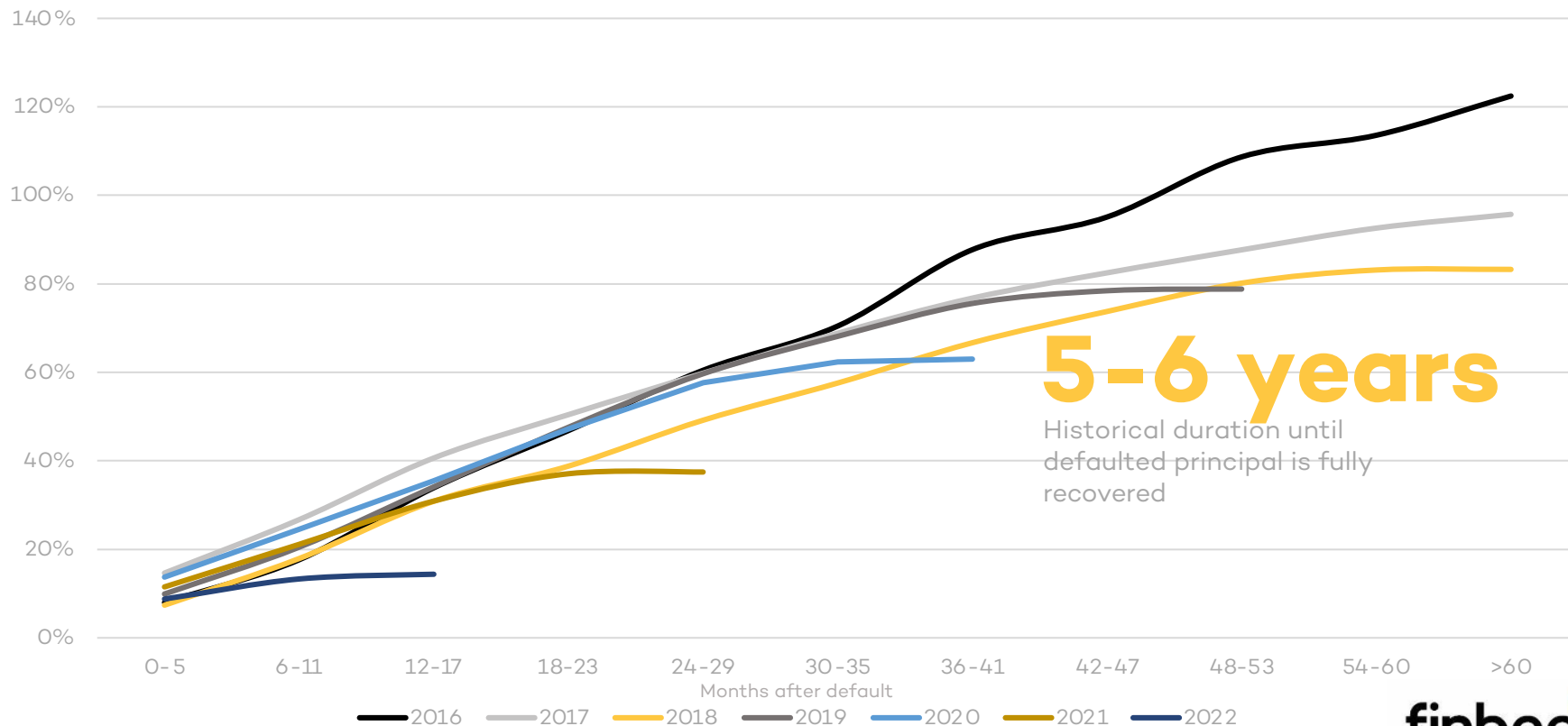
Put **71** borrowers to the court

Recovery

How do we deal with late borrowers?

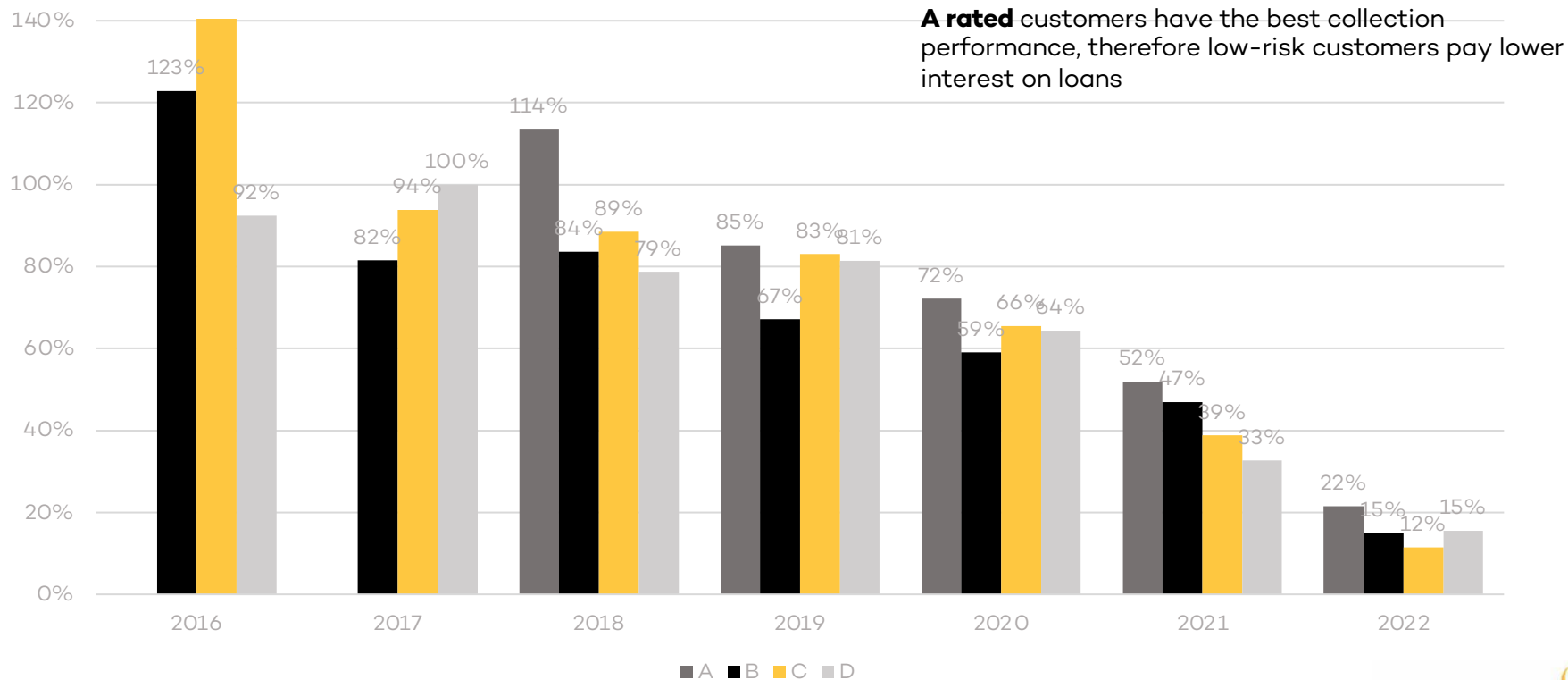
Loans recovered

during equal number of months after the start of recovery, % of outstanding principal at default

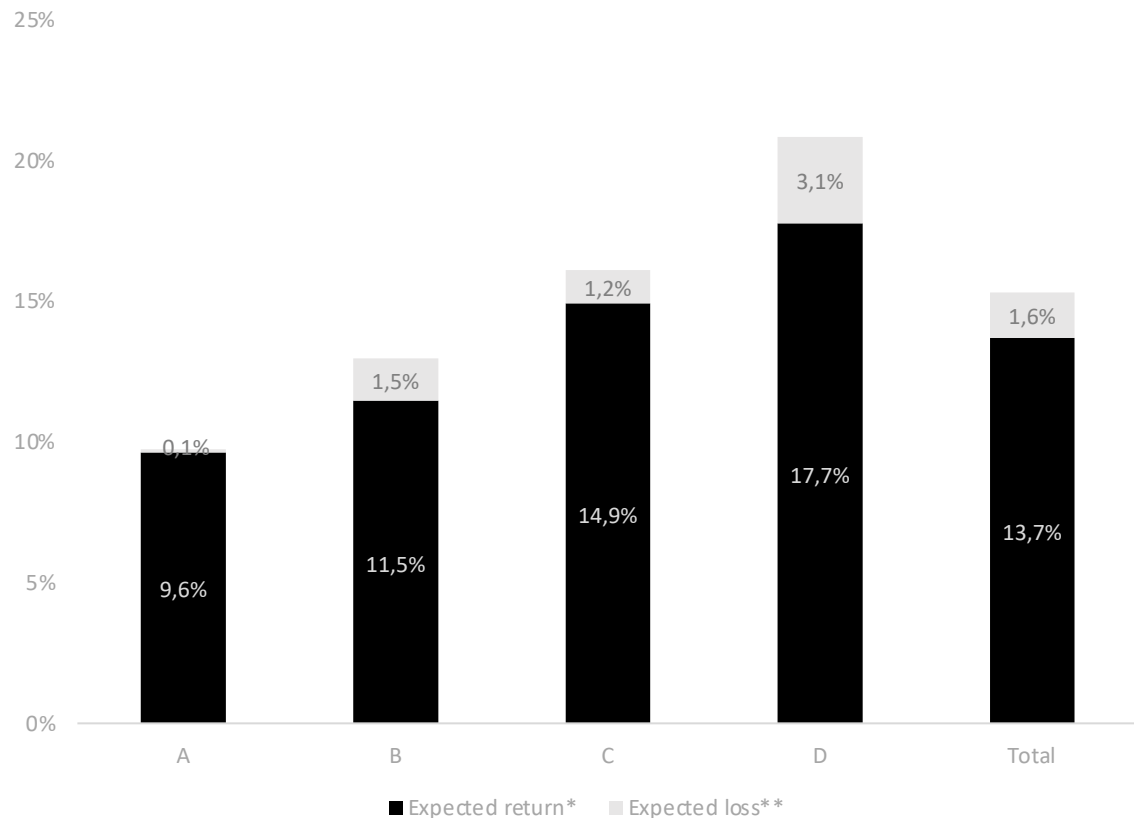


Debt collection performance, by rating

Debt collected, % of outstanding principal at default



Return on loan portfolio



13,7%

Return on consumer loan portfolio

* **The expected return is calculated as :**

Weighted average interest rate (%) – expected loss (%) on the original loan amount

** **Expected loss (%) = PDw x EAD x (1- RR)**

PDw: Probability of default (%) = Number of defaulted loans at origination / Number of total loans originated

EAD: Loan balance at the date of the first default moment (%) = Loan balance at the time of default / Loan amount at origination

RR: Recovery rate, the proportion (%), that is recovered on the loan balance at the time of default = Amount recovered after default events / EAD

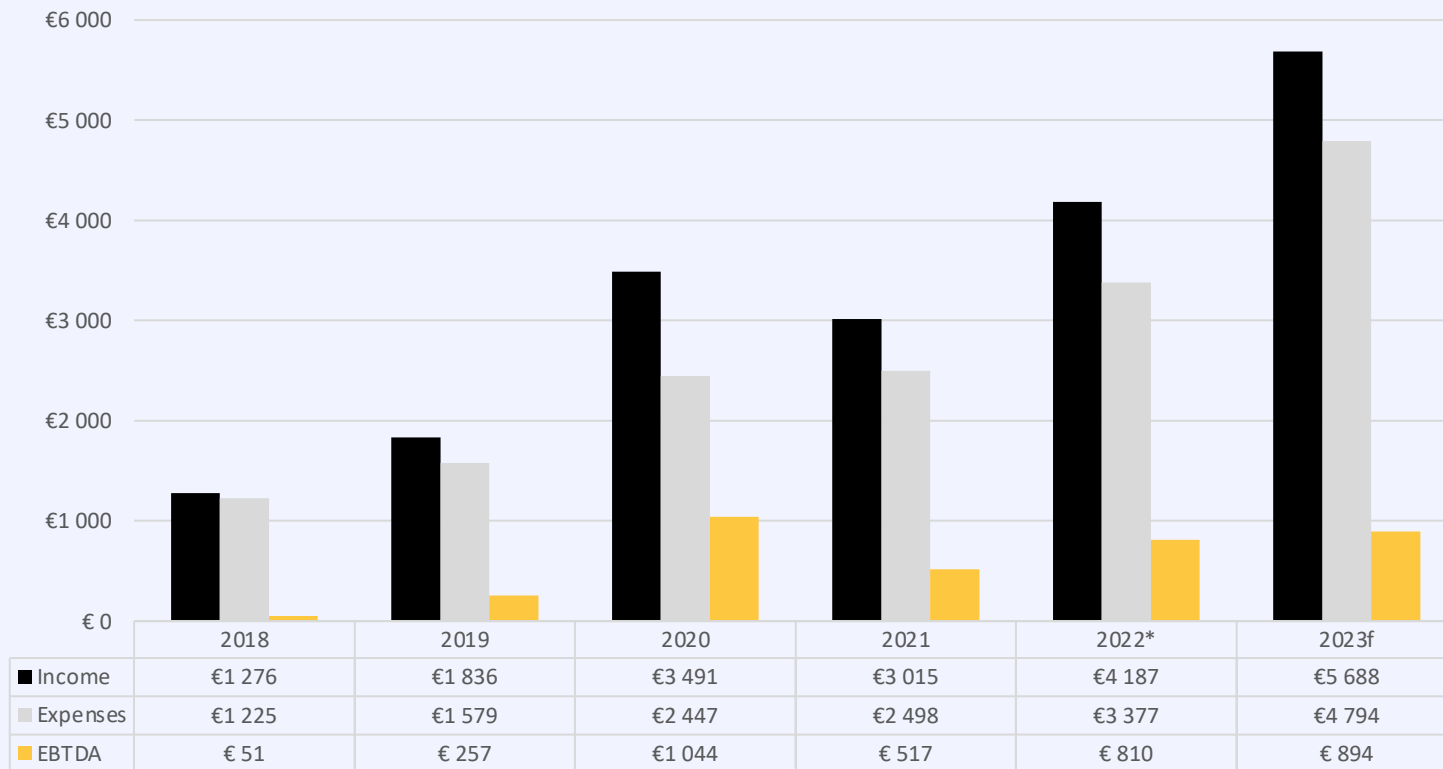


Financial results

Finbee financial results, '000 Eur

**Profitable
and fast-
growing
business**

We have issued
**119% more
business** and **38%
more consumer
loans** in 2023 Q1
compared to 2022
Q1.



*preliminary accounts

Important!

Investing through crowdfunding platform, as well as investing in other financial instruments, involves risk taking. Therefore, before you start investing in loans, you must properly assess your financial situation, as well as financial situation of your family or your business, your investment experience and knowledge of risks associated with investing. If you think you do not understand the potential risks associated with the financing transaction you are making, consider contacting specialists.

Investments made through the platform are not covered by the law of deposits and liabilities to investors of Lithuanian Republic, nor is it guaranteed that the client to whom you borrowed the money will properly fulfil its financial obligations, therefore each investor assumes the risks associated with the investment when making a financing transaction on the platform, including partial or full loss of all invested funds, loss of expected profit as well as limited or no liquidity.

Finbee and Finbee Verslui does not assume any liability for losses incurred by investors but seeks to ensure the security of invested funds and the return on investment in every possible way.

**Thank you for
your friendship!**

investuok@finbee.it
www.finbee.it



finbee 