

autofino.lt



Introduction

1

Product description:

Rent2Buy service for individuals and small companies with an option to buy the vehicle at any point

2

Competitive advantage:

Efficient cost basis and focus on higher quality customer base

3

Customer value proposition:

Access to car usage service for underserved customers with excellent customer care at competitive market price

4

Investor value proposition:

High-yield investment opportunity secured by shareholder capital with minimized risk through vigorous credit risk management, conservative vehicle valuation model and lean operations

Portfolio

EUR 2.4mn

Size of active portfolio

4400 EUR

Average contract

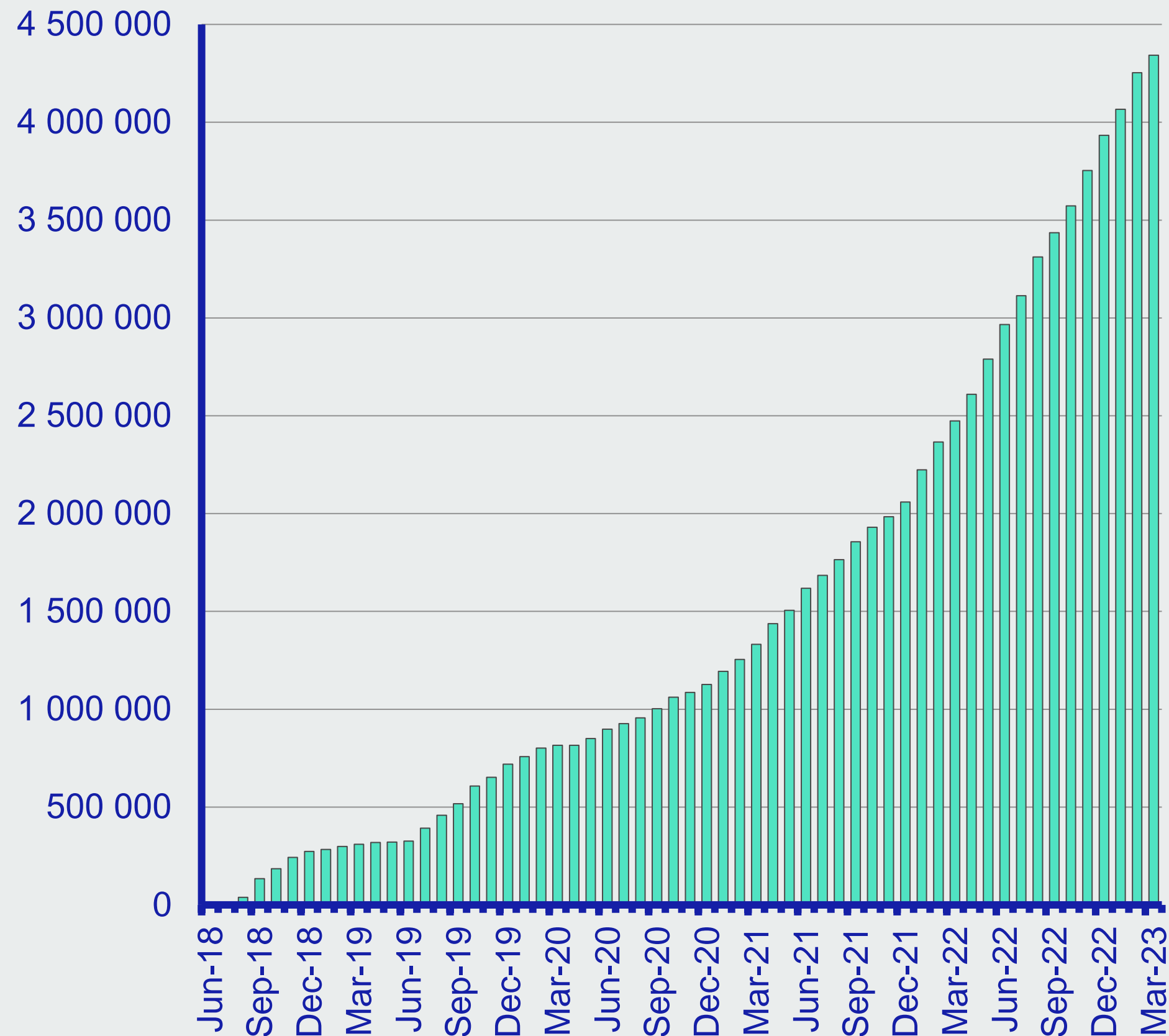
39 months

Weighted maturity

39%

Weighted annual lending rate

Gross issuance, EUR



Portfolio losses to date:

3.5 % of total issuance

Active portfolio by arrears:

Current 77 %

1-30 days 12 %

31-60 days 6 %

61-90 days 3 %

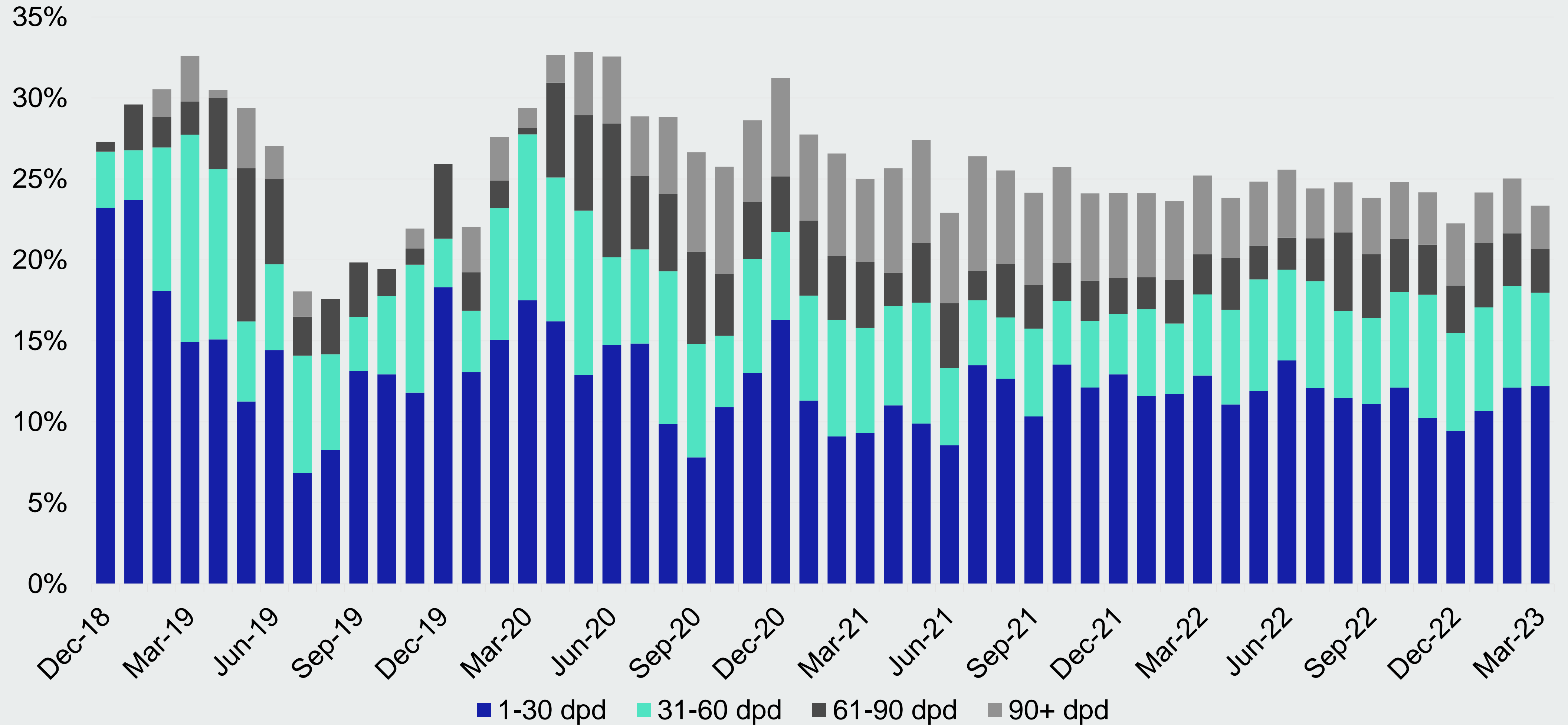
90+ 3 %

Product specification

- Leasing contract values from 2.000 to 15.000 EUR
- Average car age: 15 years
- Term: 1-6 years
- Interest rate: 24%-60%
- 30% - 80% balloon payment at maturity
- Legal ownership of vehicles is maintained throughout the contract
- Right to buy the vehicle at any point
- 50% of the cars are leased with short-term warranty, provided by the seller
- Clients can choose from our own car fleet, our selected partners or independent sellers
- GPS monitoring is installed for higher risk clients (20% of the contracts)
- Up to 50% down payment can be required (30% of the contracts)

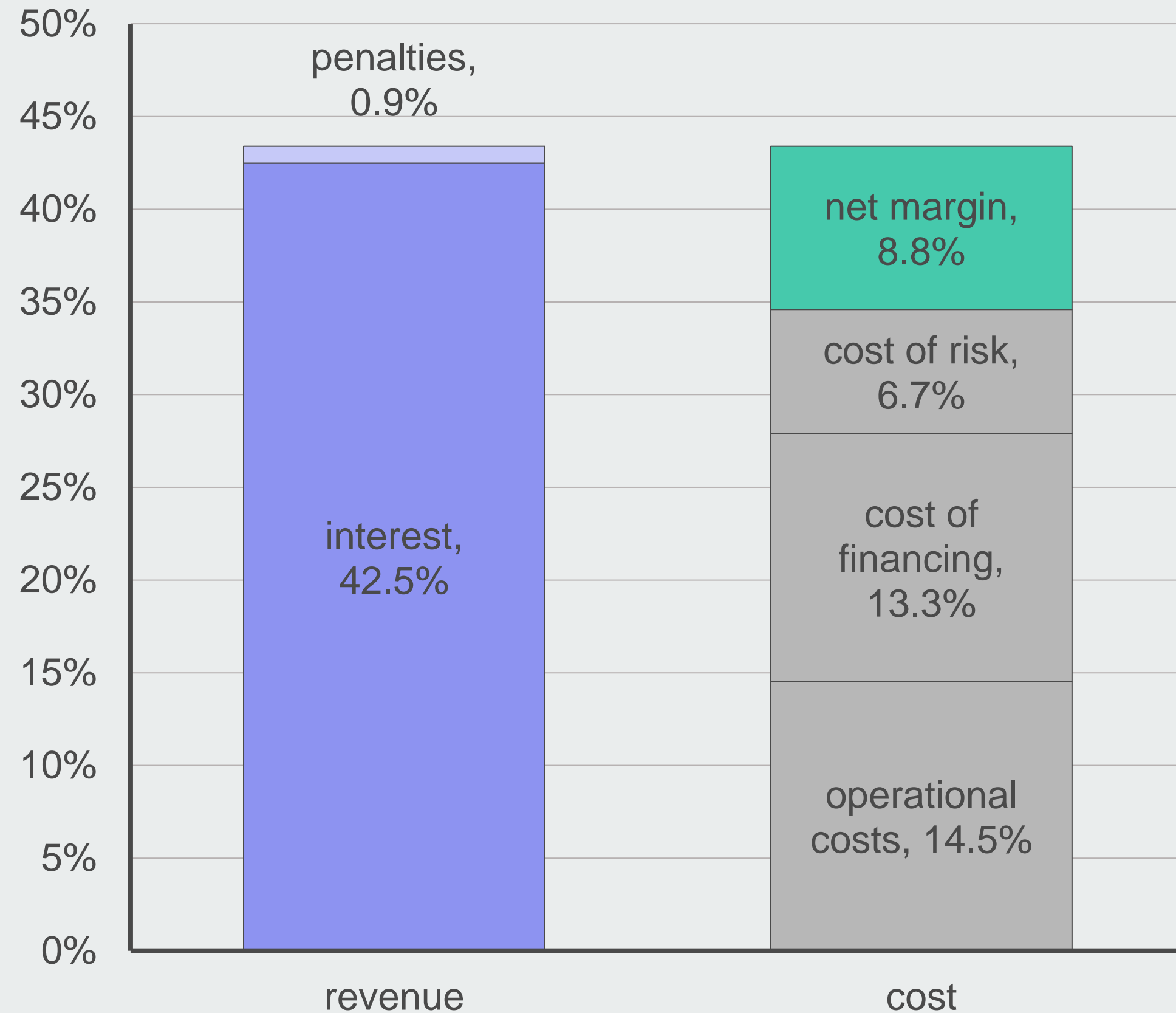
Portfolio quality

Active contracts in arrears, % of total portfolio

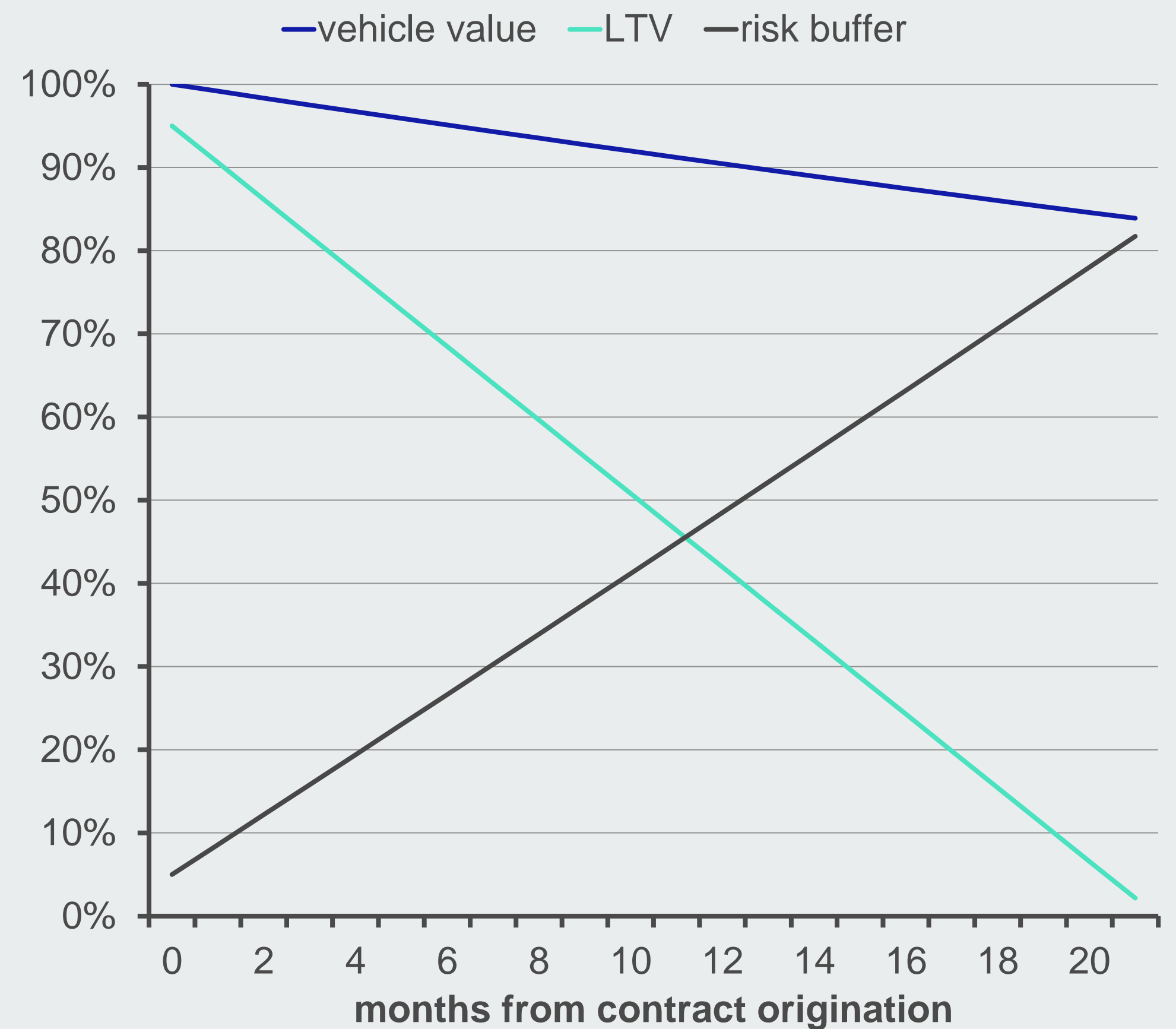


Understanding the business model

How we earn? (FY2020)



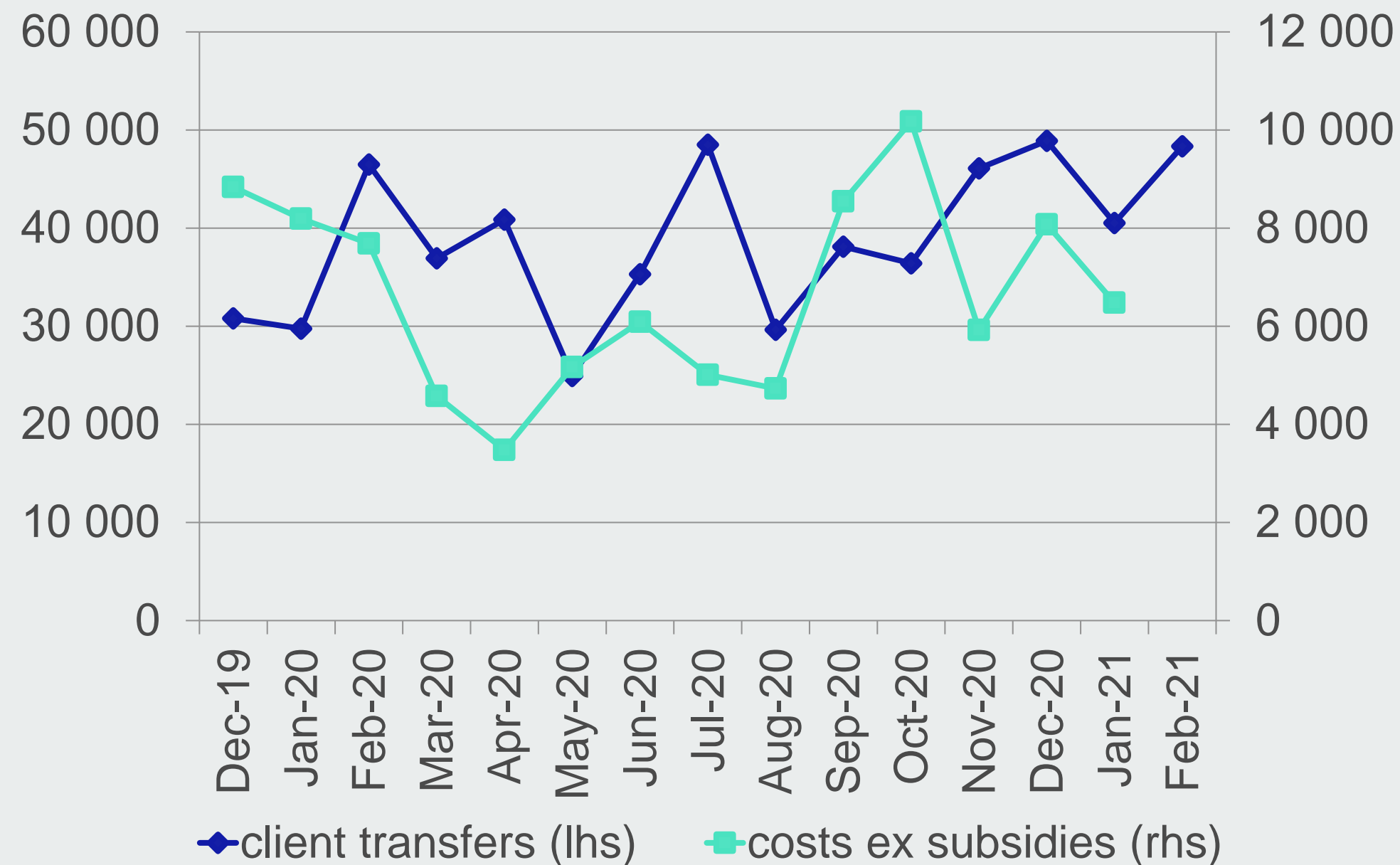
What risk we take?



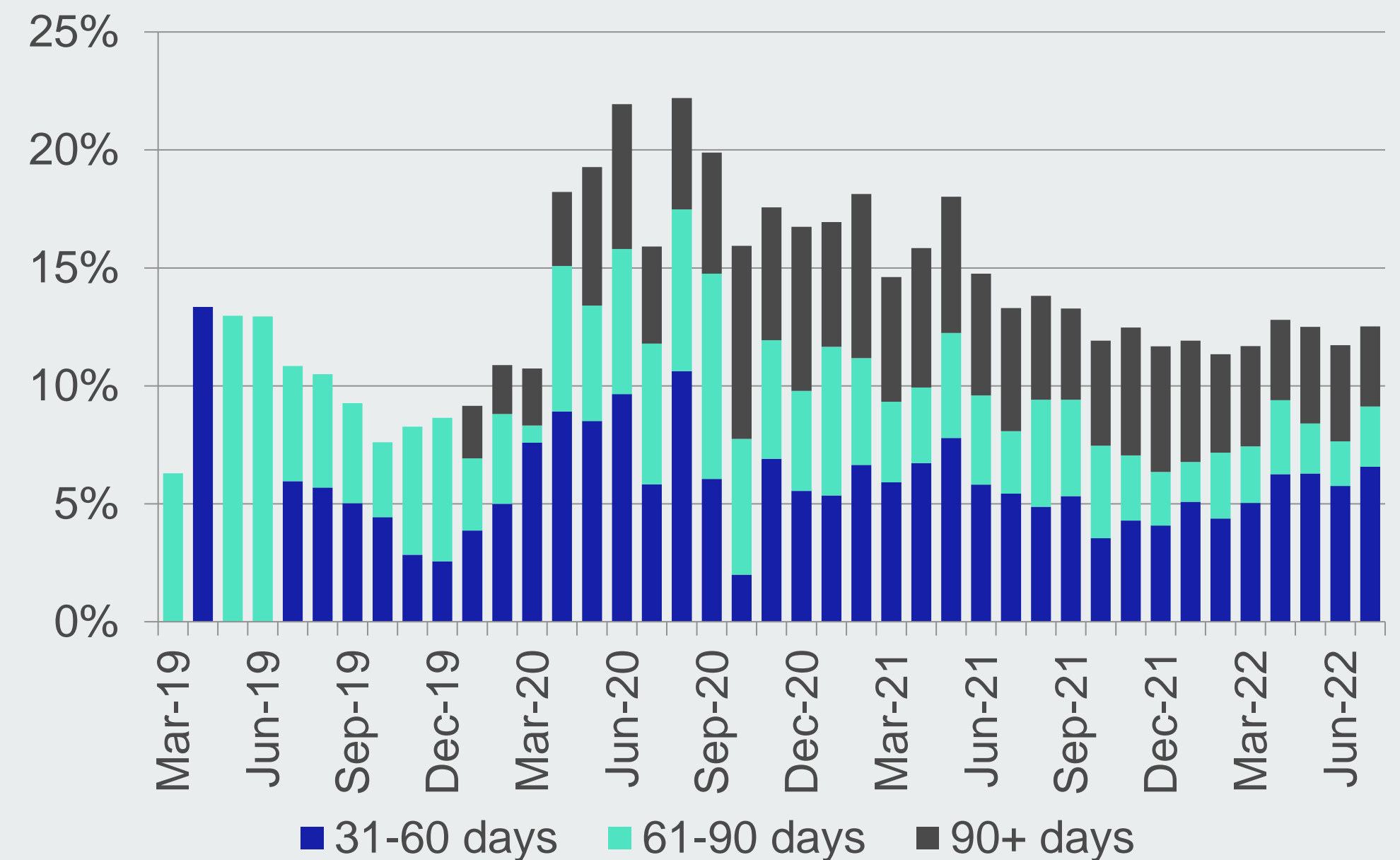
COVID19 experience

- Client transfers remained stable
- The company has demonstrated strong cost-cutting capacity
- Reliable clients were provided flexibility around their payment schedules

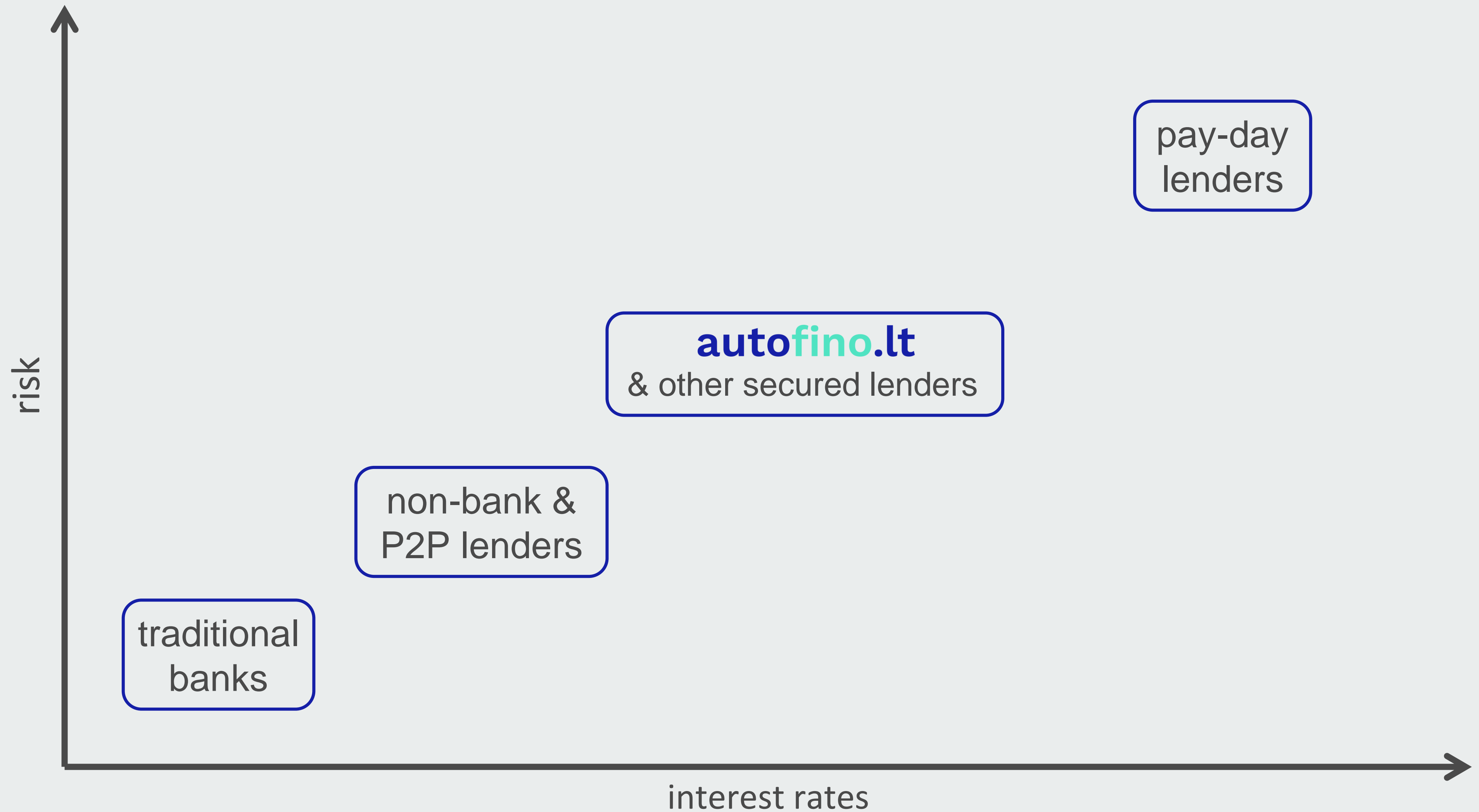
Collected payments vs costs, EUR



Delinquent contracts, % of active portfolio



Market segmentation



Clients

- The company is targeting clients with restricted access to traditional financing
- Secured nature of the contract enables to finance higher risk customers

Target group	Reason for restricted access
People earning abroad	They earn high wages, however debt collection from them is complicated as they keep their money abroad.
Sole-proprietorships	Often they work in cash-dominated industries (e.g. hairdressers, construction workers). Their income is volatile, not socially insured and more difficult to verify.
People with underreported income	They tend to have a minimum base salary and earn additional income as expense allowance, travel money or sometimes unaccounted cash in order to reduce the tax bill. Typically rejected due to insufficient debt-to-income ratio.
Small business	High quality collateral, usually real estate is required for small enterprises to receive funding.
People with bad credit history	Last decade saw an explosion of consumer credit and pay day lending. As a result, there are a lot of borrowers that lost access to lenders due to damaged credit history.
Foreigners working in Lithuania	They have temporary residence permits.

Regulation

Consumer credit law exempts the following contracts from regulation:

- Option, but not an obligation to buy the vehicle;
- Up to 70% amortization can be justified;

As a result:

- No license or oversight required
- No constraints on interest rate or client eligibility for the contract
- The contract has been introduced to and approved by Lietuvos bankas and Consumer protection agency by biggest market players

Lietuvos bankas has conducted an inquiry into the Company's operations in 2021 which has concluded no violations.

LR Vartojimo kredito įstatymas

3 straipsnis. Įstatymo taikymo sritis

2. Šis įstatymas netaikomas:

4) nuomos ar išperkamosios nuomos sutartims, kai šiose sutartyse ar atskiroje sutartyje nenustatyta pareiga įsigyti sutarties objekto;

Strategy

1

Achieve steady growth through new partnerships and increasing marketing budget

2

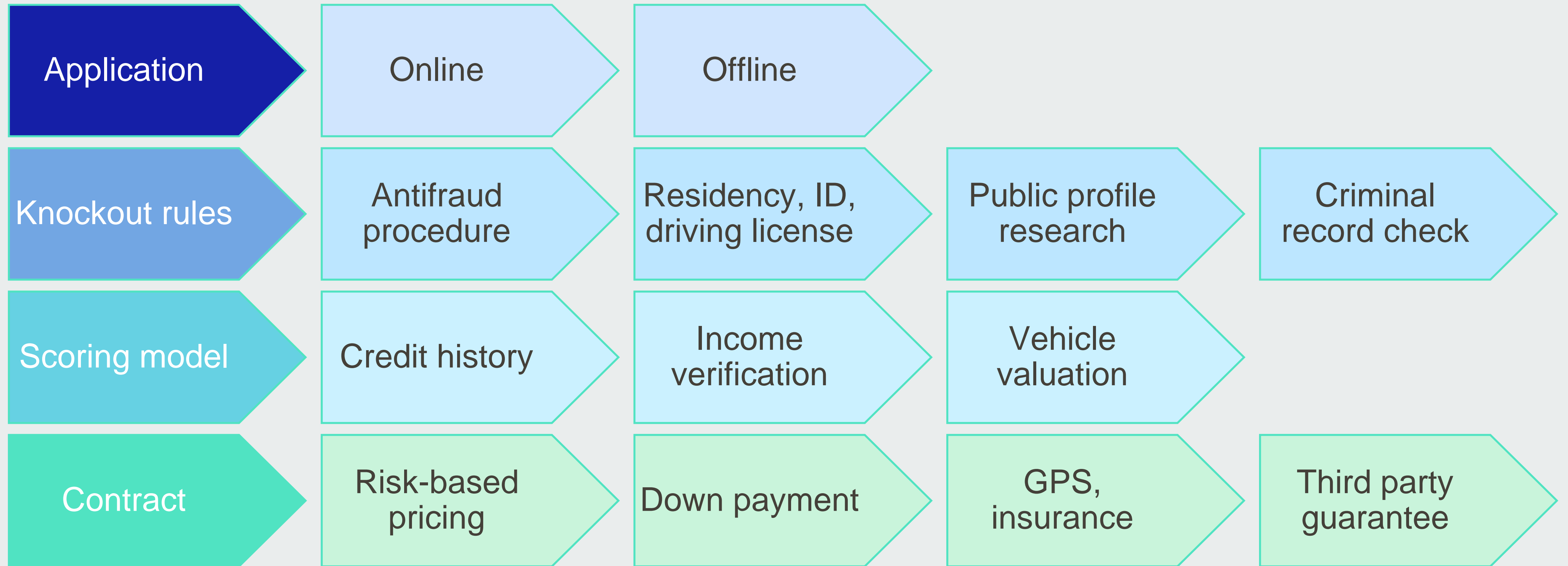
Maintain lean operations and client acquisition with very efficient cost base

- 15% of loan issuance

3

Based in Vilnius with certified partners in Kaunas, Klaipėda, Kėdainiai, Kretinga; planned partnership expansion to other cities

Contract issuance process



Recovery process

In-house soft and middle debt collection

- Automated payment reminders (e-mails, SMS)
- Personal debt collection and leasing restructuring
- Registered mail letters

Outsourced debt collection

- Repossession
- Bailiff execution (promissory notes)
- Legal collection



IT infrastructure

Automated processes to minimize labor costs and human error

- Contract preparation
- Credit risk profile reports
- E-mail, SMS reminders (implemented) and robot calls (in process)
- Received payment management
- Portfolio performance reports
- Invoice generation
- Web content management system

Financials 2022

EUR 432k

Capital

EUR 1.78mn

Debt

19%

Equity-to-asset ratio

Balance sheet, EUR

Assets	Liabilities
Portfolio: 2 284 000	Debt: 1 777 000
Other: 36 000	Other: 111 000
	Equity: 120,000
	Net income: 312 000

Income statement, 000 EUR

Interest income	603
Interest expense	-158
Operating expense	-278
Credit losses & other expense	-46
Tax expense	-18
Net income	103

Team



Rokas Ignotas

Co-founder & CEO

Before starting autofino.lt, Rokas has spent 8 years in global macro hedge fund industry in Monaco, Malta and London as an analyst and a trader, with a focus on data-driven investment and risk management strategy

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Contact

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