UAB
NEO Finance

Corporate report
2018 H1

Vilnius

2018-08-07

Content

Essential corporate events

- Two innovative methods of remote identification implemented.
- www.neofinance.com for foreign investors launched.
- Internal and external audit performed. Conclusions of the audit state that the company‘s financial status is presented properly.
- Accumulated losses of EUR 1.7 M covered with share premiums and lowering the nominal value of shares. **Authorised capital increased two times** to EUR 1.18 M. Total investment to the company equals EUR 2.88 M.
- Test of company‘s operations in crisis scenario (stress-test) performed. Renewed business continuity plan submitted to the Bank of Lithuania.
- Functionality allowing borrowers to change the payment date introduced.
- Referral programme *Invite your friend* introduced to investors.

Main financial ratios

- Based on unaudited accounting data, income has grown significantly up to EUR 421 K: compared to 2017 H2, it increased nearly 3 times.
- Operating expenses decreased by 39%.
- Compared to 2017 H2, EBITDA increased nearly 3,5 times.
- Number of signed up users grew by 20.3% to 51 K users.
- EUR 6.16 M of financed loans.

	2018 H1	2017 H1	Δ, %
Granted loans, EUR	6,160,680	3,676,651	68%
Income, EUR	421,669	146,229	188%
Cost of sales, EUR	(249,817)	(115,817)	116%
Gross profit, EUR	171,852	59,688	188%
Operating costs, EUR	(295,136)	(483,249)	-39%
EBITDA, EUR	**(123,284)**	**(423,561)**	**-71%**
Pre-tax profit, EUR	(188,786)	(475,020)	-60%

NEO Finance

Management accounts

- Majority of the revenues from P2P lending activities are distributed throughout the loan period, and these revenues are received only when the borrower actually makes the installment. For management purposes, future brokerage fee is presented in a month it is generated.
- In this report, as opposed to financial accountability, IT development costs are presented not as intangible assets, but as expenses.

	2018-01	2018-02	2018-03	2018-04	2018-05	2018-06
Ganted loans, EUR	1,027,460	878,562	1,083,584	931,312	1,131,194	1,108,567
Brokerage fee income*	77,700	68,463	80,542	66,892	81,468	82,030
Other income	71,504	34,699	36,911	42,328	41,366	33,975
Cost of sales	34,269	28,168	55,010	47,806	53,415	54,427
Operating costs	58,749	51,826	58,632	58,529	65,126	67,351
EBITDA	56,186	23,169	3,810	2,886	4,294	-5,773

- In the end of 2018 H1, outstanding brokerage fee amounted to EUR 1.84 M.

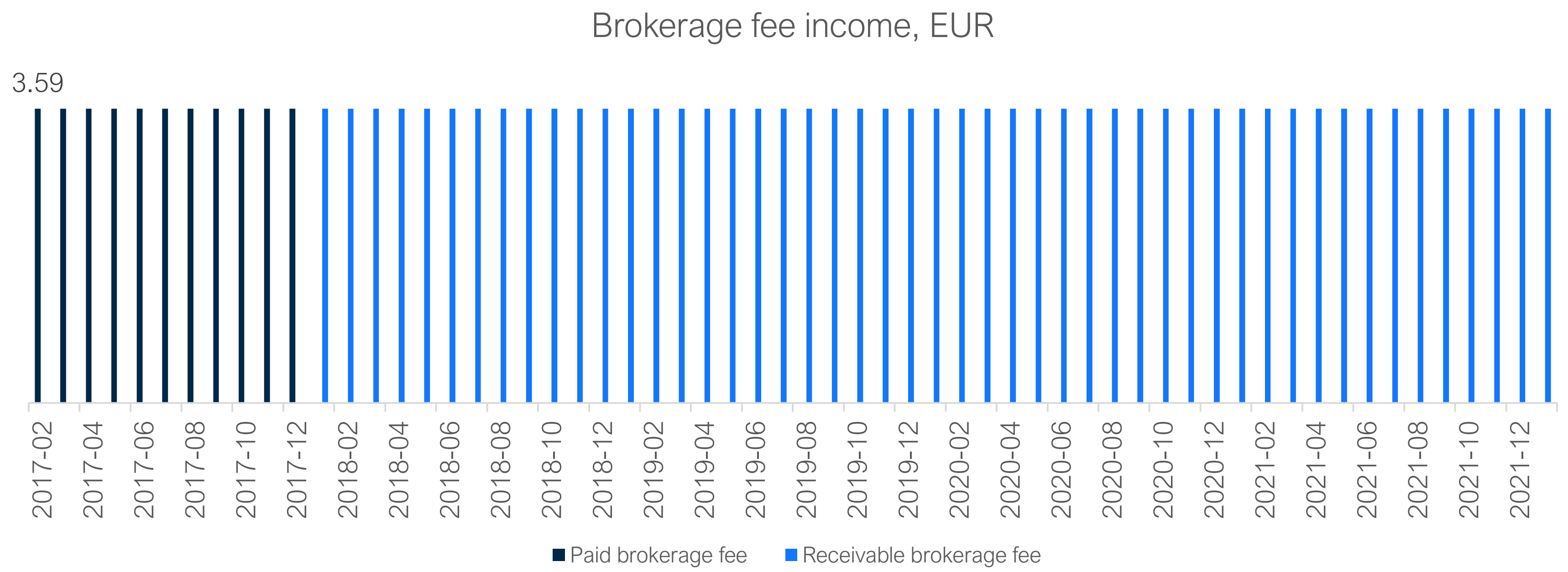
In the table, brokerage fee income encompasses all future brokerage fee proceeds generated by the issue result of corresponding month.

Brokerage fee income

Example on how the brokerage fee of a loan financed via NEO Finance is distributed throughout the loan period:

Amount – 2500 EUR
Term – 48 months
Rating – B
Interest rate – 16%
Brokerage fee – 5.9% or EUR 3.59 per month
Issue date – January 2017

During 2018, income of UAB NEO Finance would constitute EUR 39.46, and EUR 175.76 would be allocated to future periods.



Goals of the company

- UAB NEO Finance has been **established on January 21, 2014**, in Lithuania.
- In **October 2015**, a **limited e-money institution license** has been issued for the company.
- In **April 2016**, the company was **the first** platform to be included in the **P2P lending platform list** administered by the Bank of Lithuania.
- In **January 2017**, **an unlimited e-money institution licence** which allows operations in the European Union has been issued.
- Since the **start of operations in December 2015**, the company has been operating as a P2P lending platform that issues consumer credits in Lithuania, and an e-money institution: holding money in IBAN accounts, money transfers via CENTROlink SEPA payment system.
- A **long-term goal** established by the shareholders is to become the largest P2P lending platform in Lithuania and operate profitably.

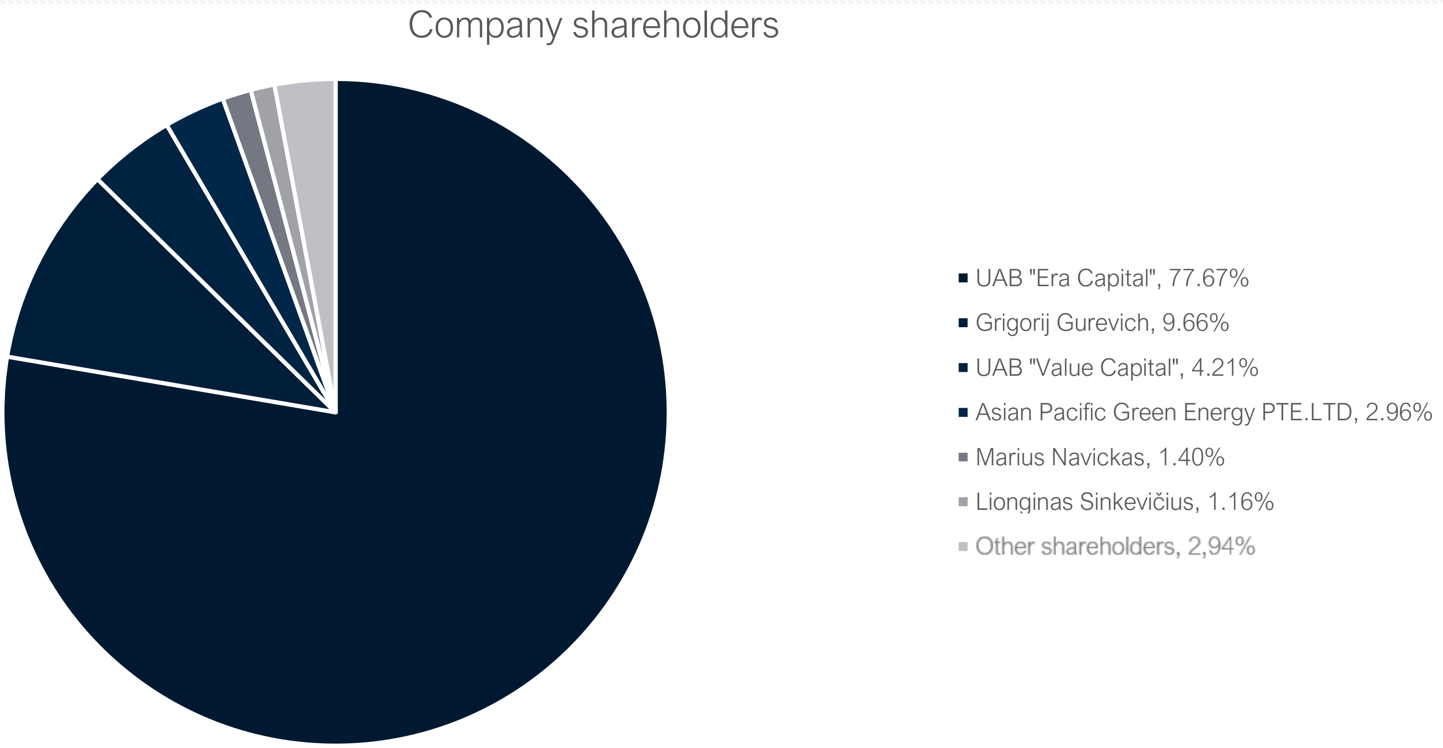
We are excited that the goal of becoming the largest P2P lending platform in Lithuania has already been **achieved in end-2017**. The platform of NEO Finance is now the largest according to all possible indicators: amount of loans issued since the start of operations, amount of loans issued during the last year, and the amount of loan portfolio.

Currently, the Board, together with the team, are putting effort to make the company profitable.

The strategic approach of the Board is based of ensuring long-term and sustainable operations, as opposed to maximizing short-term profits. Therefore, the company pays special attention to ensure compliance with the relevant laws as well as improving them by proposing the amendments to responsible institutions. In addition, a special attention is paid to loan risk management and debt recovery results, as it actually has a direct impact on investment return.

Company shareholders

In the end of 2018 H1, the capital of the company was comprised of 2.671.501 ordinary shares of 0.44 EUR nominal value. Evaldas Remeikis and Aiva Remeikiene each own 50% of UAB Era Capital shares. UAB Value Capital is 100% owned by the board member Deividas Tumas. The Singaporean Asian Pacific Green Energy PTE.LTD is related to the Chairman of the Supervisory Board Antanas Danys. During the reporting period, authorised capital was decreased one time, also, was increased by issuing new shares two times, and closing two share purchase deals where two physical persons bought 0.33% and 0.27% of shares.



Company board and governance

In compliance with legal requirements and in aspiration to make the governance modern and effective, a three-fold management system has been implemented: the management consists of annual general meeting, board and CEO. Also, a supervisory body – the supervisory board – is in place.

Board:
Chairman –
Evaldas Remeikis
Members –
Deividas Tumas,
Marius Navickas,
Aiva Remeikienė.

CEO:
Head of Administration –
Aiva Remeikienė

Supervisory board:
Chairman –
Antanas Danys
Members –
attorney Remigijus Bukėnas,
dr. Marius Laurinaitis.

Evaldas Remeikis and Deividas Tumas are graduates of Baltic Institute of Corporate Governance board member programme, with a qualification of professional board member. Also, in aspiration of applying good corporate governance practices, Evaldas Remeikis has graduated from Chairman of the Board training in Stockholm, Sweden.

Most of the **decisions** in the company are **made by the board**, which has regular meetings once a month. When needed, special meetings are organised. The meetings are organised, held, and documented according to the good corporate governance principles.

During the reporting period, 6 Board meetings took place. No members of the Board and Supervisory board have changed.

During 2018 H1, internal company audit was finished: it significantly helps to identify and mitigate company risks. In 2018, the board and managers are actively working to ensure compliance with relevant requirements and manage risks.

Capital

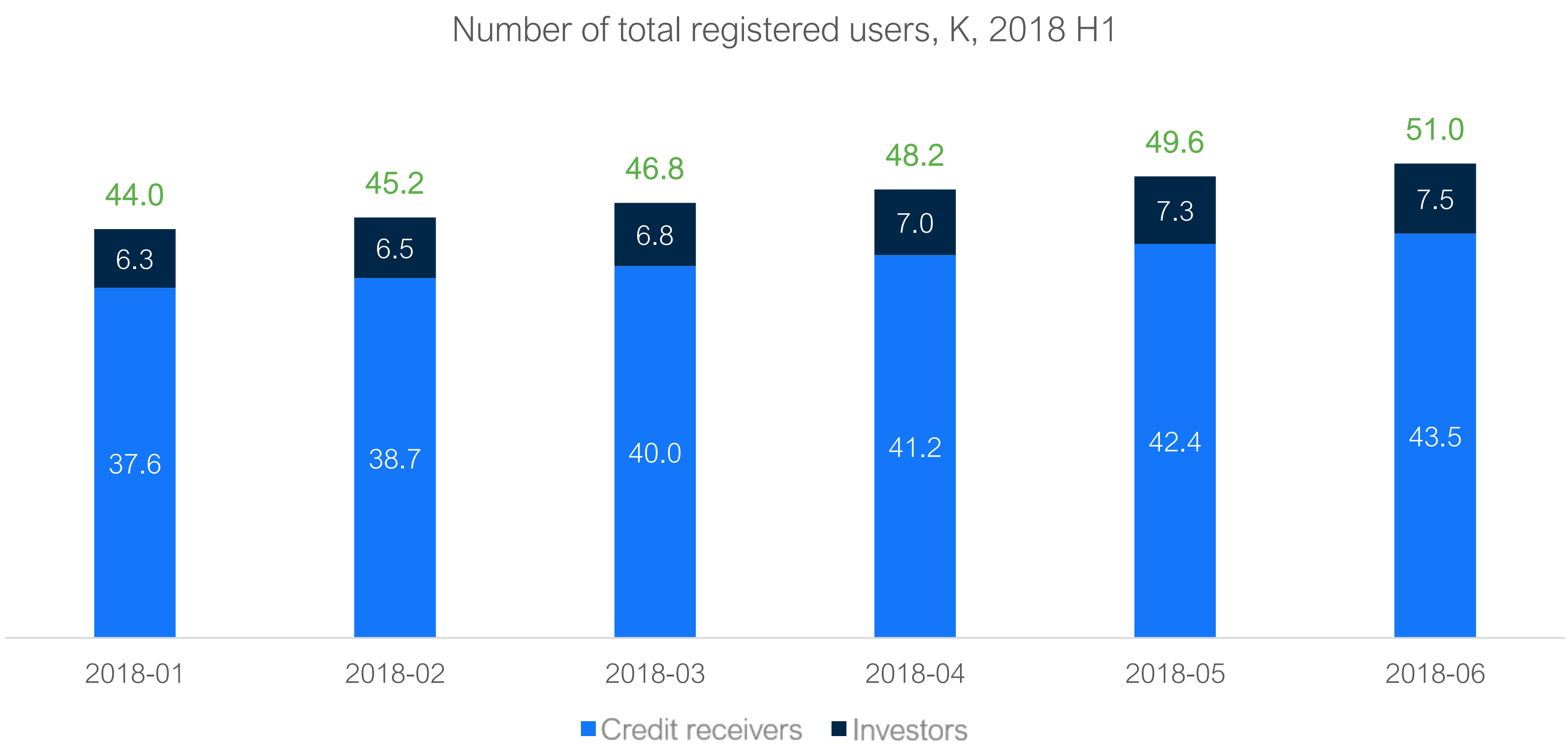
- Until 2018 H1, EUR 2.55 M has been invested in the company via capital increase and share premiums.
- During 2018 H1, additional EUR 330 K was invested by issuing new shares (paying the nominal share price and allocating the surplus to share premium).
- During 2018 H1, accumulated losses of EUR 1.7 M were covered with share premiums and lowering the nominal value of shares.
- In the end of 2018 H1, company's authorised capital was EUR 1.18 M.

During the first stage of expansion, shareholders had EUR 2.4 M dedicated for investment. Therefore, in end-2017, they agreed on the second stage of investment, dedicating additional EUR 1 M. Currently, the company is in the second stage of investment. After that, cumulative shareholder investment will reach EUR 3.4 M. In June 2018, company's shareholders and board have made a long-anticipated decision to launch an initial public offering (IPO), and sell shares in Nasdaq First North alternative market. If the investment climate is favourable, IPO is planned in 2018 Q4 or 2019 Q1. Also, a couple of additional financing options are being considered. The money received from an IPO will be used for further company expansion.

As an e-money institution, since 2017, UAB "NEO Finance" must comply with the requirement of minimum private capital of EUR 350 K and, if the capital decreases below that, shareholders must make certain decisions so that it is brought back to EUR 350 K. In end-2017, private capital in company's balance sheet was equal to EUR 924 K. However, according to the requirements approved by the ruling No. 240 of the Bank of Lithuania adopted on 24 December 2009 (version of 12 January 2012, ruling 03-5), the capital was equal to EUR 579 K. Based on this ruling, sufficiency of the capital of e-money institution is calculated by subtracting intangible assets from the size of private capital.

Main indexes of the company

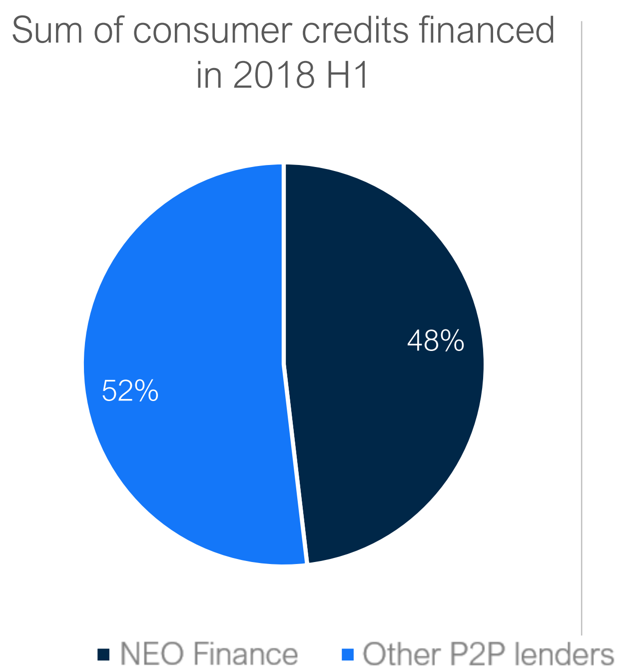
During 2018 H1, due to increasing customer trust and brand awareness, the number of registered users has grown by 20.3%. The growth of borrowers was 19.5%, investors – 25.1%. The overall growth of users during 2018 H1 equaled to 8.6 K.

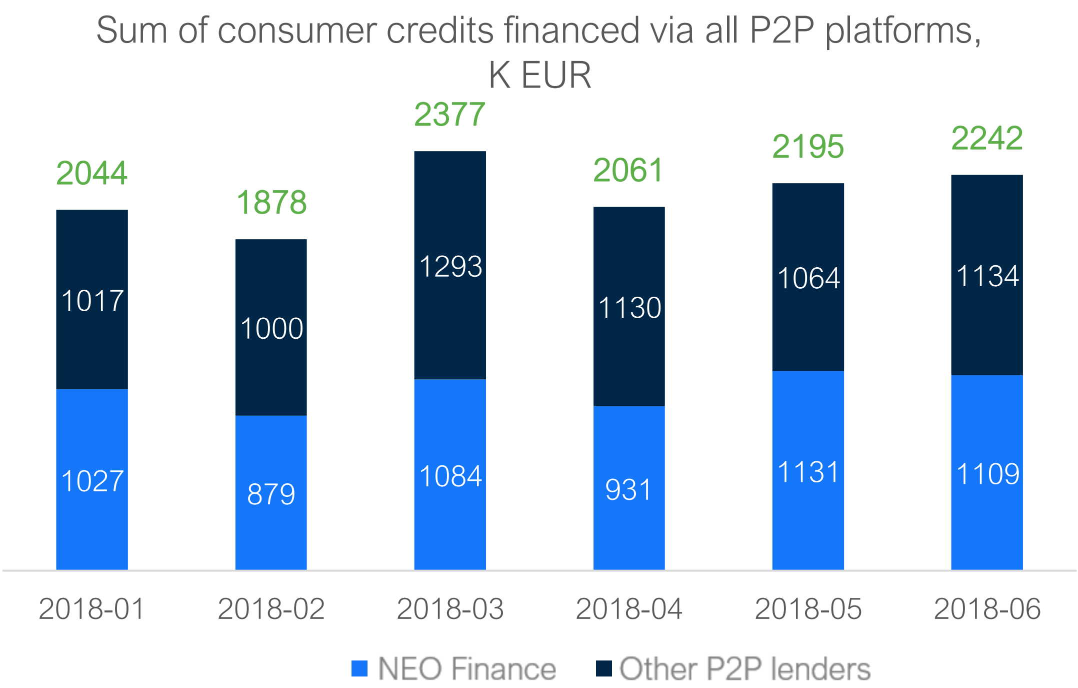


Main indexes of the company

During 2018 H1, the company has mediated in issuing EUR 6.16 M worth of consumer credits, financed by 3080 investors. In comparison, in 2017 H1, the investors financed EUR 3.68 M worth of loans. This sums up to the annual growth of 68%. This allowed the company to take 48% of the Lthuanian P2P lending market. 1868 people got consumer credits during 2018 H1.

Average annual percentage rate of charge which shows the annual interest rate including all additional fees, in 2018 H1 comprised 22,75%, whereas other Lithuanian P2P platforms had the average rate of 35,52%.





Marketing

In 2018, Marketing department has four main goals:

1. In the long term, **minimise the costs of attracting new borrowers** or the ratio between issued loans and allocated budget.
2. Increase the loan turnover.
3. Increase the database of registered investors.
4. Introduce NEO Finance platform in Europe.

Based on brand attribute and customer research, additional brand attributes with the most value to the brand were established. New marketing and communications strategy for year 2018-2019 was confirmed and new advertising campaign was started to produce.

In attempt to increase database of investors, constant investment to Google, Bing, Yandex and other search engine advertising was being made. Network of external partners was being expanded. Also, the referral programme *Invite your Friend* was introduced.
In attempt to introduce NEO Finance internationally, the company participated in *Soft-landing* programme in the Netherlands, *London Tech Week* and *Copenhagen Fintech Week*. Partnerships with specialised P2P-review websites were established.

The ratio of costs of attracting new borrowers and one financed loan has diminished by 46% during 2018 H1.

Income

Based on different activities of the company, 3 categories of income are in place:

- P2P lending related income
- E-money issuance and management related income
- Investment activity income

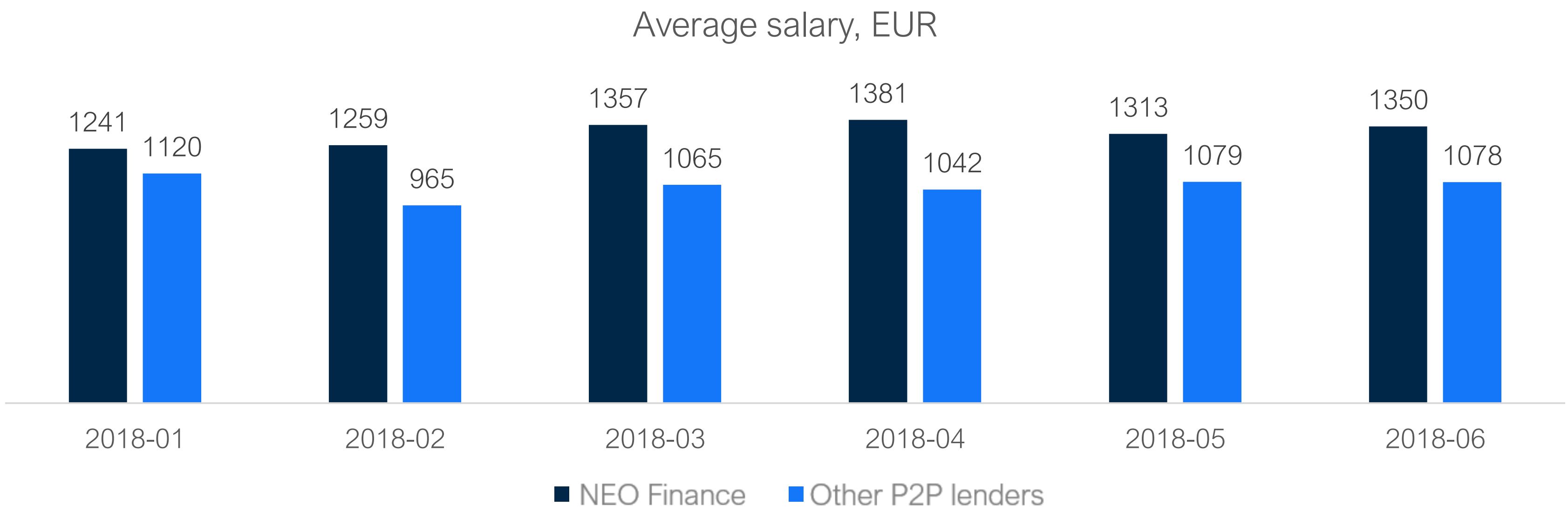
The fact worth mentioning is that the majority of NEO Finance's P2P lending related income is distributed throughout the loan period, and these revenues are received only when the borrower actually makes the monthly installment. The company has chosen such income collection method due to requirements of Law on Consumer Credit, as well as aspiration to be as much motivated to mediate and return the necessary interest to investors as possible. As the company collects its brokerage fee the way described above, company's income is moved towards future periods, therefore, the method of counting company's income is very different from that of competitors, and is not comparable. In June 2018, changes in Law on Consumer Credit allowing P2P platform operators to charge borrowers with 50% of the platform fee right away, have come into force. Despite that, NEO Finance will keep on collecting only the brokerage fee from actual monthly installments, which will ensure staying the most attractive P2P platform for borrowers, as well as keeping investors' trust.

	2018 H1	2017 H1	Δ, %
Income	421,669	146,229	188%
P2P lending related income	267,015	110,754	141%
E-money issuance and management related income	5,513	4,038	37%
Investment activity income	149,141	31,438	374%

Costs

The company is further developing its IT platform, based on customer needs, everchanging regulations, and P2P lending trends. During 2018 H1, EUR 93 K have been allocated to research of new functions, programming, deployment and testing. Every quarter, according to the costs incurred while creating the new version of the platform, the company creates the intangible assets card, and the costs incurred are moved to intangible assets, which is depreciated throughout 4 years. In 2018 H1, this sum amounted to EUR 93 K.

The company employs professional specialists and managers. In 2018 H1, the company had 18 employees on average. The company pays competitive salaries. In addition, bonuses and stock options comprise an effective motivation system. During 2017 H2, EUR 156 K was allocated for salaries. According to SoDra (State Social Insurance Fund Board), the average gross salary was the highest, compared to other Lithuanian P2P lending platforms.

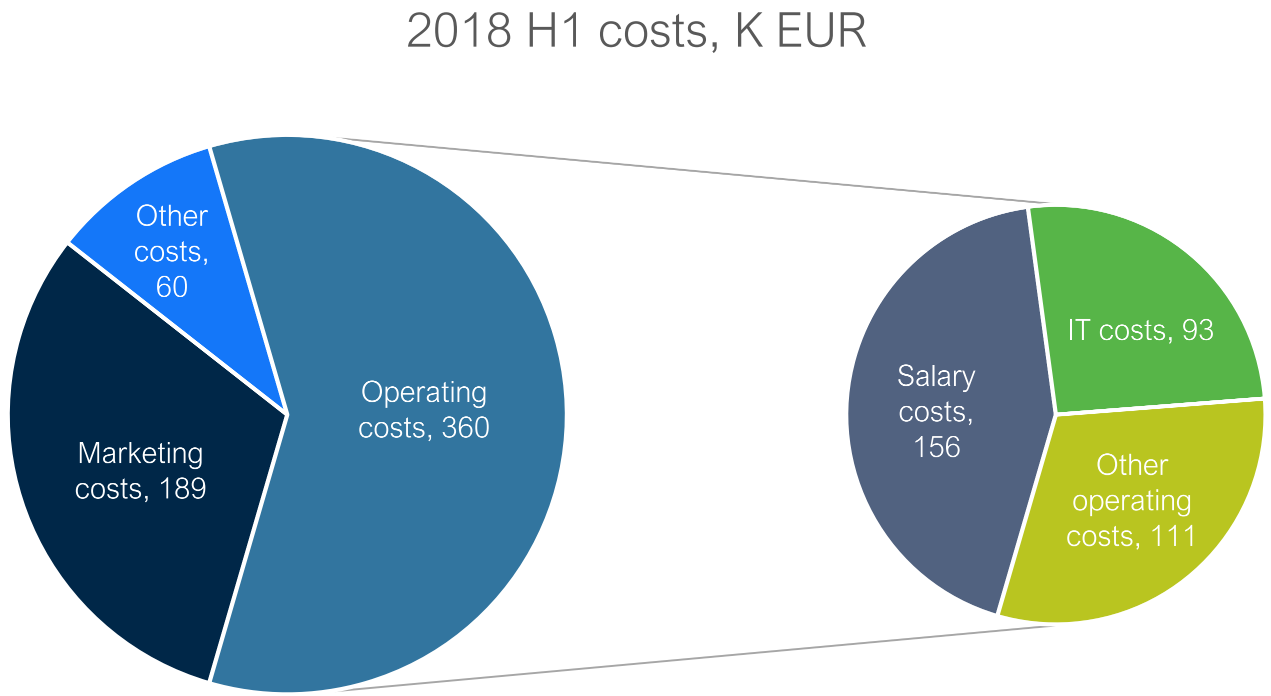


Costs

In 2018 H1, total costs of the company, including sales and marketing expenses, summed up to EUR 610 K.

Other costs include expenses for databases, messages for borrowers and investors, debt recovery and provision costs.

Other operating costs include all other expenses related to the company and personnel. This includes: rent, utilities, transportation, mobile and fixed data, internal and external audit, stationery, parcel delivery.



Debt recovery

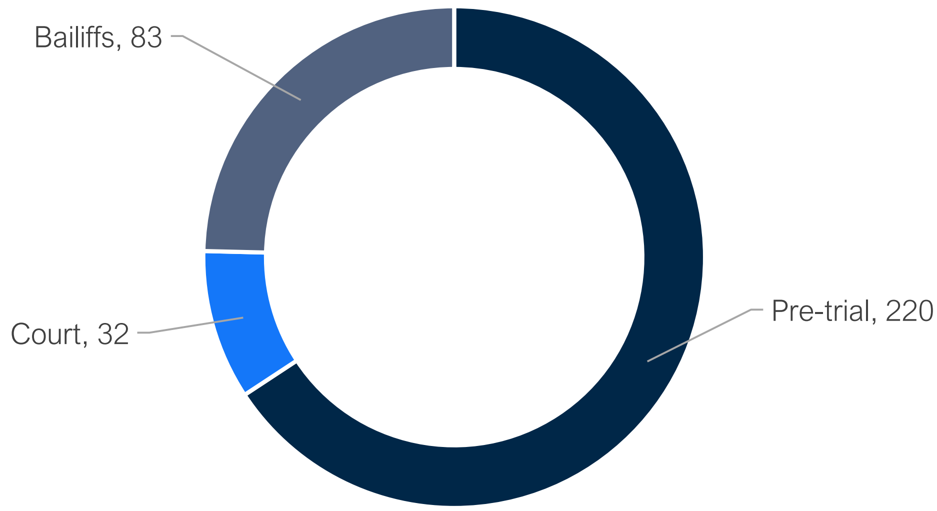
When the borrower is late to pay at least 1 payment, they are notified via e-mail and SMS messages. After 32 days of being late, the debt is registered in UAB “Creditinfo Lietuva” database, and on the 41st day, recovery is transferred to debt recovery agency.

During 2018 H1, recovered amount summed up to EUR 335 K. 66% of the money has been recovered via pre-trial method. Bailiffs have recovered 25%, and trial – 9% of the debts.

Debt recovery is performed by UAB Legal Balance. We are satisfied with cooperation results, and hope that further on, we will considerably exceed the Lithuanian rates of recovering delinquent consumer credits, and two years after terminating the agreement will recover 65-68% of the debt. The company therefore offers buy-back service, where the investor has an option to receive 50-80% of face value of the investment without waiting for the recovery process.

During 2018 H1, amount paid to investors for claim rights was equal to EUR 37 K. During the same period last year, the company paid EUR 16 K to investors for claim rights.

Debt recovery, K EUR



Risk management process

Risk management process is a set of actions systematically implemented by UAB NEO Finance management team and employees in order to identify potential negative consequences for activities of the company as an e-money institution and P2P lending platform operator, and to manage risks in order to avoid their negative consequences for company's operations. This process is an integral part of the company's management and decision-making process, where all responsible employees are involved. The aim of UAB NEO Finance risk management system is to identify potential risks, control them, and take actions for their elimination and prevention.

The risk management process identifies, assesses, monitors, restricts and controls all risks actually and / or potentially incurred by the company.

The risk management system of UAB NEO Finance consists of the following components:

1. Risk identification and definition

At this stage, efforts are put to identify all possible risks associated with activities of the company as an e-money institution and P2P lending platform operator. Potential risks are determined based on internal company experience, as well as monitoring competitors' activities and the problems they face. Risks are also identified based on statistical information, past data, practical knowledge, problematic cases inside the company that had not been foreseen, attempts to anticipate potential risks based on good practices in the financial sector, reports published by supervisory institutions, and other information.

Risk management process

2. Risk evaluation and measurement

Once the preliminary risk assessment reports are prepared, responsible staff and management team perform a more detailed assessment and measurement of specific risks. Such assessment involves objectively anticipating the features of specific risk, assessing the negative effects that the risks might have on company's operations, how it can affect company's performance and its ability to fulfil its obligations, the likelihood for the risk to occur. Every type of the risk and the probability of their occurrence is assessed by providing certain qualitative assessment scores for each risk type (low, medium, high risk). Separately, the impact of each type of risk on the company's activities is defined and described. After risk assessment and measurement is completed, it is possible to accurately predict the effect of the risk and to estimate costs related to the risk, which creates the conditions for choosing the best risk management solution.

3. Creation and development of risk management tools

For each risk type management / elimination, specific tools are created and adapted to ensure effective protection against potential risks or to manage risks as they occur. Risk management tools, i.e. specific actions that minimise / eliminate specific risks, are created based on risk assessment reports and report-based risk assessments and measurements. When choosing risk management tools, the chosen tools are the ones that have lower implementation and maintenance costs than the risks themselves, that are reliable, effective, do not cause other risks, their administration costs are as low as possible, and, if possible, automated.

The developed and / or selected risk management tools are regularly reviewed and refined. Employees responsible for management of the specific risk provide the company CEO with information on the shortcomings of the specific risk management tool (if any), and suggest ways to make the tool more effective.

Risk management process

4. Usage and prioritisation of risk management tools

The following tools are used in the risk management process:

a) avoidance / prevention of risks (employing measures to eliminate or prevent risks, or the decision not to engage in certain activities that pose risks);
b) risk mitigation / limitation (optimisation of risk management tools);
c) risk transfer / sharing (both within the company, and through external partners);
d) taking risks (deliberate action to take on the inevitable risks and employ measures to mitigate them).

Eliminating risk is always a priority. If the risk is impossible to objectively eliminate, then an attempt to manage it to an acceptable level of risk is made.

Company's risk management tools are guided by the principle of priority, i.e. the risks that can have the greatest negative impact and likelihood of their occurrence are high, are managed first. Correspondingly, the lower risks are more focused on after the highest risks are managed.

5. Control of application of appropriate risk management tools

The goal of this point is to assess whether the selected and applied risk management measures are effective and can effectively limit or entirely eliminate the possibility of risk occurrence. As the company's operations are dynamic, the actual processes often differ from the ones agreed on and regulated within the company, therefore, it is important to continuously monitor the risk management tools and make appropriate adjustments so that the deviations do not distort the risk management process. The control of the application of specific tools is ensured by the regularly written reports on risks and the effectiveness of risk management tools.

Risk management process

6. Constant observation of company’s operational and identified risks

In order for the risk management system to succeed and for the goals for which such a system is being developed in a company to be achieved, one of the most important elements of the risk management system is continuous monitoring of the company's activities and identified risks, that would identify the factors that could negatively affect the company's operations, business continuity, compliance with financial obligations, protection of clients’ interests and would help select the appropriate risk management measures as early as possible. At this stage, various data on company's activities and on the already identified risks is gathered, and the evaluation of the collected data, as well as the impact on risk management system is performed.

7. Writing up and presenting reports to management

Periodically, at least quarterly, responsible employees prepare reports on the implemented risk management tools, their effectiveness, implementation and usage problems, newly identified operational risks. Reports help identify the negative effects of existing and potential risks, identify new risks, assess the extent of risks and their influence on company's activities and, accordingly, help seek solutions to reduce or avoid risks.

CEO is responsible for proper implementation of risk management process. The CEO may entrust all or a portion of the functions to the company employees.

8. Periodic development of risk management system

Regular assessment, review and update of the risk management system is an integral part of the risk management system, which helps and obliges the company to have a risk management system in line with the actual company situation, including tools and procedures used for risk management. The periodic update of the risk management system is performed at least once a year, and helps ensure that the risk management system is in line with changes in the scope and / or direction of the company's activities.

Main risks

Risks described below are the ones that are most likely to occur.

Credit risk – the risk that the counterparty will not fulfil one’s obligations and will therefore cause negative consequences for company's value. This risk occurs due to company's investment in consumer credits, as well as reimbursable suretyship service. Company's internal evaluations are used for its management, which provides the basis for determining the appropriate risk-return ratio. The maximum threshold for assumed risk is also set. Credit risk assessment relies on the company's internally developed credit rating system which is constantly developed and is fundamentally renewed once a year.

Operational risk – the risk that company‘s internal processes, staff, IT systems or external actions of the company will cause losses that will negatively affect the company's value. Operational risk also includes compliance risk. This risk is significant for the company, as the company operates in an area where the importance of IT systems is very high, and in the financial sector the supervisory standards are particularly high. To manage this risk, the company uses scenario-based risk evaluation methods, as well as continuous improvement of company's internal processes and IT system.

Liquidity risk – the risk that the company's current liabilities will exceed liquid assets and that the company will be forced to realise other assets under unfavourable conditions. This risk is not as significant, because financing of company's main activities is driven by additional contributions of the shareholders, which is in line with the strategy determined in the shareholder agreement.

Market risk – this includes potential losses due to changes in the market price of financial instruments. This risk is not significant, because the company does not engage in trading activities at its own expense.

Main risks

The largest portion of risks is comprised of operational risks and their management, therefore, the largest portion of attention is dedicated to them.

UAB “NEO Finance” operations and e-money system can be influenced by the following risks:

- Safety of e-money system and servers;
- Failures of e-money system;
- Employee mistakes;
- Risk related to buying services additional to UAB “NEO Finance” services;
- Illegal usage of e-money account, data theft;
- Illegal opening of e-money account and usage of other persons‘ funds;
- Effect of external events;
- Regulatory environment and compliance requirements;
- Business continuity / bankruptcy risk;
- Sudden expansion.

Occurrence of all of these risks is identified in the company. The company constantly observes them, so that none of the risks exceed the set risk tolerance degree.

In end-2017 – beginning-2018, internal audit was performed. The audit did not identify any infringements to compliance requirements, however, provided recommendations for improvement. This helps identify and mitigate occurrence of operational risks. Every year, the company performs external audit which thoroughly inspects not only the correct reflection of financial accounting in the reports, but also implementation of compliance requirements: whether client funds are properly separated from corporate funds (as required by the Law on Electronic Money and Electronic Money Institutions), whether the balance in accounting is equal to the client funds balance in the system, etc.

Business continuity plan

As an operator of P2P lending platform, the company has prepared the Business continuity plan, and has coordinated it with the Bank of Lithuania. The plan is published in company's website www.paskoluklubas.lt, and has last been updated on 4 April, 2018.

The updated plan simulated the impact of economic downturn on the company's activities. The assumptions have evaluated that:

1) The shareholders do not agree to or cannot increase company's capital, and the main shareholder does not agree to give company a loan.
2) Investors in natural persons' loans cut their investments two times.
3) The costs shrink to EUR 20 K per month due to reduced issues.
4) Cost optimisation gradually reduces staff and employee-related costs, reduces costs for IT development.
5) NEO Finance, as a consumer credit issuer, discontinues investment in loans; companies related to shareholders do not require repayment of loans granted to the company.

	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1
Granted loans, EUR	1,922,425	1,692,294	1,411,750	1,588,573	1,439,171	1,449,802	1,249,676	1,467,773
Portfolio	11,639,292	12,492,909	13,087,722	13,799,491	14,362,450	14,911,383	15,279,223	15,804,367
Income	126,682	135,975	144,148	150,511	157,659	163,408	168,585	173,327
Cost of sales*	(59,681)	(60,578)	(59,760)	(59,980)	(63,146)	(61,944)	(59,995)	(61,951)
Operating costs**	(92,754)	(83,574)	(85,514)	(80,514)	(80,514)	(80,514)	(85,514)	(80,514)
Investment activity	30,192	26,882	24,511	21,109	18,833	15,008	11,627	6,586
Cashflow	4,439	18,704	23,385	31,125	32,831	35,957	34,703	37,448

Due to the commission fee deduction for future periods, even if the volume of issues decreases two times, NEO Finance will have sufficient cash flow for economic downturn. On 30 June 2018, receivable brokerage fee was EUR 1.84 M.
Additionally, Provision fund might be used (on 30 June 2018, the fund had EUR 191 K).

* Cost of sales includes marketing, database scanning, identification, sms sending and recovery costs.
** Operating costs consist of wages, IT development, rental and utilities, accounting, auditing, mobile communications and internet costs.

Possibilities for expansion

In 2018, the company hopes to issue EUR 14 M worth of consumer credits for borrowers, and to start cooperation with institutional investors as soon as the law does not restrict investment in consumer loans to legal entities. Also, the board focuses more on actions and solutions to achieve positive cash flow on a monthly basis. The Board and Supervisory Board are currently holding the position not to publish more detailed forecasts of their activities or planned strategic changes, therefore, more detailed forecasts will not be reported. Currently, we are focusing on increasing the volume of consumer credit issues in Lithuania, improving loan issue risk assessment, recovery efficiency and platform development, taking into account the user needs, and ensuring profitable future operations in accordance with cash flow accounting method.

The company's Board is considering future prospects of strategic activities and development of the company, including renewal of activities of crowdfunding platform in Lithuania, development of services specific to e-money institutions, the P2P leasing activity model, the e-money institution and the P2P platform activities in foreign market. The company's existing e-money institution license issued in January 2017 allows us to start operations in any EU country.

The company publishes the results of each quarter's sales activity and stores it on its website https://www.paskoluklubas.lt/en/page/8/reports.

On behalf of the Board,

Chairman of the Board Evaldas Remeikis

2018 H1 balance sheet (unaudited)

	Item	Note No.	Financial year	Previous financial year
	ASSETS			
A.	NON-CURRENT ASSETS		**1,653,197**	**1,388,691**
1.	INTANGIBLE ASSETS		350,397	323,091
2.	TANGIBLE ASSETS		13,924	17,303
3.	FINANCIAL ASSETS		961,285	745,906
4.	OTHER ASSETS		327,590	302,391
B.	CURRENT ASSETS		**1,208,759**	**914,394**
1.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		6,949	3,424
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		84,562	120,512
3.	OTHER CURRENTS ASSETS		-	-
4.	CASH AND CASH EQUIVALENTS		1,117,248	790,458
C.	DEFERRED CHARGES AND ACCRUED INCOME		5	65
	TOTAL ASSETS:		**2,861,960**	**2,303,150**
	EQUITY AND LIABILITIES			
D.	EQUITY		**924,102**	**757,690**
1.	CAPITAL		1,175,460	1,921,503
2.	SHARE PREMIUM		-	628,500
3.	REVALUATION RESERVE (RESULTS)		-	-
4.	RESERVES		-	-
5.	RETAINED EARNINGS (LOSSES)		(251,359)	(1,792,313)
E.	GRANTS AND SUBSIDIES		-	-
F.	PROVISIONS		**126,771**	**102,798**
G.	AMOUNTS PAYABLE AND LIABILITIES		**1,809,703**	**1,441,624**
1.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES		670,119	622,500
2.	CURRENT AMOUNTS PAYABLE AND LIABILITIES		1,139,584	819,124
H.	ACCRUED EXPENSES AND DEFERRED INCOME		1,385	1,038
	TOTAL EQUITY AND LIABILITIES:		**2,861,961**	**2,303,150**

NEO Finance

2018 H1 profit (loss) statement (unaudited)

	Item	Note No.	Financial year	Previous financial year
1.	Sales revenue		421,669	479,424
2.	Cost of sales		(249,817)	(712,425)
3.	The change in value of biological assets		-	-
4.	GROSS PROFIT (LOSS)		**171,852**	**(233,001)**
5.	Selling expenses		-	(8,308)
6.	General and administrative expenses		(361,035)	(690,213)
7.	Other activities		-	(96)
8.	Investment in the parent, subsidiaries and associated companies shares income		-	-
9.	Other long-term investments and loan income		-	-
10.	Other loans granted interest income		424	-
11.	financial asset and Short-term investment impairment costs		-	-
12.	Interest expenses		(27)	(145)
13.	PROFIT (LOSS) BEFORE TAX		**(188,786)**	**(931,762)**
14.	Income tax		25,199	136,120
15.	NET PROFIT (LOSS)		**(163,587)**	**(795,642)**