stikcredit

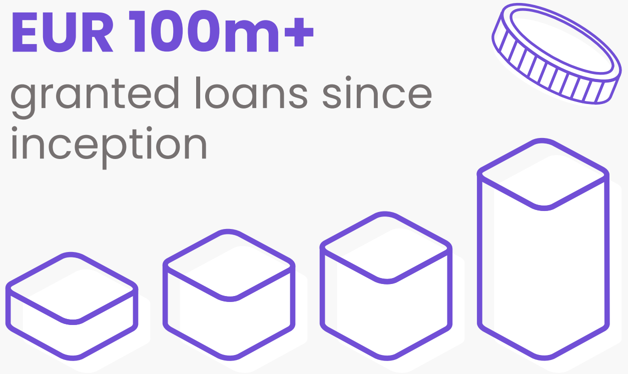
smart data. instant loans.

The Company

Who we are

Stikcredit: Leading the FinTech revolution in Bulgaria. We underwrite short-term consumer loans online.

EUR 100m+
granted loans since inception



What we do

On a mission to make consumer credit as accessible as a single click.

HIGHLIGHTS

- Registered financial institution under No. BGR00370 with the Bulgarian National Bank
- Proprietary IT platform incorporating the latest FinTech innovations
- In 2021 we launched **afranga.com** - a peer-to-peer marketplace for investing in loans

afranga

We built a marketplace for investing in loans - creating an efficient link between retail investors and lending companies. Afranga unlocks an asset class previously only reserved for institutional investors.

- In 2021 we launched our own p2p platform - Afranga which attracts investors from entire Europe.
- People can access the marketplace with as low as 10 EUR and take advantage of the high yield opportunities.
- Afranga became an immediate success due to the excellent reputation of Stikcredit as a loan originating company on the international market which guaranteed investors' safety and security.

Achievements

› 18m EUR investments
attracted within the first year.

› 2 000 investors
accoss Europe trust us.

Fastest growing p2p platform
in February 2022 by P2P Market Data.

"Top 25 FinTech Companies"
in Bulgaria by BestStartup.eu

Trusted partners

Stikcredit adheres to the highest regulatory requirements and is registered as a non-banking financial institution. We have also formed a network of valuable partnerships with many local and international players.

Zaharinova Nexia

Our company is audited by Zaharinova Nexia - a member firm of Nexia International, one of the top 10 global audit companies.

Easy Pay

Partnering with the leader in electronic payment services in Bulgaria - our customers can receive and repay their loans in an instant.

FINTECH BULGARIA

Proud member of the association and an active supporter of the fintech ecosystem.

BESCO Bulgarian Startup Association

Stikcredit joined the Bulgarian Startup Association and will work to support our common aims.

kilde

Stikcredit partnered with Kilde to raise funds for more consumer finance loans.

mintos bondster viventor

P2P lending companies - The company is part of the global FinTech community and has partnered with all leading European peer-to-peer marketplaces: Mintos, Viventor and Bondster.

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.

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.

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.

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

Scalable Business Model

Proprietary IT Platform

Machine Learning

Strong customer engagement and user growth. The company has over 33 000 active customers and 70% returning customers.

- The number of unique customers has grown on average by **over 8,000 customers** per quarter for the past 24 months. Stikcredit has over 200k unique applicants and over **33k 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 issued almost 60,000 loans in 2023. We've established an equilibrium with previous years, which is the result of our cautious risk policy in the current year. We expect to mark a moderate growth in the lending volume in 2024 as we loosen our risk policy and embark on new marketing campaigns.

Target
Client Profile

- Private Individual
- 20 to 45 years old
- Regular Income
- Tech Savvy
- Good or No Credit History
- Little or No Savings

Strong portfolio performance: ~10% NPL

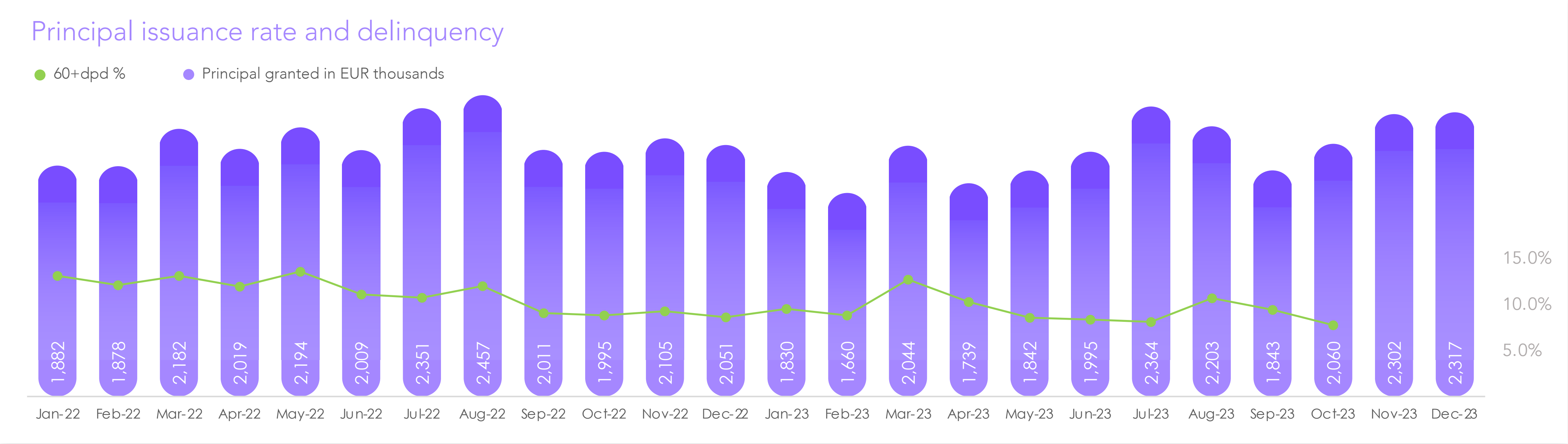
The portfolio shows strong results in an environment of high inflation and military conflicts in the region

- Our proprietary scoring model and the company's robust risk management framework have allowed Stikcredit to react adequately and swiftly to today's challenges. The management adopted a conservative lending policy in 2022 which is carried over in 2023.

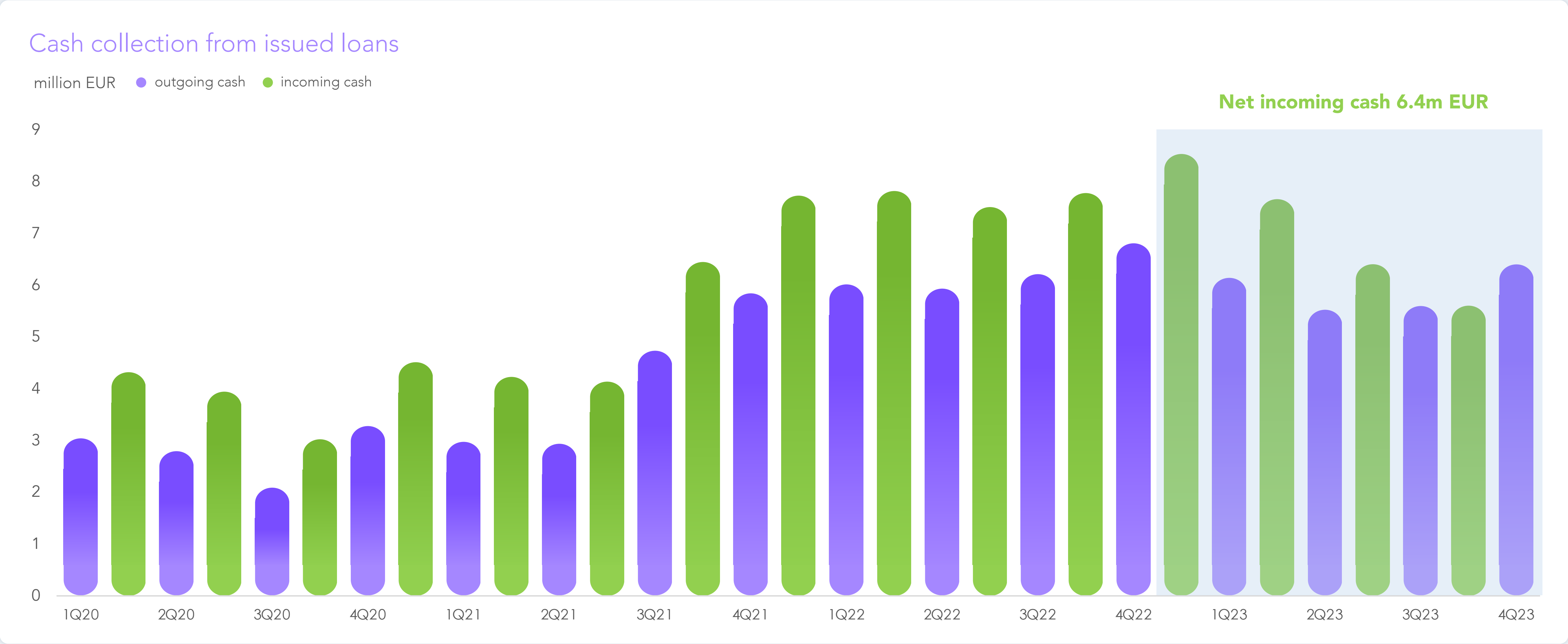
- As a result the lending volumes have slightly decreased, but the company generates **strong positive cash flow** from lending operations. NPL rates on a vintage basis declined from the 13-15% region to below 10% from the issued volume.

- In 2023 our **cash position has increased by 1.8 million EUR.** The economic environment has remained stable and it's more and more evident that we're in for a soft landing rather than an economic crisis. As such the management has adopted an expansion strategy for 2024 and we'll observe increased lending volumes.

- The increased appetite for risk will lead the NPLs to return to their pre-2022 levels. This decision, however, will have a positive effect on the size of the loan portfolio and the overall profitability of the company.



Strong portfolio performance: 134% average payoff



- The cash collection rates remain on par with previous years and we don't observe any deviations from the normal. In 2022 we had a record year, issuing 25m EUR of loans to our customers in Bulgaria. Quarterly issuance volumes have decreased since the beginning of 4Q22 and they have reached an equilibrium levels at c. 5.5m EUR per quarter. We observe an increase in the lending volume in the second half of 2023 as the management gains more confidence about the current economic environment.

- The conservative strategy which we adopted in the last part of the 2022 year has paid off. The company accumulated a sizeable **4.7m EUR cash position** by the end of 2023 while improving the level of profitability. The current cash position represents 56% of our borrowed capital. Part of the cash will be used to repay a maturing loan this summer carrying a principal amount of 1m EUR.

Profit and Loss Summary

Stikcredit continues to maintain strong balance sheet and excellent financial results

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 has once again maintained it's stability in difficult times - high inflation and military conflict in the region. We have proven our resilience and ability to respond to crises.**

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

- We have kept our customer acquisition costs within our desired targets;
- In 4Q22 we undertook a cost optimization programme, reducing significantly the expenditure on marketing activities and applying a lean approach to our personnel.
- In 2023 we followed a strategy to maintain our current level of business while maximizing the cash flow from lending activities. This allowed us to complete the year with 46% increase in the net profit versus the previous year.

BGN, '000	FY20	FY21	FY22	FY23
Income from interest and charges	10 046	15 918	24 612	24 670
Interest expense	(518)	(966)	(1626)	(1774)
Net income from interest	**9 528**	**14 952**	**22 986**	**22 896**
Other income, net	148	133	312	241
Financial income	80	132	175	37
Financial expenses	(112)	224	(302)	(266)
Personnel expenses	(1 168)	4 582	(5 624)	(5 734)
Losses from impairment of loans	(1 244)	(1 562)	(9 103)	(7 098)
Total administrative expenses	(2 205)	3 162	(4 036)	(3 683)
Profit before tax	**5 027**	**5 687**	**4 408**	**6 393**
Corporate income tax	(453)	(590)	(455)	(695)
Net profit for the year	**4 574**	**5 097**	**3 953**	**5 734**

- All figures are in thousand of BGN.
- Stikcredit prepares its financial statements in accordance with International Financial Reporting Standards.
- Figures presented for FY20, FY21 and FY22 are audited. Figures for FY23 are preliminary and unaudited.
- Financial assets are presented according to IFRS 9.
- 1 EUR = 1.95583 BGN

Balance Sheet

Healthy balance sheet with an equity ratio of 56% as of 3Q23

- Our net loan portfolio remains relatively unchanged for the last several quarters. This is in line with the management's policy for stability rather than growth.
- As part of the conservative financial policy, the company has accumulated a solid cash buffer of c. 4.7m EUR which equates to 56% of the outstanding debt.
- The management continuously reinvests the generated profits back into the business to support its strong financial position and to take advantage of growth opportunities as they arise.
- We maintain a very healthy shareholder equity ratio of c. 57%.
- Figures provided for FY20, FY21 and FY22 are audited. Figures provided FY23 are unaudited.

BGN, '000	Dec-20	Dec-21	Dec-22	Dec-23
Assets				
Cash and cash equivalents	3 218	3 859	5 672	9 254
Loans to customers	12 286	21 532	22 913	22 894
Receivables from related parties	1 180	1 953	7 179	8 380
Other current assets	360	543	742	874
Land, machinery and equipment	568	896	731	1 135
TOTAL ASSETS	**17 612**	**28 783**	**37 237**	**42 547**
LIABILITIES AND EQUITY				
Liabilities				
Short-term loans	4 460	10 589	15 500	16 132
Liabilities to related parties	70	74	-	
Trade and other payables	244	320	230	357
Short-term lease	124	228	183	243
Current tax liabilities	388	647	383	392
Other current liabilities	146	686	741	925
Long-term lease	319	337	345	409
Total liabilities	**5 751**	**12 881**	**17 382**	**18 358**
Equity				
Share capital	1 008	1 008	1 008	1 008
Reserves	51	101	101	101
Retained earnings	6 228	9 696	14 793	17 246
Profit for the financial year	4 574	5 097	3 953	5 734
Total equity	**11 861**	**15 902**	**19 855**	**24 089**
TOTAL EQUITY AND LIABILITIES	**17 612**	**28 783**	**37 237**	**42 547**

stikcredit

smart data. instant loans.

We are happy to address all your questions and requests.

investors@stikcredit.bg

---

stikcredit.bg

linkedin.com/company/stikcredit/

twitter.com/stikcredit

Marketplace: afranga.com