



FINANCIAL AND PORTFOLIO REVIEW Q4 2023

HINDERED GROWTH BUT
READY FOR THE NEXT LIFT-OFF

PURO

FINANCE

14 February 2024

PURO ANNUAL REVIEW 2023:

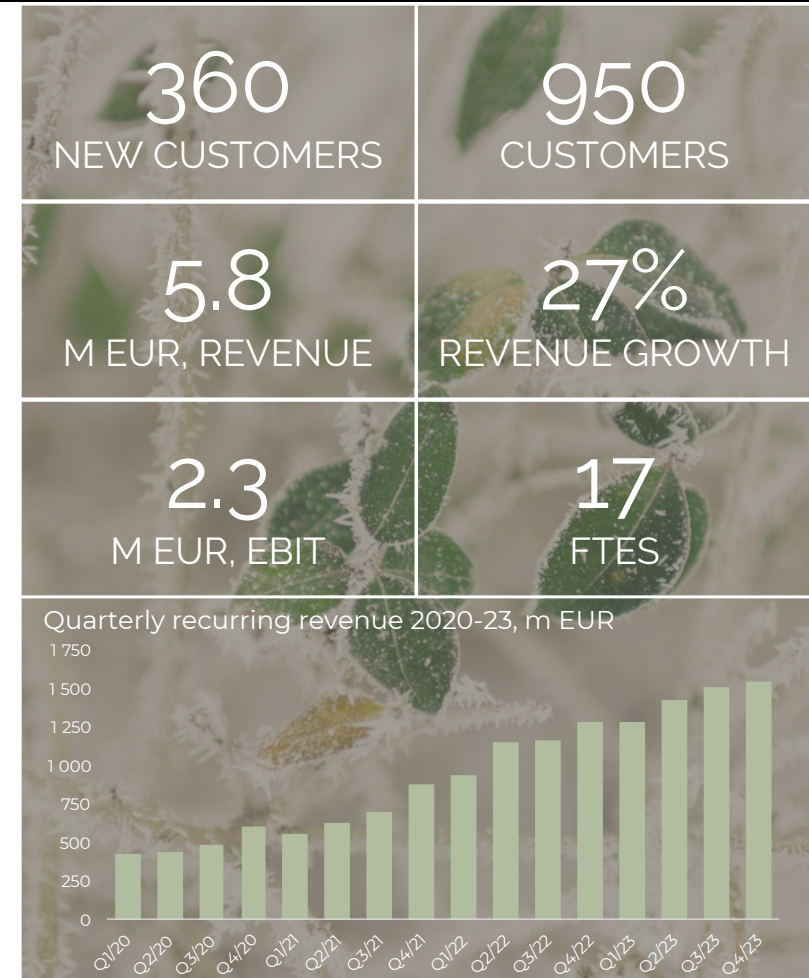
HINDERED GROWTH BUT READY FOR THE NEXT LIFT-OFF

(1-12/2023)

2023 turned out to be more challenging than expected despite the looming downturn in the economy already foreseen 12 months ago. Luckily, the material effect of these market challenges was on hindered growth rate somewhat below our mid-term +50% annual target. Yet, 27% top-line growth for the year is an achievement we are content with. Combined with the continued efforts in scalability and profitability, it provides a solid platform for our future endeavours.

Measured by number of invoices our business volumes continued to grow by 40% from 2022. There was however a major turnaround in our portfolio composition as average ticket sizes (due to low market-wide investments in construction and manufacturing) diminished and invoicing cycles accelerated. In total we financed 460 m eur in customer invoices during 2023, up 19% from 2022. Peculiarly our end-of-period financed receivables decreased 12% between year-ends to 22 m eur after peaking in October at 30 m eur. This, we believe, is a combined effect of lack of industrial investments, accelerated average payment terms and specific big-ticket customer invoicing being spilled over from end-December to January.

Despite the surprisingly low end-of-year receivables, our total customer base bulged in 2023 with strong customer onboarding continuing with 360 new customers for the year. Majority of the customers came from our fruitful cooperation with Accountor. Our portfolio consists of 950 companies with credit facilities already beyond 100 m eur – a solid foundation for our growth to rocket once the economy starts turning.



THE FLOW IN FINANCE

Despite the market conditions hindering the growth Q4 was our best quarter thus far in terms of revenue. 1,6 m eur was 18% above the corresponding period of 2022. At the same time our activities have been focusing on scalability and profitability to squeeze out the risks on both credit quality and weakened profitability. Our staff cost increased only 8% for the year as some recruitment both in Finland and abroad were postponed. Yet, we had some extraordinary external expenses regarding certain strategic core elements that will bear fruit in coming years. Additional credit loss bookings (in total 413 t eur) were also made to ensure financial readiness for the coming period.

	Q4/23	Q3/23	Q4/22	2023	2022	Chg 23/22
# of active customers	954	940	773	954	773	23 %
Facility limits, m eur	107	107	87	107	87	23 %
Loan receivables, m eur	22	28	24	22	24	-12 %
Customer invoicing, m eur	122	124	108	338	288	17 %
Turnover, t eur	1 551	1 524	1 315	5 814	4 580	27 %
Operating profit, t eur	554	663	426	2 348	1 708	37 %
Profit before taxes, t eur	80	195	43	556	283	96 %

Despite the extraordinary cost and additional loss provisions we were able to meet the profit target for the year despite significant deficit in top-line. EBIT increased by 37% from 2022 with profit before taxes doubling.

A capital injection in June combined with a few debt capital arrangements – including a financial framework agreement involving our subsidiary PURO SPV 1 – ensures that our financial position at the beginning of 2024 is by far the strongest it has been during our short history.



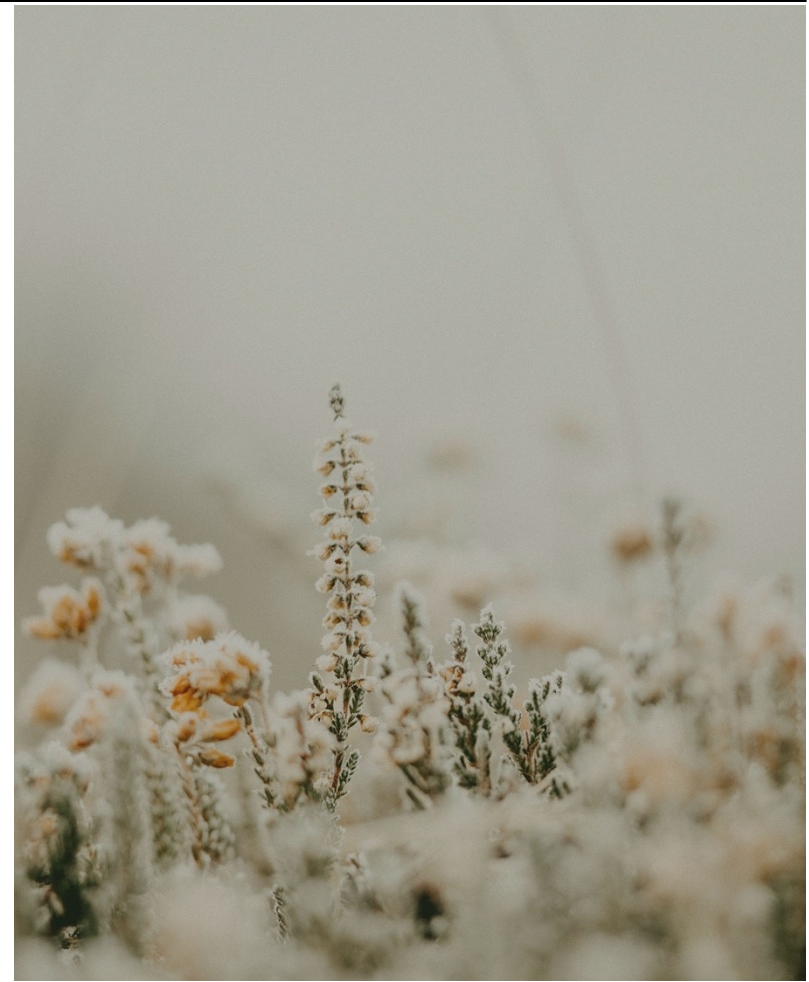
Precautionary measures in credit granting and business development had an impact also to our ventures in Sweden where bigger marketing and sales initiatives were postponed until safer market environment. Having successfully onboarded the first customers from our commercial cooperation with Intrum Sweden was a definite bright spot from which to build on during 2024 as we look to manoeuvre within the constraints of profitability and gaining market foothold beyond our home domicile.

The uncertainty of the economy makes forecasting 2024 challenging. We assume that, at least for H1, investments in manufacturing and construction will be low, which will have a dragging effect also on PURO's growth. We are optimistic that our new customer acquisition will continue at current level, and that the churn on our portfolio will not accelerate. With these assumptions, H1 monthly growth should be around 25% YoY.

For the second half of 2024, we have cautiously increased growth expectations for investments, although we see significant uncertainties here. Our sound credit policy and risk management will continue to keep our credit losses moderate. Despite the uncertainties, we will keep carefully pushing on our strategic path in order to meet our commitments to our customers and other stakeholders. Internally we strive to continue to make it fun and always stand out from the crowd.

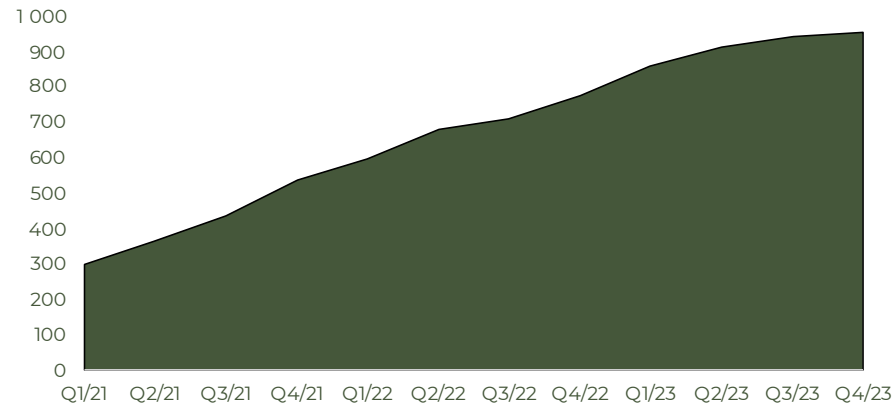
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Junno Roine, CEO



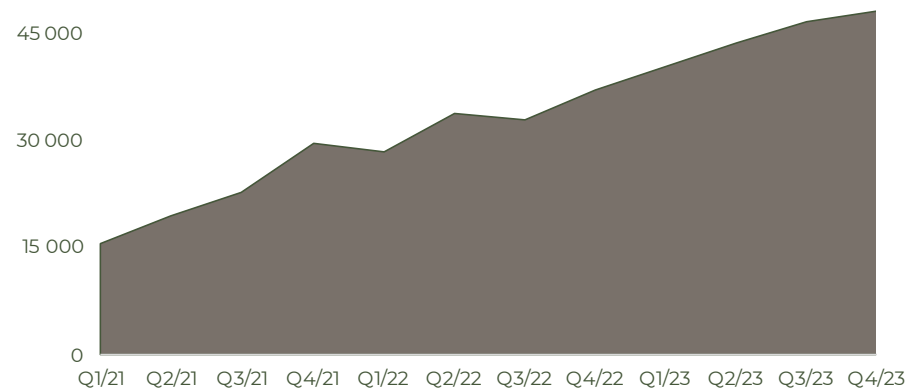
CUSTOMERS

Total number of active customers



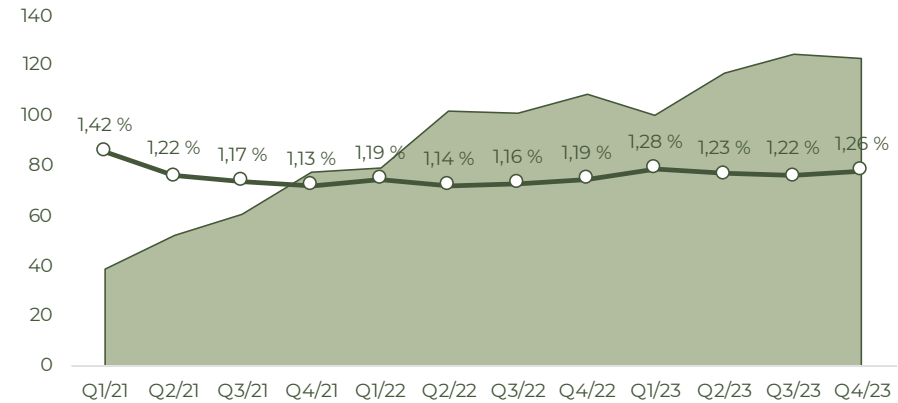
CUSTOMER INVOICING

Number of invoices



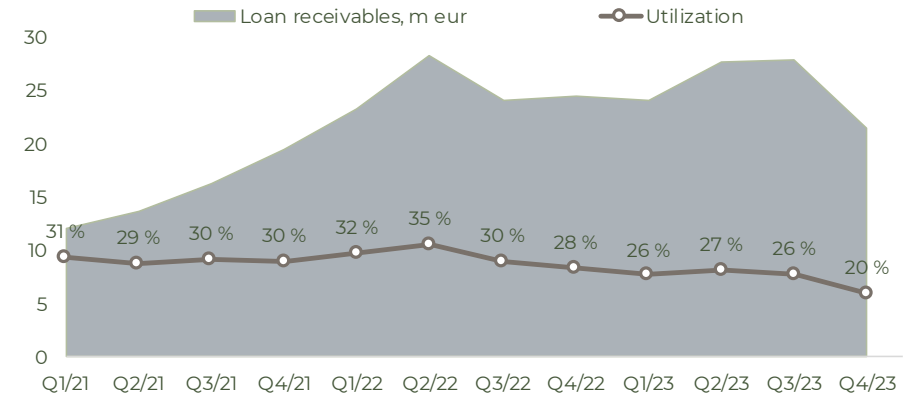
CUSTOMER INVOICING

Customer invoicing, m EUR and average customer fee



LOAN RECEIVABLES

Loan receivables, m eur, and utilization, %



TRACK RECORD

FINANCIAL OVERVIEW

GROUP INCOME STATEMENT *

t eur	Jan-Dec 2023	Jan-Dec 2022
Net revenue	5 814	4 580
Other operating income	0	0
Purchased services	-889	-667
Personnel expenses	-1 269	-1 170
Depreciation	-88	-73
Other operating expenses	-1 220	-962
Operating profit	2 348	1 708
Financial income and expenses	-1 793	-1 425
Profit before taxes	556	283
Income taxes	-167	-67
Profit for the period	389	217

* Unaudited figures

GROUP BALANCE SHEET *

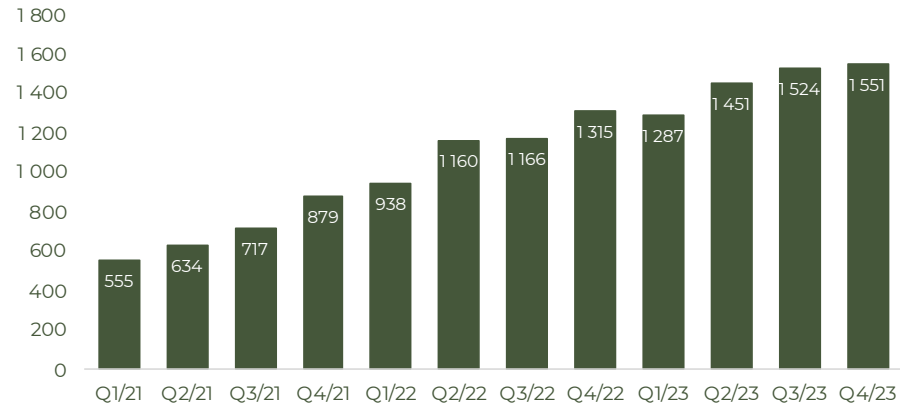
t eur	Dec-23	Dec-22
Intangible assets	515	468
Tangible assets	-13	10
Non-current assets	502	478
Long-term receivables	226	178
Short-term receivables	21 363	24 795
Total receivables	21 589	24 973
Cash in hand and at banks	4 910	47
Current assets	26 505	25 020
Total assets	27 033	25 498
Share capital	3	3
Reserve for invested unrestricted capital	4 443	3 100
Retained earnings	436	220
Profit for the financial year	389	217
Total equity	5 271	3 539
Long-term liabilities	14 202	10 095
Short-term liabilities	7 560	11 864
Creditors in total	21 762	21 959
Total equity and liabilities	27 033	25 498

THE FLOW IN FINANCE

PORTFOLIO PERFORMANCE

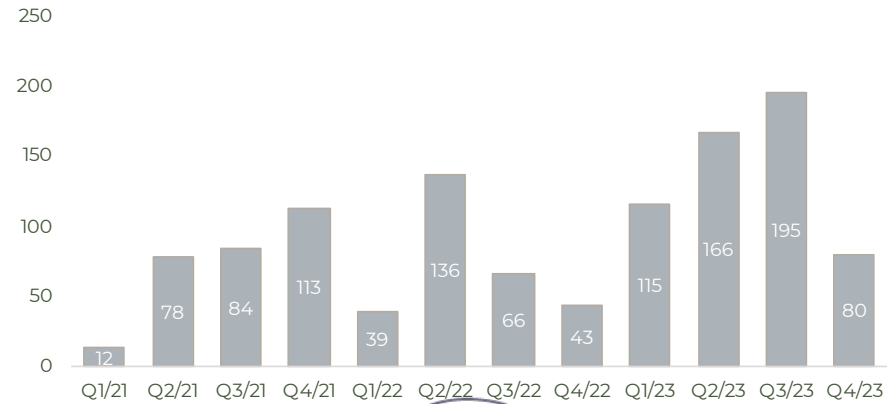
REVENUE

Turnover, t eur



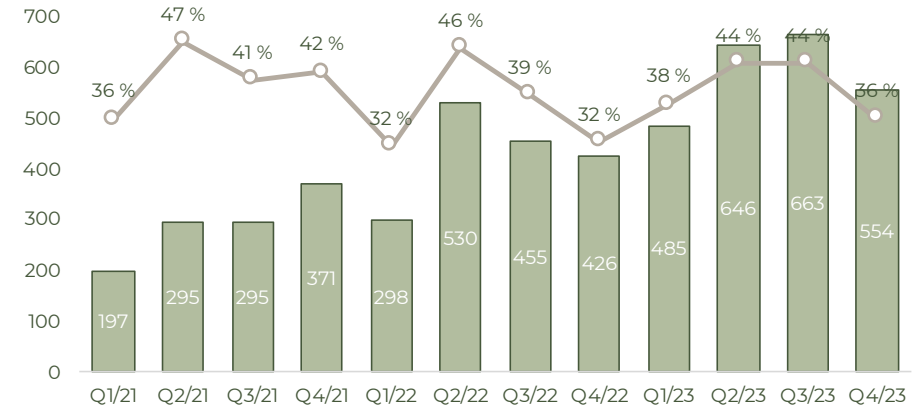
PROFITABILITY

Profit before taxes, t eur



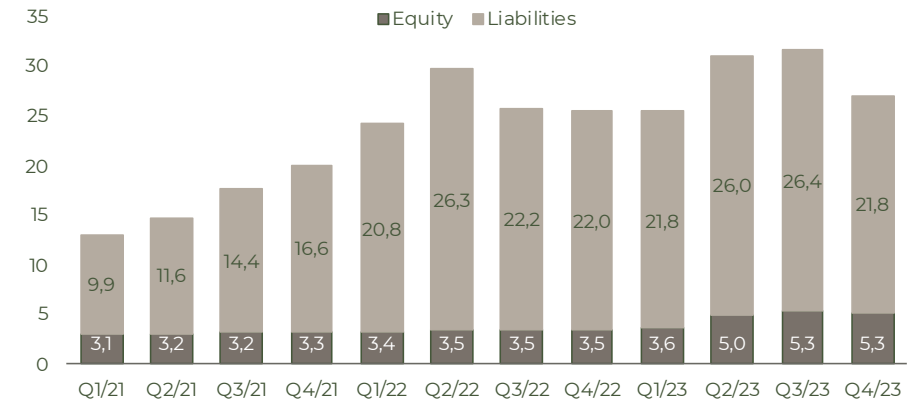
PROFITABILITY

Operating profit (EBIT), t eur & operating profit margin %



BALANCE SHEET

Balance sheet totals, m eur



THE FLOW IN FINANCE

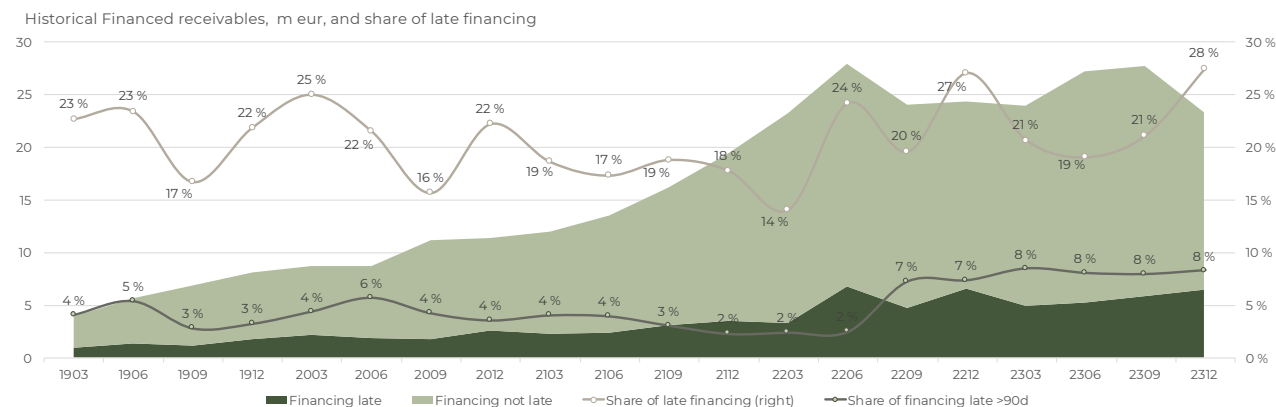
FINANCED RECEIVABLES OUTSTANDING, EOP

t eur	12/20	12/21	12/22	12/23	Chg
Total Financing	11 392	19 430	24 341	23 374	-966
Financing not late	8 861	15 975	17 754	16 943	-811
Financing late	2 531	3 455	6 585	6 430	-155
1-7 days	1 402	1 582	2 819	2 352	-467
8-14 days	404	630	768	1 203	435
15-30 days	165	563	652	564	-87
31-45 days	87	45	446	179	-267
46-60 days	13	75	10	76	65
61-90 days	55	116	106	121	15
91- days	405	444	1 784	1 935	151
1-30 days	1 971	2 775	4 239	4 119	-119
30+ days	560	680	2 346	2 311	-35

Financing not late	78 %	82 %	73 %	72 %	0 %
Financing late	22 %	18 %	27 %	28 %	0 %
1-7 days	12 %	8 %	12 %	10 %	-2 %
8-30 days	5 %	6 %	6 %	8 %	2 %
31-90 days	1 %	1 %	2 %	2 %	-1 %
91- days	4 %	2 %	7 %	8 %	1 %
1-30 days	17 %	14 %	17 %	18 %	0 %
30+ days	5 %	3 %	10 %	10 %	0 %

Credit loss provision (accum.)	175	107	231	391
Realised losses (accum.)	46	114	312	565
Credit losses total (accum.)	221	221	543	956

SHARE OF LATE FINANCED RECEIVABLES



CREDIT LOSS PROVISIONS

Credit loss provisions amounting to 391 t eur had been booked per financed receivables by December 2023. The provisions are set on customer level after thorough analysis on the past-due items as well as customer financial health. The thumb-rule is to make 25% provision to over 90-day overdue receivables. Accumulated final credit losses 565 t eur had been booked by December 2023.

PORTFOLIO RISK

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