

# OMEGA GRUPP

## New capital investment opportunity



**Established** in 2009



**Markets:** Estonia, Lithuania, Poland



**Offices:** 7



**Services:** Non-banking mortgage loan provider

# Executive Summary



## Purpose of this document

- Omega Laen AS (“the Company”), one of the biggest Baltic Country providers of real estate-backed consumer loans, is seeking to raise additional funding in the form of an overdraft credit facility to refinance current high-interest liabilities, as well as to increase its Loan Portfolio in Estonia, Lithuania and Poland.
- The goal of this document is to initiate discussions with potential finance providers and present key investment considerations.

## Transaction

- The Company is open to consider different solutions from potential providers: (1) the size of debt capital; (2) geographic exposure the potential finance provider is willing to assume; (3) the maturity of funding provided.
- The decision will be made based on the following considerations: (1) longer maturity is preferred; (2) revolving structure of the debt instrument is preferred; (3) interest rate that matches the funding costs of the Company's peers; (4) size of the debt capital provided (the Company is seeking to attract a financial partner with a significant financial commitment).

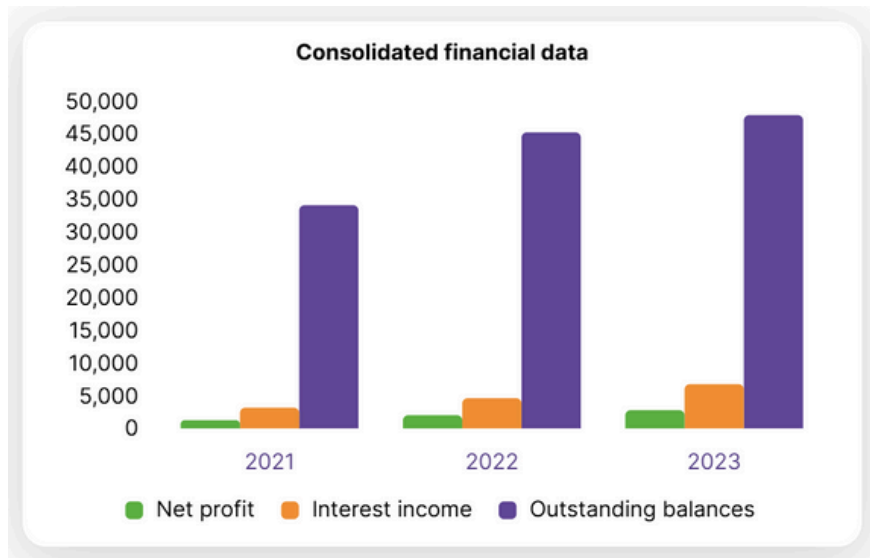
## Company facts

- The Company was established in 2009 and quickly expanded within the Estonian, Lithuanian and Poland markets.
- The competitive advantage of the Company 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 a strong financial standing characterized by rapid revenue growth and profitable operations.
- The Company has been successfully servicing its debt. None of due payments were missed.
- By December 31, 2023, the Company had around 900 outstanding loans and 1000 active clients.
- The Company adheres to very conservative lending practices: (1) a significant discount is applied when valuing collaterals provided by clients and only the most liquid real estate is accepted; (2) the Company rejects more than 50% of applicants.
- Shareholders take active part in the day-to-day management of the Company: their approval is required for all in excess of EUR 30.000.

# Omega Laen AS

## Key facts

-  **Start of Operations:** Established in 2009
-  **Markets:** Estonia, Lithuania, Poland
-  **Permanent Employees:** 24 permanent employees
-  **Number of offices:** 7 offices
-  **Services:** Non-banking mortgage loan provider



Combined experience of shareholders & top management in lending **exceeds 45 years**



**Omega Laen AS**

## Market

- The Company operates in a niche market segment, offering only real-estate secured loans in three market (Estonia, Lithuania and Poland)
- The Company fills the gap between small consumer loan providers and banks in terms of loan size, maturity and pricing
  - Avoids uneven and costly competition with banks
  - Narrowly defined product focus allows lean organisation and mitigates risks
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  - Narrowly defined product focus allows lean organisation and mitigates risks

## Competitive advantage

- The primary competitive advantage of the Company is the quick loan approval process and the ability to adapt to client needs, while adhering to principles of conservatism and risk aversion when evaluating clients
  - The decision to issue a credit takes only 1 day
  - The whole process from a loan application to cash transfer takes only 3 days
  - Ability to serve non-standard cases which do not fit the strict criteria of the banks (micro-entrepreneurs, customers with non-Estonian income. etc.)
  - Less documents are required from loan applicants
  - Productive relationships with real estate agents enables the Company to streamline its marketing campaign
  - The Company is broadly represented across Estonia, Lithuania and Poland and is the one of the leaders in non-banking mortgage lending in Baltic Countries

## Quality of credit portfolio

- The Company maintains a quality credit portfolio
  - All loan applicants undergo thorough qualitative check before being approved
  - The Company meets face-to-face with each potential customer
  - The value of typical real-estate is determined in-house, while non-standard properties are valued by an independent appraiser
  - Since 2009, in only 5 cases has the Company incurred losses on bad loans after the collateral has been repossessed and sold (the loss did not exceed EUR 30 K)

## Operational Excellence

- Excellent growth record and financial stability
- Cost-efficient operating model and lean organisation



# Credit Portfolio of Omega Laen Ltd. in Estonia



## Credit portfolio:

EUR 14.1 M



## Credit portfolio:

Average loan issued:  
EUR 63 thousands

Average outstanding balance:  
EUR 50 thousands



## Interest rates:

Weighted average interest rate:  
11.7%

Average loan maturity: 9  
years



## Clients:

Private clients: 34% (99.9% over  
30 years old)

Legal clients: 66%

## Collateral\*:

(Note: according to management estimates)

Average value: EUR **145**th



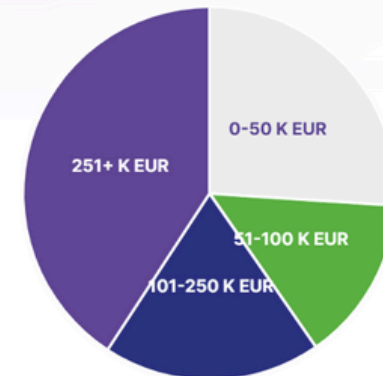
Average **6M** sale value: EUR **124**th



Average **3M** sale value: EUR **116**th



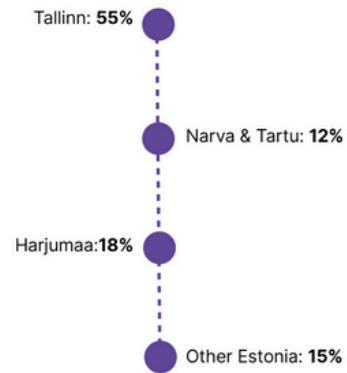
## Outstanding balances (Dec 31, 2023)



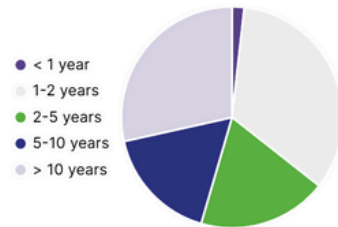
## Key lending strategies:

- The Company provides only collateral loans in the amount from EUR 2 000 up to 70% of market value of collateral, not exceeding 10% of the Credit Portfolio to one client/beneficiar
- Short-term lump-sum payment loans (bullet) and long-term annuity loans
- Conservative client appraisal
- The Company does not lend against illiquid real estate (e.g., small towns): Tallinn, Harjumaa, Narva & Tartu represent 90% of credit portfolio

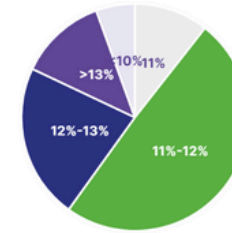
## Geography by outstanding balance:



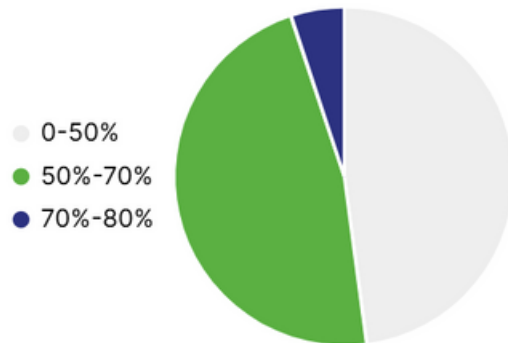
## Time to maturity (Dec 31, 2023)



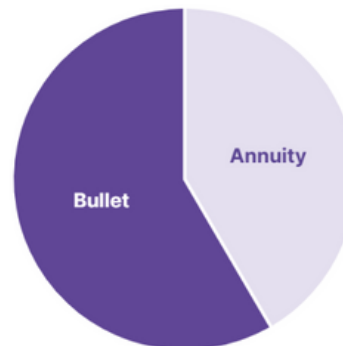
## Interest rates (Dec 31, 2023)



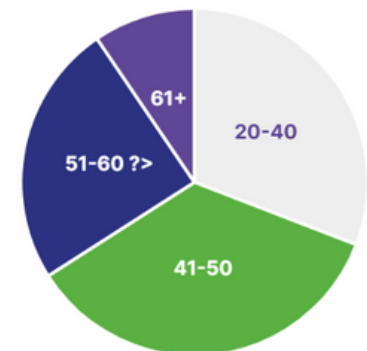
## LTV



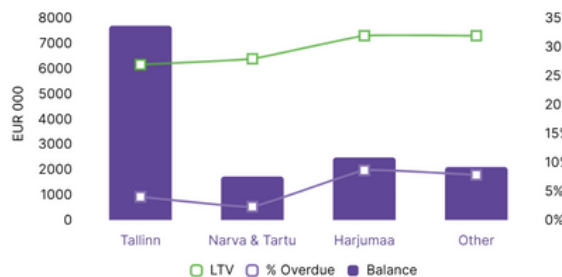
## Schedule type



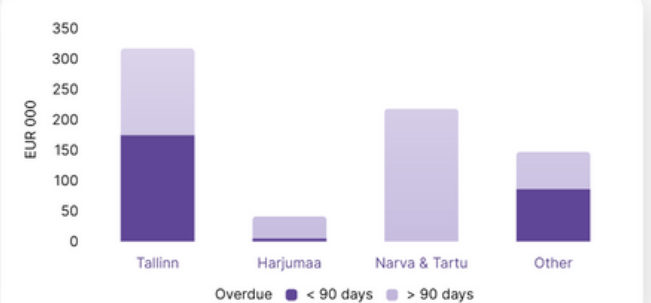
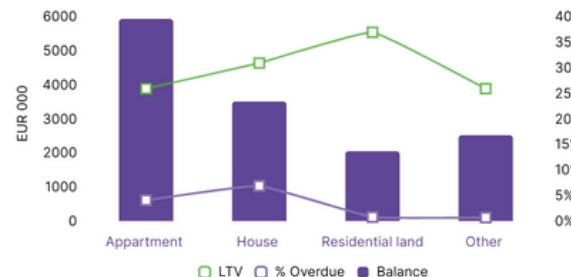
## Private clients' age



## Collateral location (Dec 31, 2023)



## Collateral type (Dec 31, 2023)



# Credit Portfolio Kredito Garantitas Ltd. in Lithuania



## BV of the credit portfolio:

EUR 21,7 M



## Credit portfolio:

Average loan amount:  
EUR 106 K



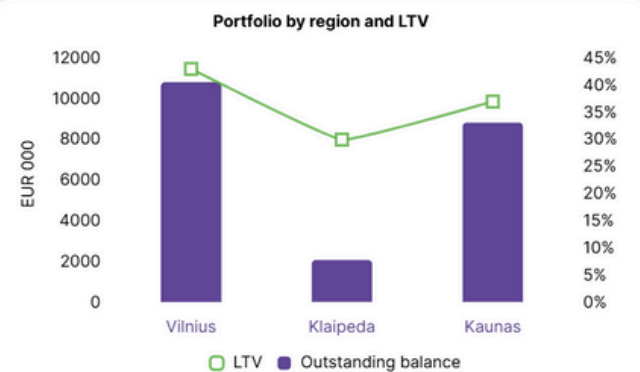
## Clients:

Private clients: 2%  
(all over 30 years old)  
Legal clients: 98%

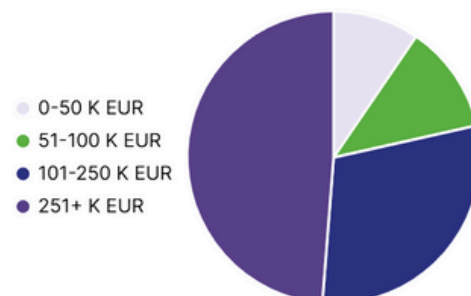


## Repayment schedule:

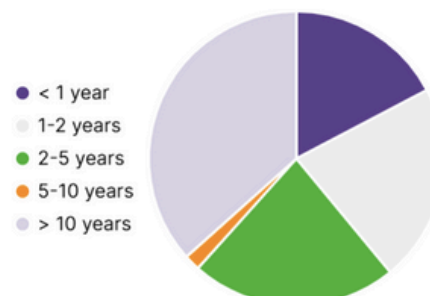
Annuity 45%,  
Bullet 55%



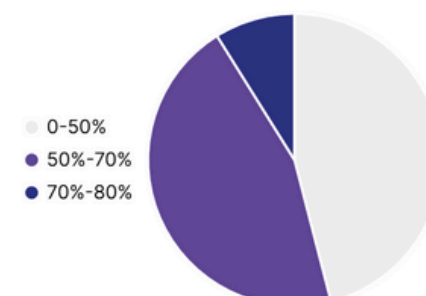
## Outstanding balances (Dec 31, 2023)



## Time to maturity (Dec 31, 2023)



## LTV (Dec 31, 2023)





# Credit Portfolio Balt Credit Ltd. in Poland



**BV of the credit portfolio:**

EUR 12,2 M



**Credit portfolio:**

Average loan amount:  
EUR 50 K



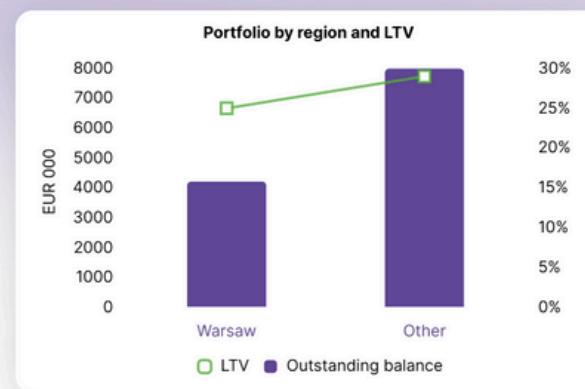
**Average interest rate**

27%

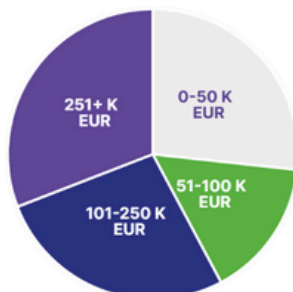


**Repayment schedule:**

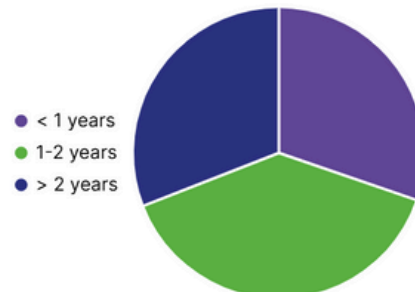
Annuity only



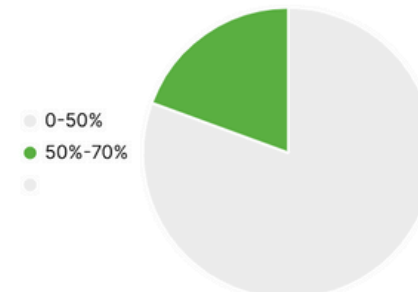
**Outstanding balances  
(Dec 31, 2023)**



**Time to maturity  
(Dec 31, 2023)**



**LTV  
(Dec 31, 2023)**





# Portfolio for Refinancing

The portfolio for secure the investments has been selected from the existing loan portfolio to ensure maximum liquidity for the potential investor. The following criteria were applied:

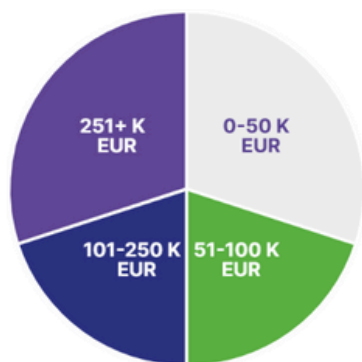
Location	EST / LT / PL
Overdue	0
Collateral Coverage	< 65%
Maturity	Up to 10 years
Type	Apartments (50%), Houses (25%), Land (25%)
Number of credits	~150-175
Total collateral value	at least 15 000 000
<b>Total outstanding balance</b> *Aver.value of collat. : EUR 56 K	<b>5 000 000</b>
<b>Collateral liabilities</b>	<b>7 700 000</b>

Only the most solvent clients with no late payments

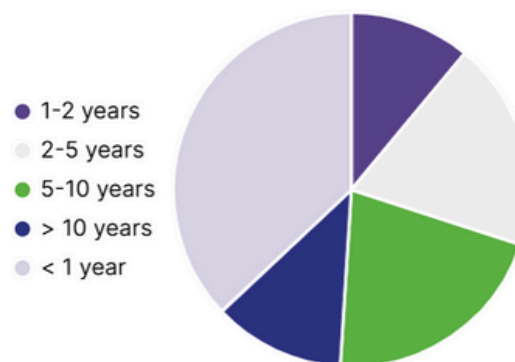
Serial flats in Tallinn and Harjumaa constitute the most liquid real estate market in Estonia

Aver.value of collat. : EUR 56 K

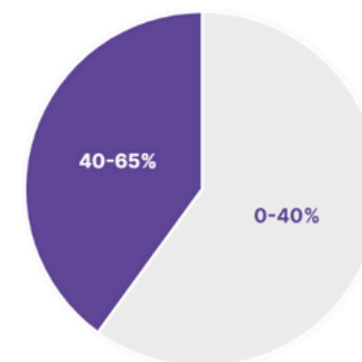
**Outstanding balances  
(Dec 31, 2023)**



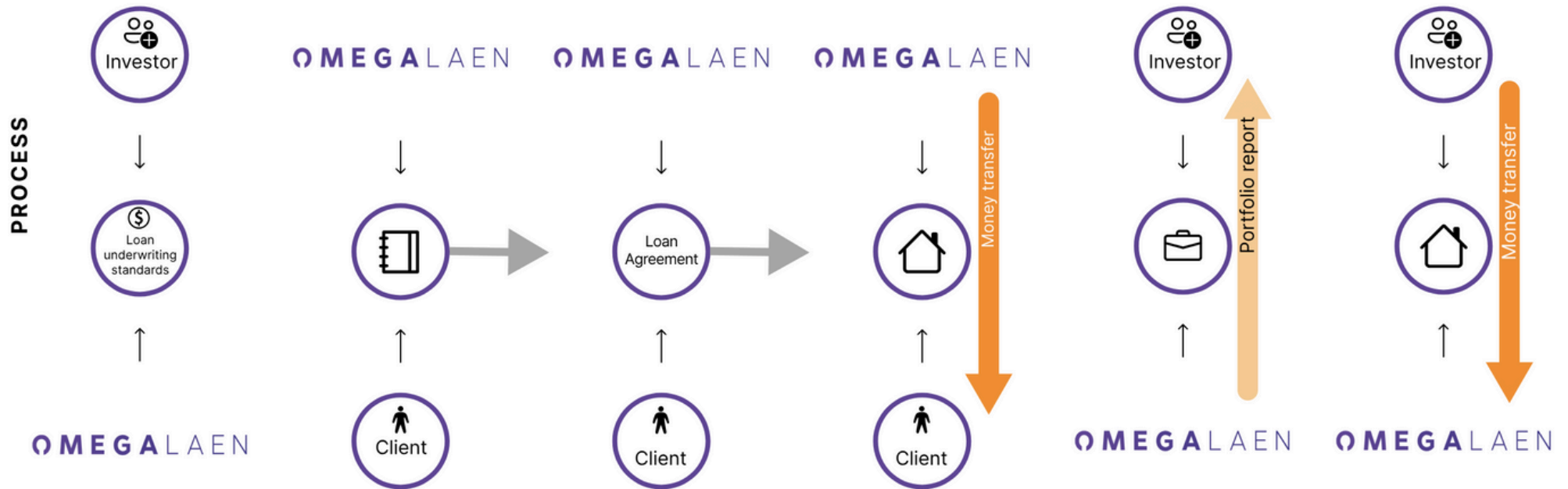
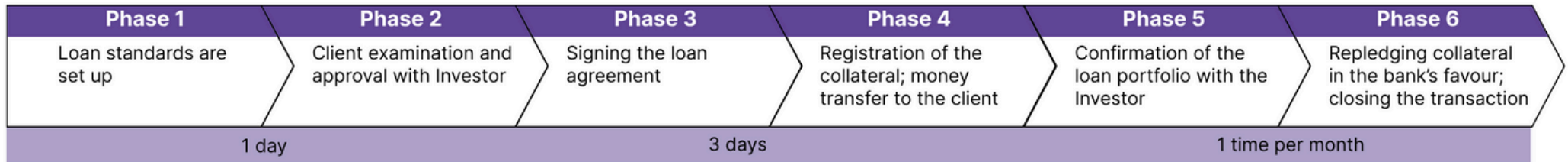
**Time to maturity  
(Dec 31, 2023)**



**Collateral coverage  
(Dec 31, 2023)**



# Proposed Loan **Disbursement** Process with Investor



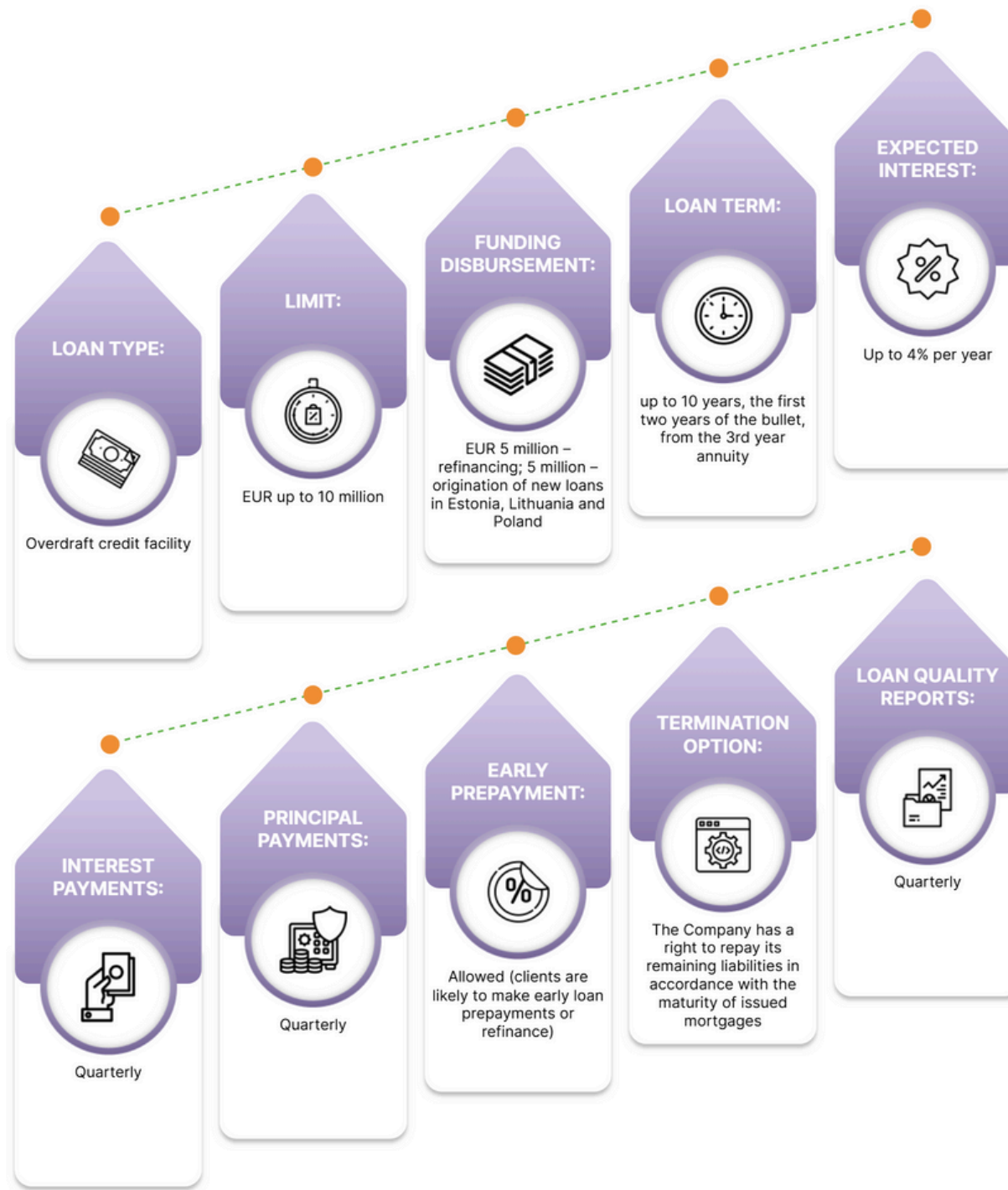
## Financial Statements: **Income Statement**

Balance sheet (EUR 000')	2021	2022	2023
<b>Current Assets</b>	<b>20,848</b>	<b>28,114</b>	<b>44,143</b>
Cash	625	1,780	1,312
Debtors and advanced payments	20,223	26,334	42,831
<b>Non-current Assets</b>	<b>17,912</b>	<b>19,694</b>	<b>20,382</b>
Debtors	16,973	18,508	18,343
Real estate investments	512	521	275
Tangible fixed assets	143	147	1,161
Intangible fixed assets	284	518	603
<b>Assets</b>	<b>38,760</b>	<b>47,808</b>	<b>64,525</b>
<b>Current Liabilities</b>	<b>2,670</b>	<b>4,693</b>	<b>6,298</b>
Short-term loans	1,973	3,871	5,308
Creditors	634	822	990
Provisions	63	0	0
<b>Non-current Liabilities</b>	<b>32,952</b>	<b>39,106</b>	<b>52,258</b>
Long-term loans	32,952	39,106	52,258
<b>Equity</b>	<b>3,101</b>	<b>4,009</b>	<b>5,969</b>
Share capital	100	100	100
Reserve	38	10	10
Retained earnings	1,702	1,909	3,012
Net profit (loss) for the year	1,298	1,990	2,847
<b>Equity &amp; Liabilities</b>	<b>38,760</b>	<b>47,808</b>	<b>64,525</b>

## Financial Statements: **Income Statement**

Income Statement (EUR 000')	2021	2022	2023
Revenues	3,304	4,758	6,907
Costs of sale	-1,681	-2,384	-4,601
<b>Gross Profit</b>	<b>1,623</b>	<b>2,374</b>	<b>2,306</b>
Other Income	1,507	1,658	3,222
Administrative expenses	-893	-814	-1,184
Labor	-836	-979	-1,216
Other expenses	-13	-74	-196
<b>Profit before tax</b>	<b>1,388</b>	<b>2,165</b>	<b>2,929</b>

# Proposed Terms of Funding



## Contact Information



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