

A stylized, low-poly mountain range in shades of pink and purple against a dark purple background. The mountains are composed of various triangular facets, creating a geometric, crystalline appearance. The range spans the width of the image, with peaks of varying heights. The foreground is a white, sloping plane that the mountains appear to rise from.

stikcredit &

afranga

Check out our very own p2p marketplace at afranga.com

The Company

Who we are

Stikcredit is a European FinTech company underwriting short-term consumer loans online. We've also built a national network of 50 offices.

We operate on the Bulgarian market since 2013 and aim to become the go-to-platform for lending loans online.

What we do

We lend money where traditional banks don't and we are on a mission to make consumer credit as easily accessible as 1 click on any device.

We underwrite short-term single-payment and instalment loans for up to EUR 2,500 and with maturity of up to 24 months.

Highlights

- EUR 45m+ granted loans since inception
- Regulated by a European Banking and Financial Services regulator
- Proprietary IT platform incorporating latest FinTech innovations
- In 2021 we launched afranga.com - a peer-to-peer marketplace for investing in loans

Trusted partners and regulatory institutions

Stikcredit adheres to the highest regulatory requirements and has been strictly supervised by the Bulgarian National Bank since inception. We have also formed a network of valuable partnerships with many local and international players.



- Bulgarian National Bank - one of the oldest national institutions, established 143 years ago. BNB plays a key role in the Bulgarian economy and takes care of maintaining the stability of the Bulgarian currency, and of strengthening and developing the banking and credit system in the country.
- Stikcredit is regulated by the BNB and is under supervision as a non-banking financial institutions.



- Easypay - established in 2004, today the company has more than 2,700 cash registers across the country, and the network is constantly growing.
- The company partners with the leader in electronic payment services in Bulgaria - our customers can receive and repay their loans in an instant.



- Bulgarian Fintech Association - bringing together all parties in Bulgaria with an interest in Financial Technologies. Formed by specialists with a proven track in Fintech, aiming at representing and safeguarding the shared values of its members before regulators, investors, financial institutions, foreign associations, partners and any other party.
- Stikcredit is a proud member of the association.
- Affiliates - we have established various business partnerships with offline affiliates through which our products and services are offered in more than 220 offices throughout Bulgaria.

The Solution: Technology & Profitability

Stikcredit leverages existing innovations in FinTech to underwrite short-term consumer loans entirely online.

We operate a lean FinTech business model which does not require the use of physical locations. Users submit applications online and our automated scoring algorithm makes an instant decision to approve or reject a loan. Money is advanced via an electronic payment transfer.



Profitable Track Record

- Stikcredit granted over EUR 45m in loans since inception and achieved a pre-tax profit margin of over 36%.
- The company achieves an impressive cash collection rate of 134%+ of the granted loan amount.
- Stikcredit generates strong growth achieving a CAGR of 68% in terms of loan issuance volume.



Proprietary IT Platform

- The company runs on an internally developed cloud-based system supporting all core company activities from loan application processing to loan management and financial reporting.
- The system allows for full automation of a large number of processes and is easily integrated to external applications and services via APIs.



Scalable Business Model

- Stikcredit is positioned for growth entirely online. We structure and develop our processes with an online mindset.
- The company does not require significant capital investment for physical offices and staffing in order to achieve rapid growth and to penetrate new markets.
- The operating processes are efficient, automated and scalable.

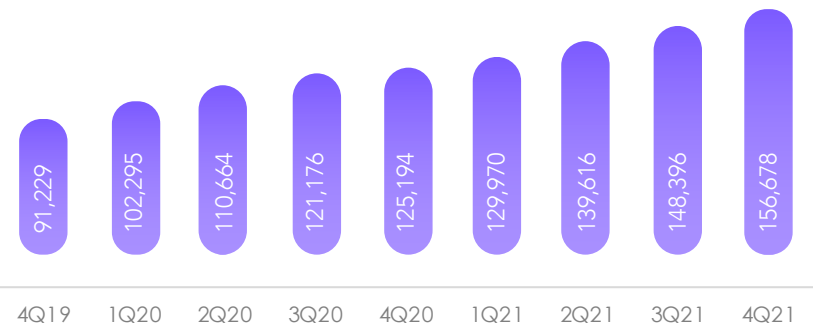


Machine Learning

- State-of-the-art machine learning scoring algorithm combined with big data analytics perform behavioral analysis of all past loans, taking into account demographic, employment and credit history of all applicants.
- Data is automatically retrieved from the application form, external and internal databases to generate a score matching exactly every customer's risk profile.

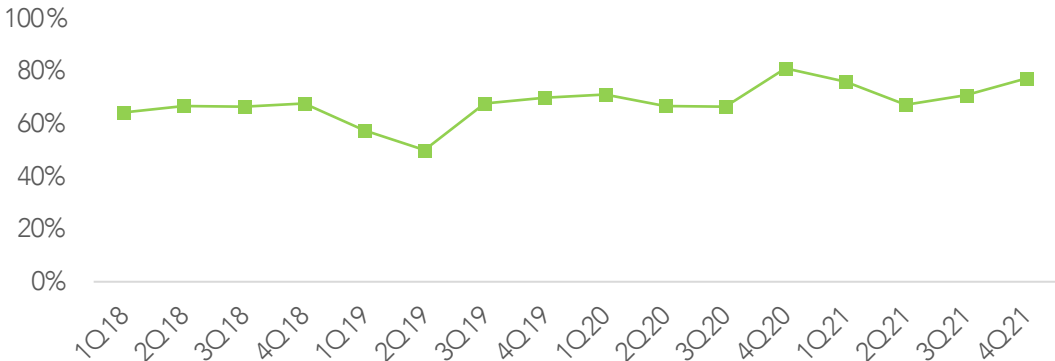
Strong customer engagement and user growth. The company has over 24 000 active customers and 70% returning customers.

Unique registered customers (cumulative)



- The number of unique customers has grown on average by **over 8,000 customers** per quarter for the past 24 months. Stikcredit has more than 156k unique applicants and over **24k active clients**.
- We’ve had a significant growth in our loan issuance rate. Between 2018 and 2021 we **tripled the number of loans** issued from c. 4,000 loans per quarter to almost 16,000 loans per quarter. Our **customer loyalty** remains very strong and the **share of returning customers has increased to c. 70%**.
- Tailored promotional activities and enhanced sales tactics place Stikcredit ahead of its competitors. The company **granted over 36,000 loans** in 2020 – an impressive growth of 20% over the 2019 results in a challenging environment and we’ve granted **over 56,000 loans** in 2021 - a whopping 57% growth yoy.

Returning customers as percent of total approved loans



Target Client Profile



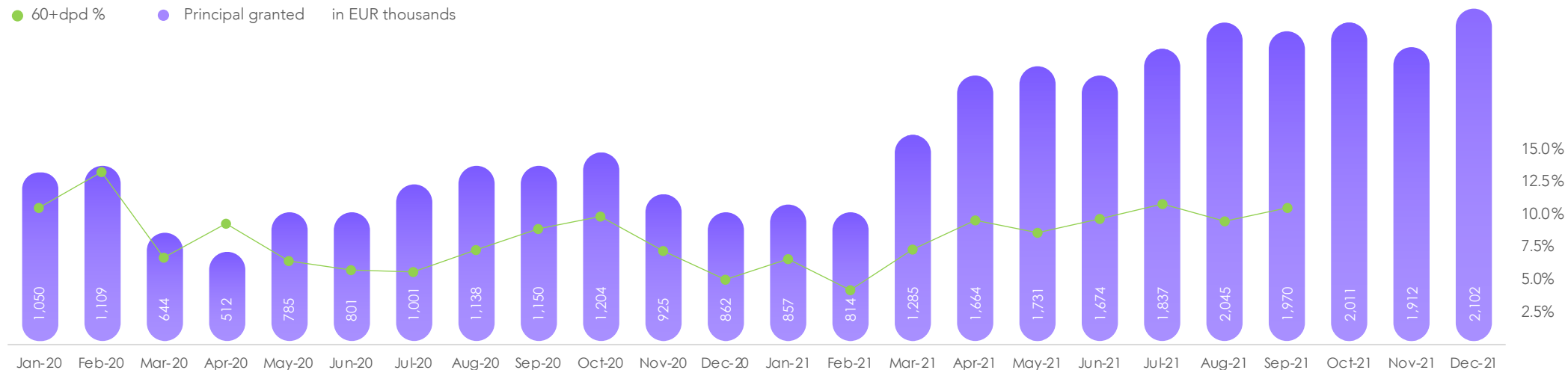
Strong portfolio performance: ~10% NPL

We navigated the coronavirus storm outstandingly

- Our proprietary scoring model and the company's robust risk management framework have allowed Stikcredit to react adequately and swiftly to the sudden covid-19 wave. We hit the breaks immediately, but this helped us to achieve **delinquency levels even lower than under normal operating circumstances** and maintain the company's risk within our comfort zone.
- Strict risk management controls ensured **stable delinquency levels** and enhanced profitability. Despite the significant pick up in lending volume, the % of loans which are 60+ days delinquent remain **below 10% for every vintage month**.
- As the effects of the health crisis wore off, we got back on the accelerator and we reached our pre-crisis lending levels, surpassing our all time highs in October 2020. Stikcredit has recorded a **growth in issuance volume of 139%** between 4Q18 - 4Q20, reaching a net portfolio of over EUR 11.0m as of end of 4Q21.

Principal issuance rate and delinquency

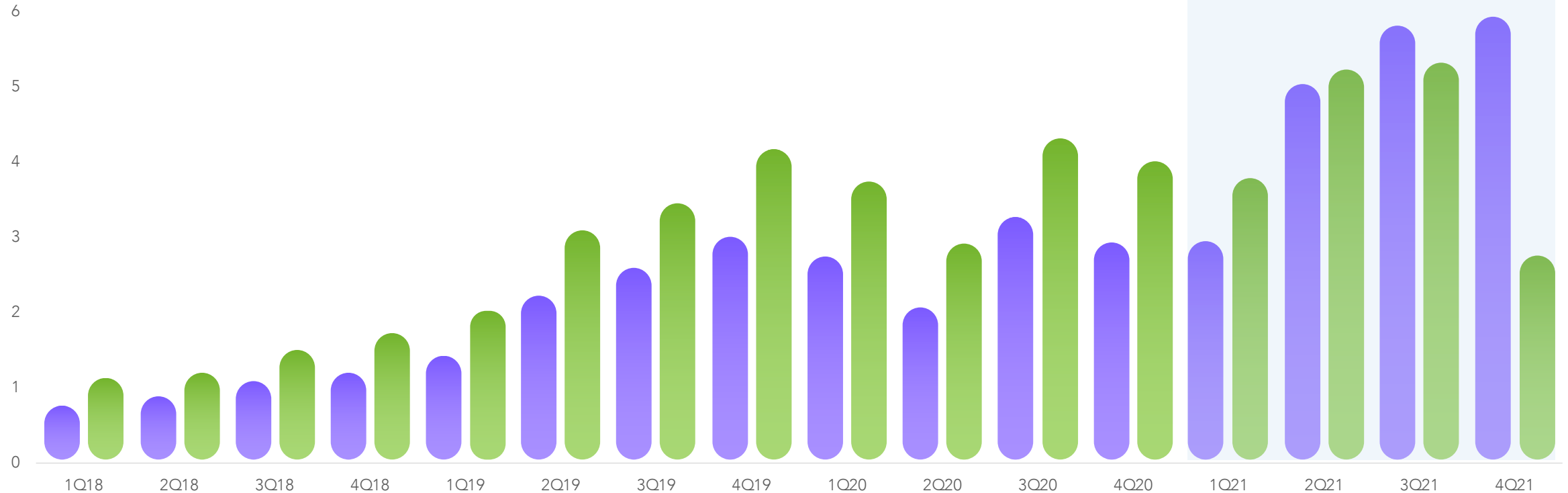
● 60+dpd % ● Principal granted in EUR thousands



Strong portfolio performance: 134% average payoff

Cash collection from issued loans

million EUR ● outgoing cash ● incoming cash

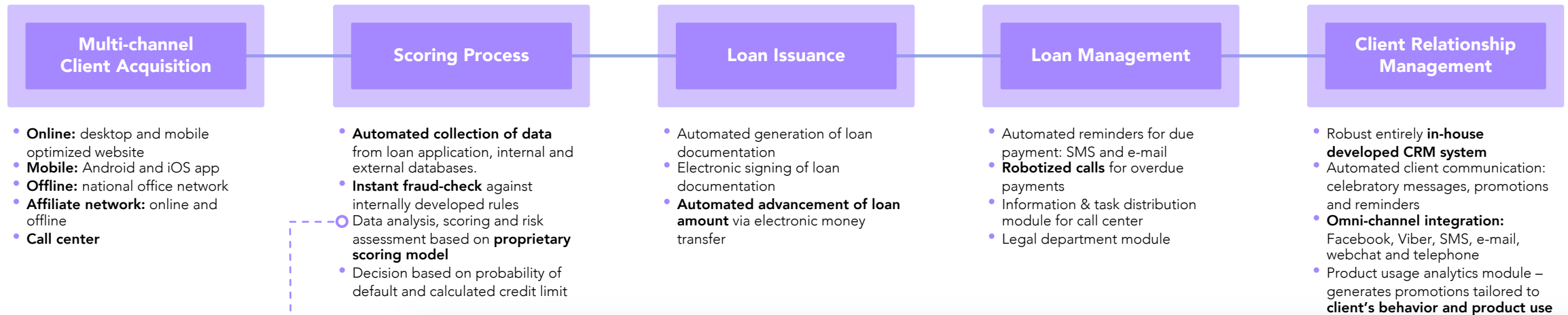


Our proprietary scoring model and the company's robust risk management framework have allowed Stikcredit to react adequately and swiftly to the sudden covid-19 wave. We hit the breaks immediately, but this helped us to achieve **delinquency levels even lower than under normal operating circumstances** and to maintain the company's risk within our comfort zone.

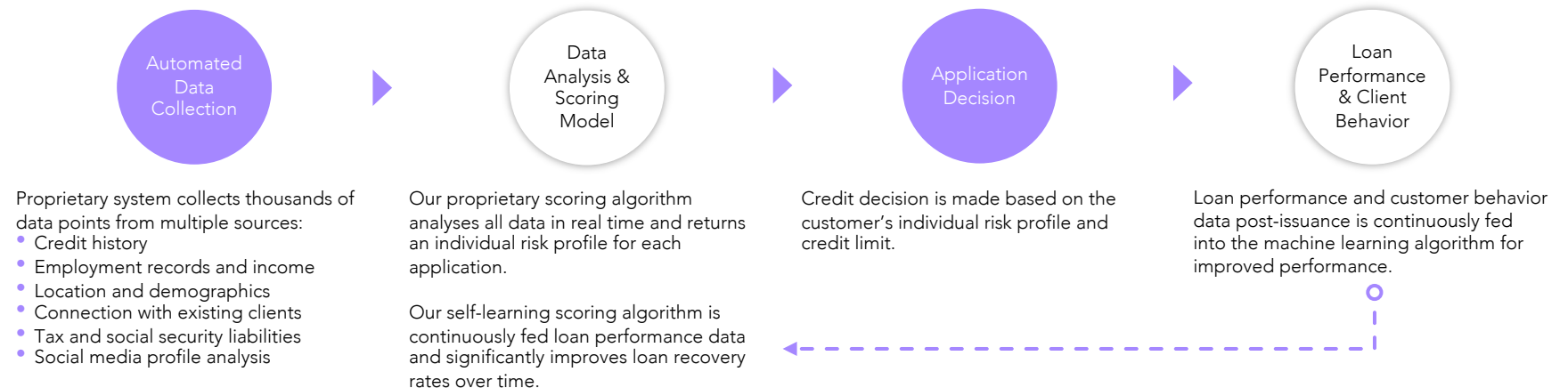
As the effects of the health crisis wore off, we got back on the accelerator and we reached our pre-crisis lending levels, surpassing our all time highs in 3Q20. Stikcredit has recorded a **growth in issuance volume of 469%** between 4Q18 - 3Q21, reaching a net portfolio of over EUR 11.0m as of end of 4Q21. As the second lockdown was introduced we decreased lending in 4Q20 only to score record highs in the last 3 quarters of 2021.

Our comprehensive loan management system and sophisticated credit scoring models provide Stikcredit with a significant competitive edge.

Our business model is built around full automation.



Sophisticated machine learning scoring algorithm.



The Solution: Simple Products

Simple yet robust product mix supported by the most innovative solutions in the FinTech space.

The product range and loan terms are perfectly aligned with the customers' needs. The company actively monitors competitors' activities and adjusts its strategy accordingly.

Payday Loans

- Single payment loans with short maturity of up to 30 days and maximum amount of 400 EUR
- 0% interest for new customers
- Processed in seconds

EUR 50 to 400
5 to 30 days

Installment Loans

- Installment loans repaid at equal monthly installments
- Maturity of up to 24 months
- Maximum amount of 2 500 EUR

EUR 100 to 2 500
3 to 24 months

Secure

Every new customer undergoes strict identity verification procedure.

Simple & Quick

Loan documentation is signed electronically.

Powerful Sales Tactics

All new customers receive 30 days grace period on their first payday loan.



Profit and Loss Summary

Strong operating results and excellent financial health with 32% net profit margin for FY21.

We have proven our capability to steer our company towards the most profitable path not only in good times, but also in turbulent ones. **Our company navigated the unexpected covid-19 situation with excellence and we have proven our resilience and ability to respond to crises.** We had an extremely successful 2021 with revenues increasing by 56% yoy which allowed us to make meaningful investments in advanced IT infrastructure and world class professionals.

The strict financial policy and robust risk management framework allow the company to maintain excellent financial and operating health:

- Stikcredit maintains a net profit margin of above 30%;
- we have kept our customer acquisition costs within our desired targets;
- In 2021 we have made a sizeable investment into human capital and IT infrastructure which will support the company's growth for the next several years.

BGN, '000	FY19	FY20	FY21
Income from interest and charges	6 728	10 046	15 918
Interest expense	(223)	(518)	(966)
Net income from interest	6 505	9 528	14 952
Other income, net	117	148	136
Financial income	73	80	132
Financial expenses	(64)	(112)	(223)
Personnel expenses	(750)	(1 168)	(4 581)
Losses from impairment of loans	(546)	(1 244)	(1 562)
Total administrative expenses	(1 692)	(2 205)	(3 136)
Profit before tax	3 643	5 027	5 718
Corporate income tax	(367)	(453)	(590)
Net profit for the year	3 276	4 574	5 128

- All figures are in thousand of EUR.
- Stikcredit prepares its financial statements in accordance with International Financial Reporting Standards.
- Figures presented for FY19 and FY 20 are audited. Figures for FY21 are preliminary and unaudited.
- Financial assets are presented according to IFRS 9.

Balance Sheet

Healthy balance sheet with an equity ratio of 55% as of 4Q21

- Our asset base continues its strong growth and in 2020 we almost doubled our assets versus the previous year. This trend has continued in 2021 and we end the year with total assets of over EUR 14.7m (62% increase).
- All generated profits are reinvested back into the business to support its strong growth and maintain low levels of financial leverage.
- We maintain a very healthy shareholder equity ratio of c. 55%.
- Figures provided for FY19 and FY20 are audited. Figures provided FY21 are unaudited.

BGN, '000	Dec-19	Dec-20	Dec-21
Assets			
Cash and cash equivalents	1 498	3 218	3,882
Loans to customers	8 613	12 286	21 589
Receivables from related parties	528	1 180	1 864
Other current assets	311	360	629
Land, machinery and equipment	207	568	898
TOTAL ASSETS	11 157	17 612	28 862
LIABILITIES AND EQUITY			
Liabilities			
Short-term loans	3 087	4 460	10 589
Liabilities to related parties	-	70	70
Trade and other payables	169	244	347
Short-term lease	23	124	164
Current tax liabilities	376	416	706
Other current liabilities	104	118	651
Long-term lease	111	319	401
Total liabilities	3 870	5 751	12 928
Equity			
Share capital	1 008	1 008	1 008
Reserves	51	51	51
Retained earnings	2 952	6 228	9 747
Profit for the financial year	3 276	4 574	5 128
Total equity	7 287	11 861	15 934
TOTAL EQUITY AND LIABILITIES	11 157	17 612	28 862



We are happy to address all your
questions and requests.

Please contact us for any further details or requests:

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