



OPR-Finance

Q2

Interim Report 1.1.-30.6.2019

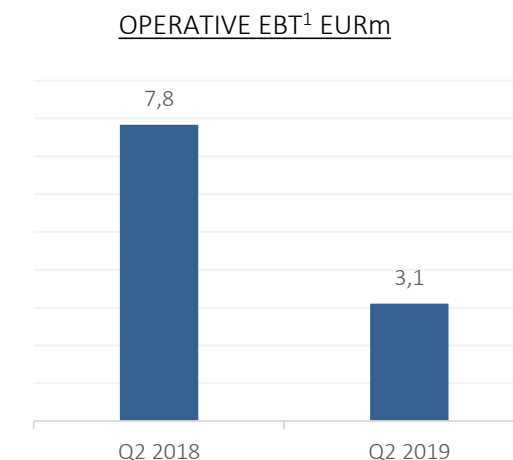
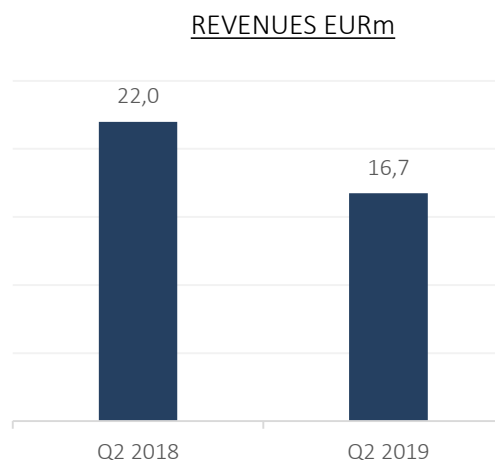


Interim report 1.1. – 30.6.2019 [FAS, unaudited]

OPR-Finance Group

- ▶ Loans granted of the second quarter decreased as expected according to the updated strategy 53.5% from the previous year amounting to EUR 28.9m (EUR 62.1m Q2/2018)
- ▶ Revenues (sales + interest income) of the second quarter decreased 23.8% from the previous year amounting to EUR 16.7m (EUR 22.0m Q2/2018)
- ▶ EBT of the second quarter amounted to EUR -6.6m (EUR 7.8m Q2/2018). EBT-margin was respectively -39.5% (35.6%)
 - ▶ Operative EBT¹ of the company was EUR 3.1m in Q2/2019
- ▶ During the second quarter the company has continued its preparation towards the new operating environment under the legislation concerning Finnish Consumer financing, which enters into force in September
- ▶ The company proceeded to sell due receivables accumulated during the lifespan of the products that will be affected by the change. Funds acquired from the sale were used to reduce debt and strengthen the cash position. Typical to the industry, the sale was executed at a lower price than the receivables' book value. This caused a one-off negative result impact, but a positive cash flow effect
 - ▶ In addition to normal EBT, the company reports an operative performance figure (operative EBT¹) to achieve comparability. Company's operative EBT of the first half year was EUR 7.7m
- ▶ In accordance with the new strategy, revenues remained at a high level in relation to loans granted. This was achieved by concentrating loans granted to products with more earnings power
- ▶ CEO of OPR-Finance Oy Petteri Kleemola moved from his duty to the board of directors as a member starting from June 30th 2019
 - ▶ Member of the executive management Jouni Selin has been appointed as the company's acting CEO

KEY FINANCIALS, EURm	2015	2016	2017	2018	Q2 2018	Q2 2019
Loans granted	115.7	161.4	205.0	218.5	62.1	28.9
Revenues	35.5	47.8	69.7	84.0	22.0	16.7
EBT	13.5	15.2	21.0	19.6	7.8	-6.6
EBT-margin %	38.1 %	31.9 %	30.2 %	23.3 %	35.6 %	-39.5 %
Operative EBT ¹	13.5	15.2	21.0	19.6	7.8	3.1
Loan receivables	76.9	117.9	178.2	221.4	215.4	200.1
Equity ratio	58.4 %	50.8 %	44.8 %	39.5 %	41.3 %	36.4 %
Equity ratio "Hard Equity"	24.5 %	22.8 %	19.7 %	19.6 %	21.1 %	18.4 %
Equity total	49.0	64.5	94.9	95.4	99.0	84.5



(1) EBT excluding one-off items of the period. One-off items consists of net effect of the receivables sale executed in the end of June and credit loss receivables sale executed in March

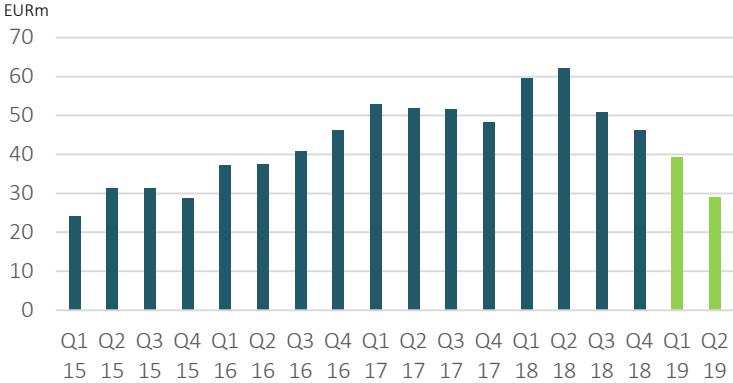


Business review

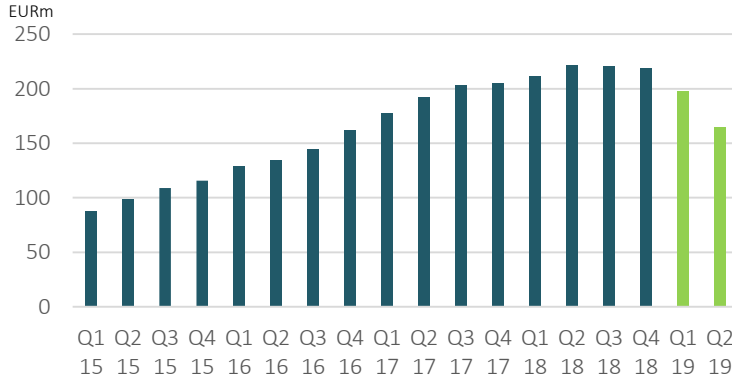
Essential business indicators

OPR-Finance Group

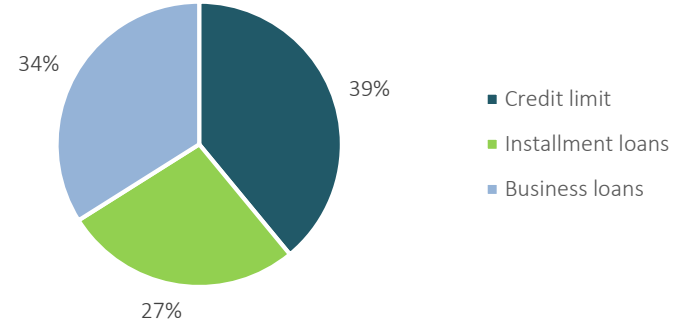
QUARTERLY LOANS GRANTED



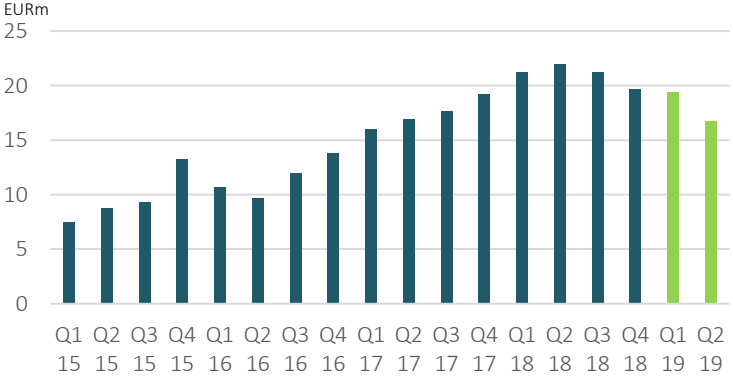
QUARTERLY LOANS GRANTED – ROLLING 12 MONTHS



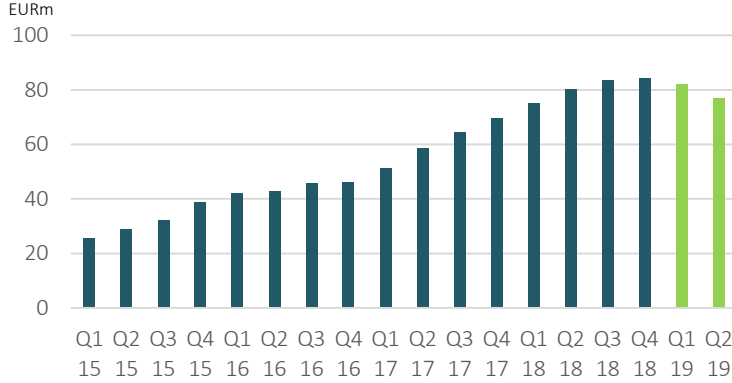
LOANS GRANTED DISTRIBUTION Q2/2019



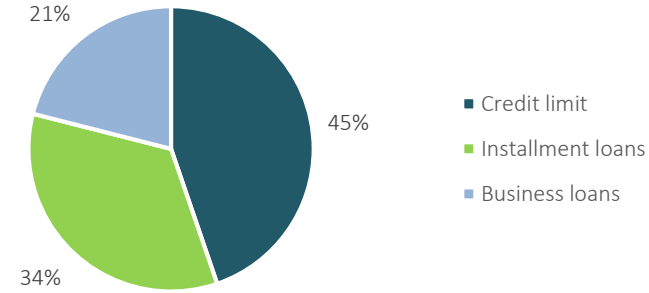
QUARTERLY REVENUES



QUARTERLY REVENUES – ROLLING 12 MONTHS



REVENUES DISTRIBUTION Q2/2019



Consumer financing

OPR-Finance Group

COMMENTS

- ▶ OPR-Finance Group grants consumer loans to its customers in Finland, Sweden and Czech
- ▶ During the review period Consumer financing was behind the previous year and the previous quarter in loans granted. Revenues were behind of the previous year and the previous quarter

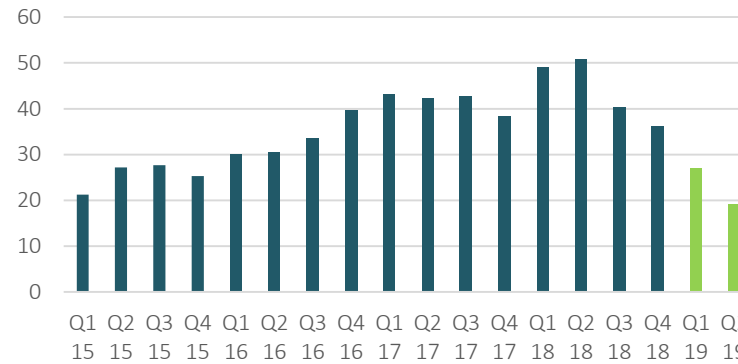
Loans granted

- ▶ Q2/2019 loans granted EUR 19.0m (Q2/2018 EUR 50.8m, change -62%)
- ▶ Q1-Q2/2019 loans granted EUR 46.1m (Q1-Q2/2018 EUR 99.9m, change -54%)

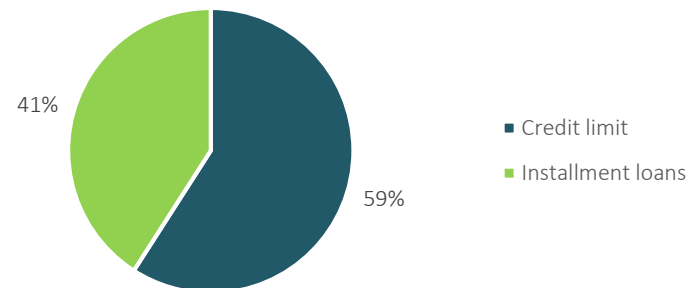
Revenues

- ▶ Q2/2019 revenues EUR 13.4m (Q2/2018 EUR 18.1m, change -26%)
- ▶ Q1-Q2/2019 revenues EUR 28.2m (Q1-Q2/2018 EUR 35.6m, change -21%)
- ▶ Focus of the group's business has been reverted towards foreign operations and Business Financing, which is especially visible in Consumer Financing's loans granted during the review period. Within the segment we have foremost focused to products with a higher turnover of capital. During the review period share of Sweden in loans granted rose higher than Finland for the first time

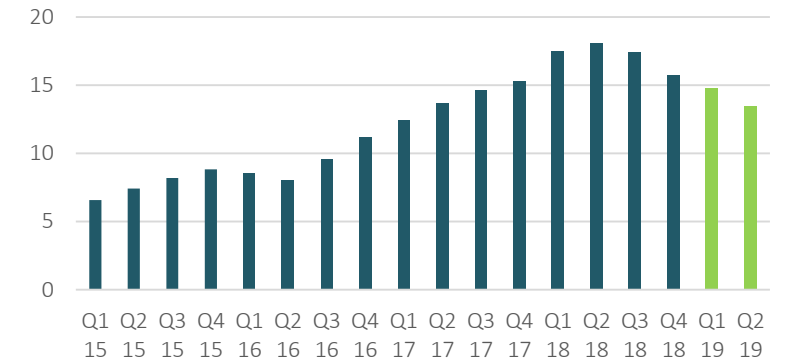
QUARTERLY LOANS GRANTED (EURm)



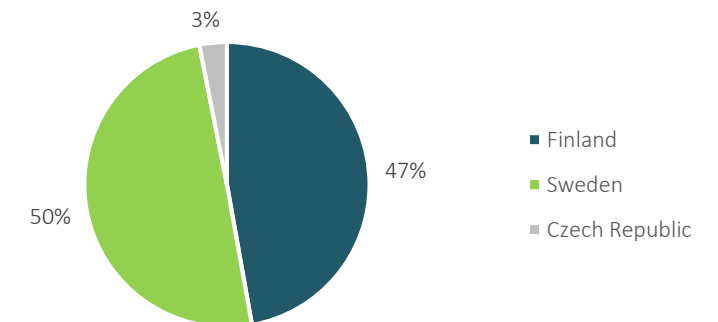
LOANS GRANTED DISTRIBUTION Q2/2019



QUARTERLY REVENUES (EURm)



LOANS GRANTED DISTRIBUTION Q2/2019



Business financing

OPR-Finance Group

COMMENTS

- ▶ OPR-Finance Group grants working capital loans to its corporate customers in Finland, Sweden, Denmark, the Netherlands and Czech
- ▶ During the review period Business Financing was ahead of the previous year and the previous quarter in both loans granted and revenues

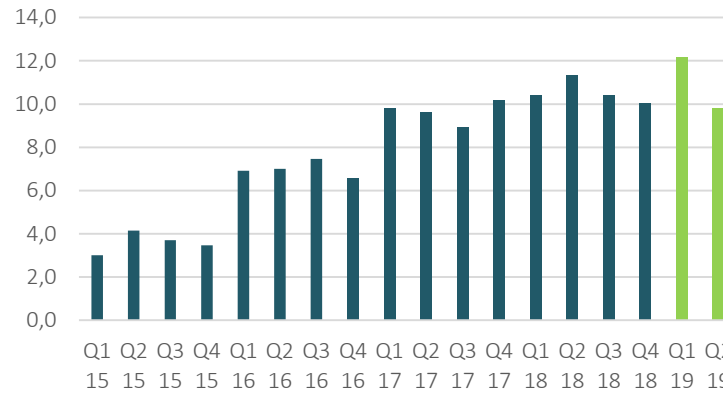
Loans granted

- ▶ Q2/2019 loans granted EUR 9.8m (Q2/2018 EUR 11.3m, change -13%)
- ▶ Q1-Q2/2019 loans granted EUR 22.0m (Q1-Q2/2018 EUR 21.8m, change +1%)

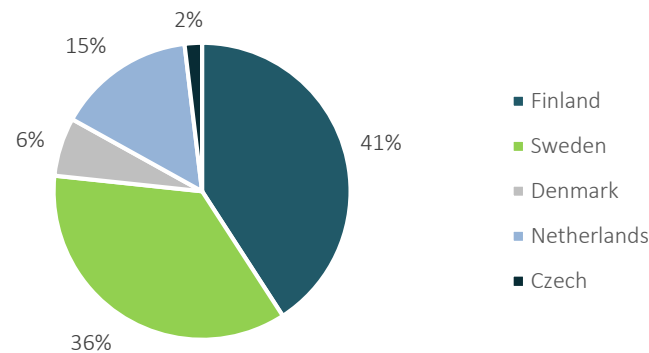
Revenues

- ▶ Q2/2019 revenues EUR 3.6m (Q2/2018 EUR 3.9m, change -8%)
- ▶ Q1-Q2/2019 revenues EUR 8.2m (Q1-Q2/2018 EUR 7.6m, change +8%)
- ▶ After a strong first quarter the level of loans granted slightly decreased especially in Sweden and Denmark, while revenues and loans granted increased in the Netherlands

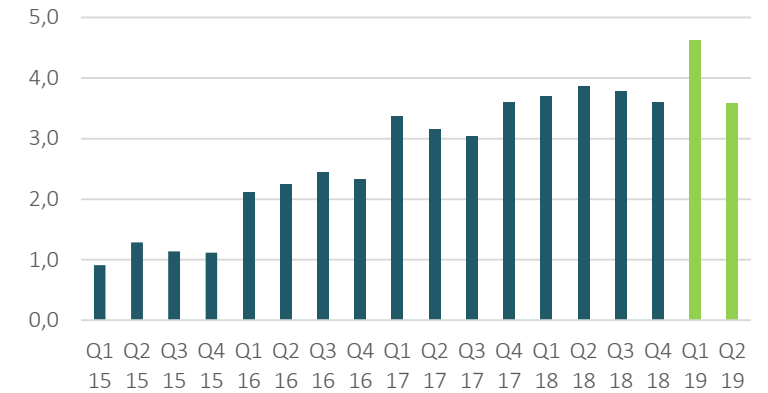
QUARTERLY LOANS GRANTED (EURm)



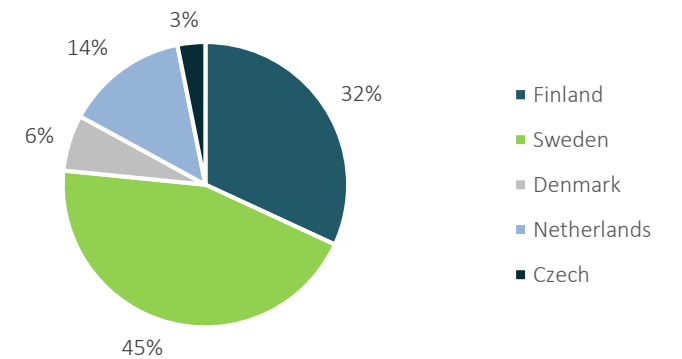
LOANS GRANTED DISTRIBUTION Q2/2019



QUARTERLY REVENUES (EURm)



REVENUES DISTRIBUTION Q2/2019





Place Price Product
Communication Contact

Business

Financial review

Group income statement

Q2/2019

EURk, unaudited	Q2/2019	Q1-Q2/2019	Q2/2018	Q1-Q2/2018
Revenues				
Sales	6 233	14 615	11 058	22 305
Interest income	10 516	21 556	10 927	20 902
Other operating income	8 443	10 116	0	0
Revenues total	25 192	46 287	21 986	43 208
Operating expenses	-28 134	-39 650	-11 247	-20 785
Depreciation and amortization	-9	-15	-4	-10
EBIT	-2 951	6 622	10 735	22 413
Interest and other financial expenses	-3 664	-6 926	-2 901	-5 626
EBT	-6 615	-304	7 833	16 786
Income taxes	-925	-2 209	-1 531	-3 515
Profit for the period	-7 540	-2 514	6 302	13 271
Non-recurring items ¹	9 721	8 049	0	0
Operative profit¹	3 107	7 745	6 302	13 271

(1) EBT excluding one-off items of the period. One-off items consists of net effect of the receivables sale executed in the end of June and credit loss receivables sale executed in March

Group balance sheet

Q2/2019

LIQUIDITY

- ▶ In the end of Q2/2019 the group's liquid Cash and cash equivalents were EUR 11.4m
- ▶ As a part of the collateralized bond issue OPR-Finance group has agreed with bond investors and Nordea Bank AB, Finnish Branch about a collateral pool arrangement. In the arrangement the company pledges its loan receivables as collateral for the financing raised from the bond and Nordea's financing limit
 - ▶ Amount of pledged assets in the end of Q2/2019 was EUR 65.7m
 - ▶ Under the terms of the financing agreements 100% of the pledged receivables fulfilled the terms' definition of Prime Receivables in the end of Q2/2019

EURk, unaudited	30.6.2019	31.3.2019	31.12.2018	30.6.2018
Non-current assets	139	99	92	76
Current assets				
Long term receivables				
Loan receivables	76 833	85 815	98 020	120 307
Other receivables	2 603	4 822	5 140	4 523
Short term receivables				
Loan receivables	123 292	135 304	123 330	95 069
Other receivables	18 165	5 913	2 176	1 429
Total short term receivables	141 457	141 217	125 506	96 498
Cash and cash equivalents	11 380	12 419	12 391	18 443
Total current assets	232 273	244 273	241 057	239 771
Total assets	232 412	244 372	241 150	239 847
Equity				
Share capital	15	15	15	15
Invested non-restricted equity	41 747	44 552	47 276	49 016
Translation difference	46	55	51	-940
Retained earnings	45 203	47 637	35 083	37 661
Profit for the period	-2 514	5 026	12 935	13 271
Total equity	84 497	97 285	95 361	99 023
Liabilities				
Long term liabilities				
Interest bearing debt	80 000	80 000	80 000	80 000
Short term liabilities				
Interest bearing debt	45 323	56 810	56 727	51 108
Other liabilities	22 592	10 278	9 062	9 715
Total short term liabilities	67 915	67 087	65 789	60 823
Total liabilities	147 915	147 087	145 789	140 823
Total equity and liabilities	232 412	244 372	241 150	239 847

Group cash flow statement

Q2/2019

EURk, unaudited	Q2/2019	Q1/2019	2018	2017
Cash receipts from customers	6 247	8 339	39 402	35 376
Change in loan receivables	20 568	-529	-52 641	-61 662
Cash receipts from other operating income	0	0	0	28
Cash paid to suppliers and employees	-18 616	-11 013	-43 395	-40 000
Interest and expenses paid from operations' financing	-3 394	-3 776	-11 059	-9 937
Interest received from operations	10 655	11 339	42 959	33 083
Received dividends from operations	0	0	0	0
Income tax paid	-1 712	-1 047	-4 103	-5 537
Cash flows from operating activities	13 748	3 313	-28 837	-48 649
Capital expenditure	-49	-13	-30	-46
Other loans issued	2 218	-167	250	-2 000
Cash flows from investing activities:	2 168	-180	221	-2 012
Redemption of own shares	-2 805	-2 724	-8 401	-6 544
Issue of shares	0	0	501	24 833
Withdrawals of short-term loans	0	2 162	33 325	17 337
Repayments of short-term loans	-11 030	-1 700	-5 331	-40 831
Withdrawals of long-term loans	0	0	0	80 000
Repayments of long-term loans	0	0	0	0
Paid out dividends and other profit distribution	-3 121	-844	-4 707	-3 840
Cash flows from financing activities:	-16 955	-3 105	15 387	70 955
Change in Cash and Cash Equivalents	-1 039	28	-13 229	20 294

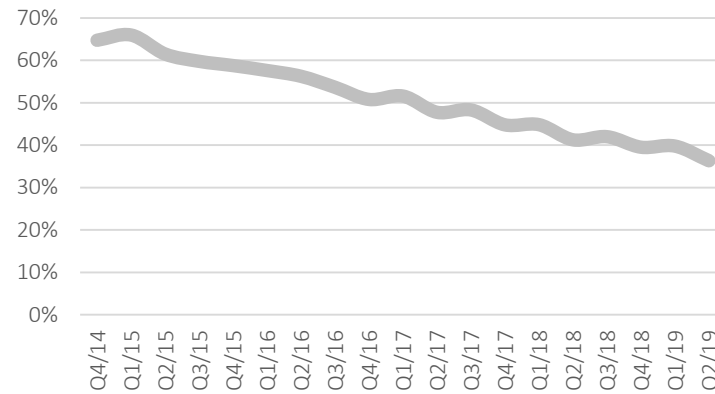
Equity

OPR-Finance Group

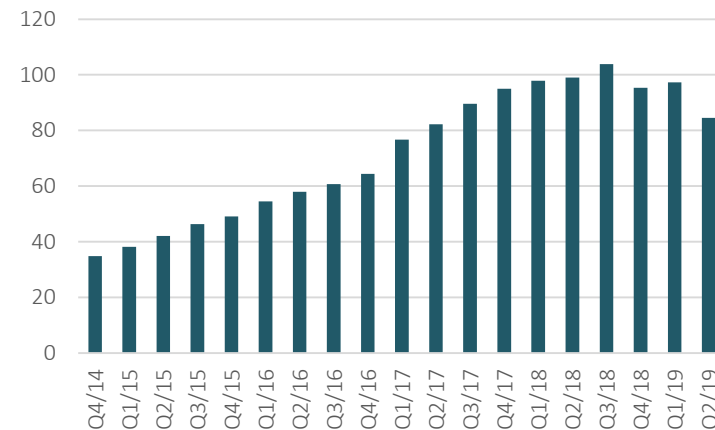
SUMMARY

- ▶ Equity ratio is assessed through both the total amount of equity and “hard equity”
 - ▶ “Hard equity” consists of the group’s equity subtracted by the share of preferred B- and C-series stocks
- ▶ Key figures for Q2/2019 were
 - ▶ Q2/2019 equity “hard equity” EUR 42.7m (Q2/2018 EUR 50.0m, change -14.6%)
 - ▶ Q2/2019 equity ratio 36.4% (Q2/2018 41.3%)
 - ▶ Q2/2019 equity ratio “hard equity” 18.4% (Q2/2018 21.1%)

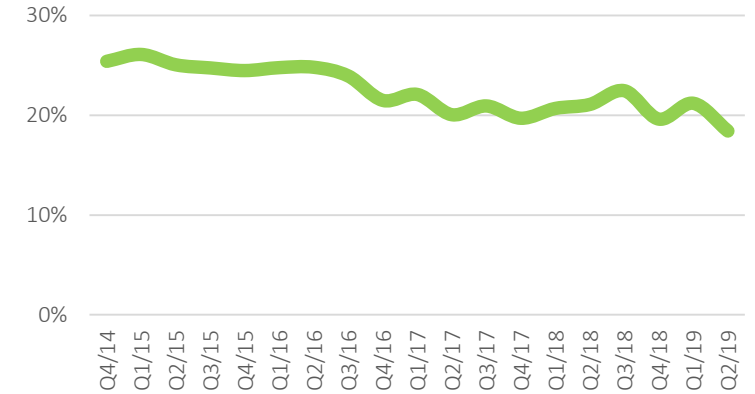
EQUITY RATIO



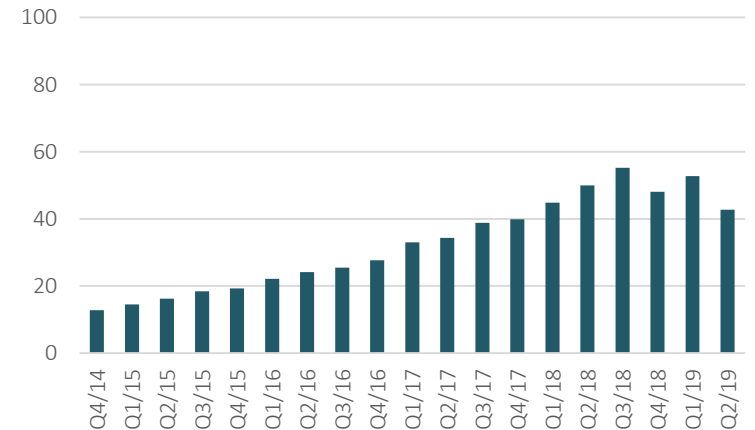
EQUITY (EURm)



EQUITY RATIO “HARD EQUITY”¹



EQUITY “HARD EQUITY”¹ (EURm)



1) “Hard equity” refers to the accounting method in which B- and C-series stock investments are regarded as liabilities. When calculating “hard equity” equity ratio the balance sheet item Cash and cash equivalents is subtracted from Total assets. In addition, shareholder loans granted for the company’s A-share holders are also subtracted from Equity and Total assets in the calculation

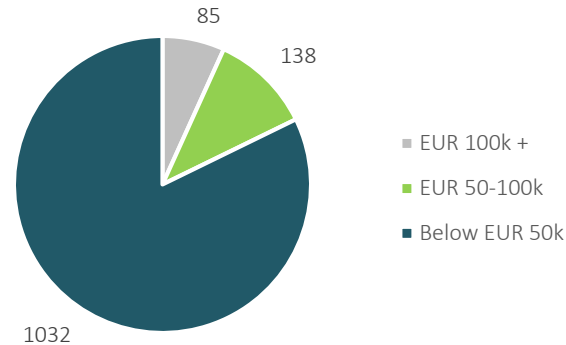
Tuottoa.fi

Investments in OPR-Finance's preferred share program

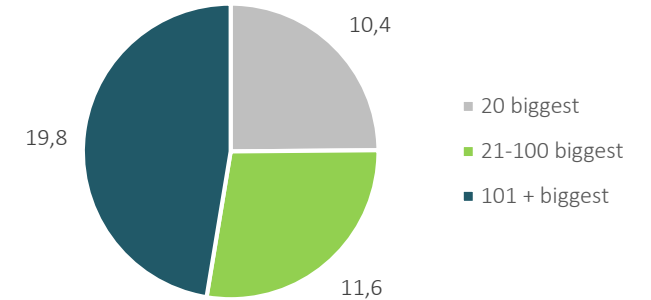
SUMMARY

- ▶ In Tuottoa.fi – program OPR offers investors a possibility to own the company through preferred B- and C-series shares
- ▶ Preferred share program offered to the public tuottoa.fi was open for new investments during 2011 – 2017
 - ▶ B-shares entitling to an 8 % yield were offered to the public during 2011 – 2014
 - ▶ C-shares entitling to an 7 % yield were offered to the public during 2015 – 2017
 - ▶ B-shares are still offered to the company's employees
- ▶ In the end of Q2/2019 the cumulative net amount of investments was EUR 41.7m. These were divided as follows:
 - ▶ B-series EUR 17.4m
 - ▶ C-series EUR 24.3m
- ▶ In the end of Q2/2019 the number of investors was 1255 in total. Average investment was some EUR 33k
- ▶ By the end of Q2/2019 OPR has paid dividends to B- and C-series shareowners in total of EUR 15.5m for the whole duration of the program

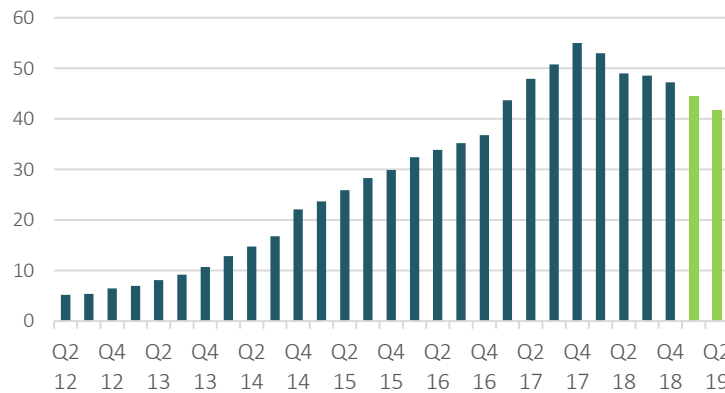
NUMBER OF OWNERS BY INVESTMENT AMOUNT



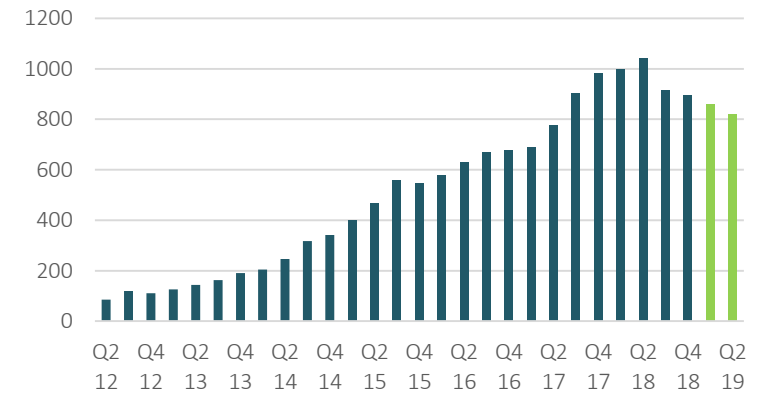
OWNERSHIP STRUCTURE BY INVESTMENT AMOUNT



ACCUMULATED INVESTMENTS (EURm)



DIVIDENDS TO B- AND C-SERIES (EURk)



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