

stikcredit

Smart Data. Instant Loans.

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The Company

Stikcredit is a European FinTech company underwriting short-term consumer loans entirely online.

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

We operate on the Bulgarian market since 2013 and we have bold plans for global expansion.

Highlights

- **159% growth** in monthly issuance volume since the beginning of 2019
- **Net profit increased 180%** in FY19 vs FY18
- **Regulated by a European Banking and Financial Services regulator**
- Proprietary IT platform incorporating latest **FinTech innovations**



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 24m in loans since inception and achieved a net profit margin of over 54%.
- The company maintains impressive cash collection rate of 134% of the granted loan amount.
- Stikcredit generates strong growth achieving a CAGR of 52% 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.

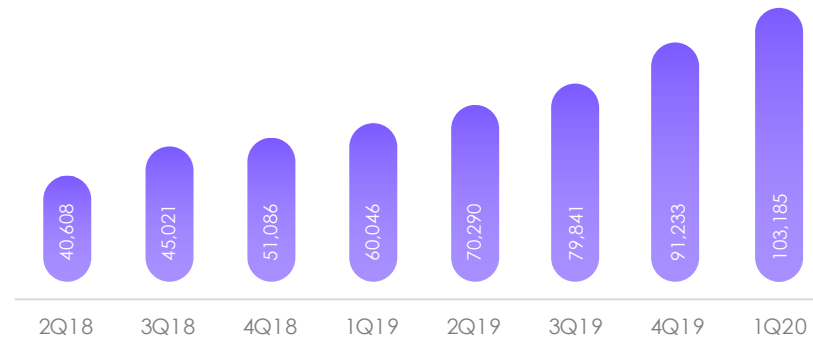


Machine Learning

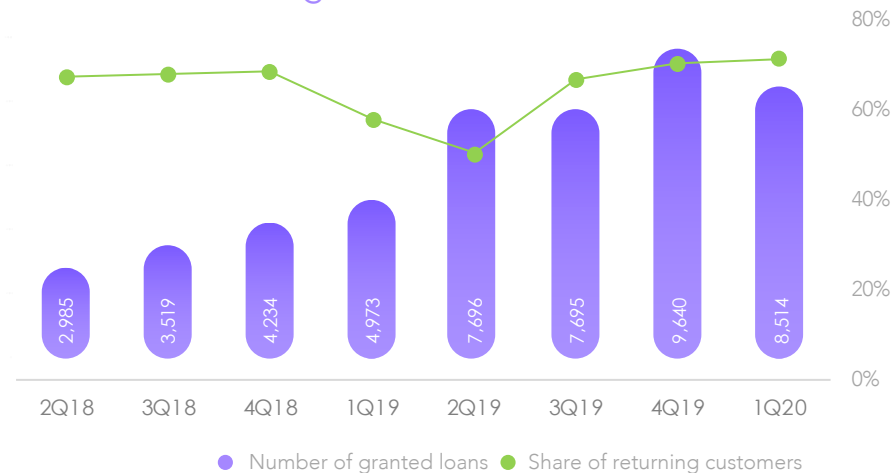
- State-of-art machine learning scoring algorithm combined with big data analytics perform behavioral analysis of all past loans, taking into account demographic, employment and credit history of all applicants.
- Data is automatically retrieved from the application form, external and internal databases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

Strong customer engagement and user growth. The company has over 13 000 active customers and 65% returning customers.

Unique registered customers (cumulative)



Number of loans granted



- The number of unique customers grows by CAGR of **12.7% per quarter** for the past 2 years. We currently add over **10,000 new applicants** every quarter. Stikcredit has more than 103k unique applicants and **13k active clients**.
- Stikcredit has almost **doubled the rate** of granting loans since the beginning of 2019 - strong confirmation for customers' demand. The company enjoys very high levels of **customer loyalty** with **share of returning customers reaching 65%** for all quarters in the past 2 years.
- Tailored promotional activities and enhanced sales tactics place Stikcredit ahead of its competitors. The company **granted 30,004 loans** in 2019 – over twice the numbers achieved in 2018.

Target Client Profile



Strong Portfolio Performance

328% growth in loan issuance volume in the past 24 months.

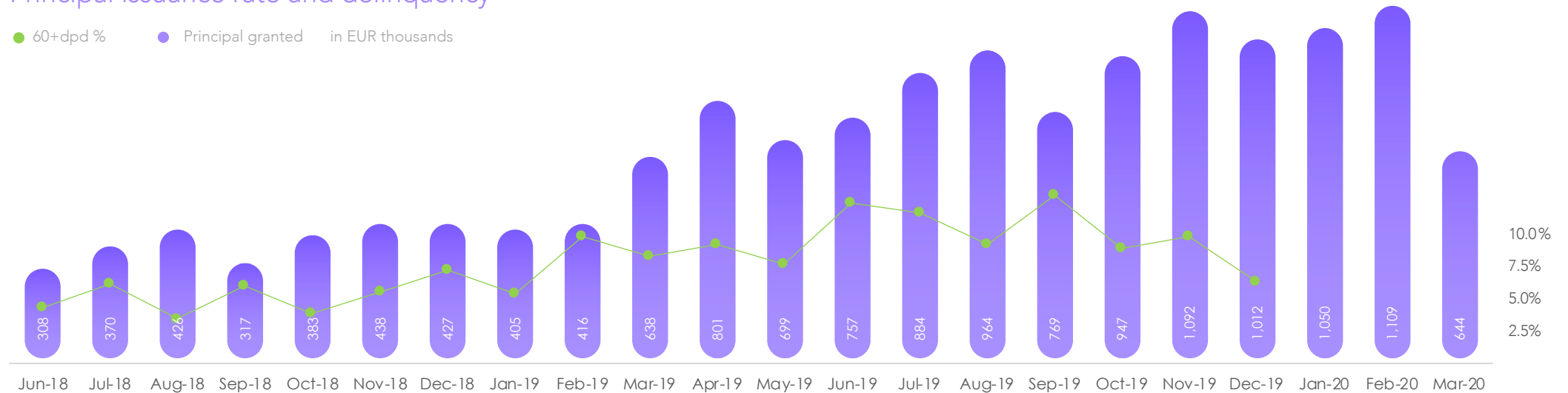
- Our proprietary scoring model and the company's robust risk management framework have allowed Stikcredit to continuously increase the amount of loan disbursements while maintaining low and consistent delinquency rates. Stikcredit's highly efficient operations and debt collection practices help us achieve an average **cash collection rate of 134%** from granted loans.
- Stikcredit has recorded a growth in issuance volume of **52% per year** for the period Jan14 – Dec18, reaching total outstanding principal of EUR 4.5m as of March 2020.
- 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 11% for every vintage month**.

Collection from granted loans



Principal issuance rate and delinquency

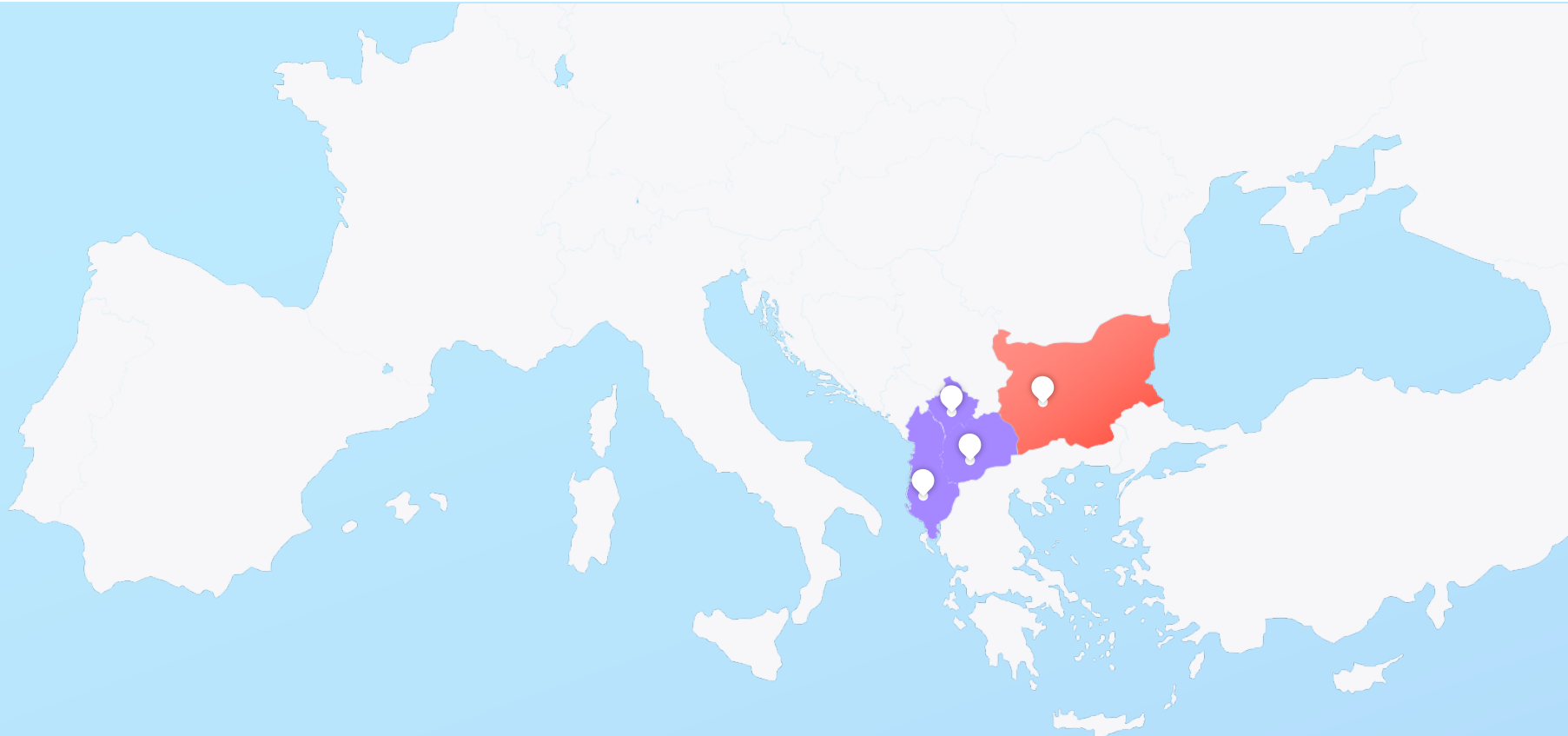
60+dpd % Principal granted in EUR thousands



Geographical Scope

We will further develop the Bulgarian market and we have expansion plans for 3 new markets in Europe.

Target
Client
Profile



Population: 7 million
GDP: 65.2 billion USD



Population: 2.1 million
GDP: 12.7 billion USD



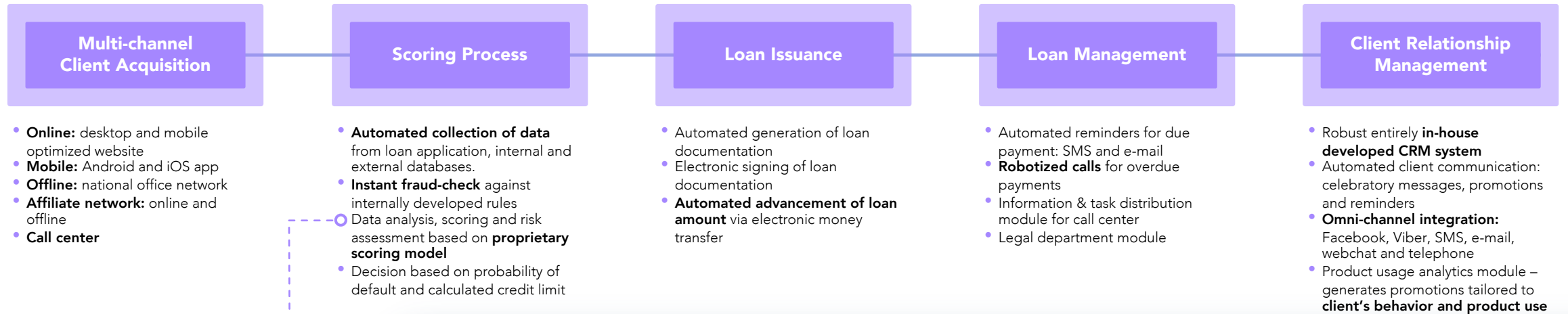
Population: 1.8 million
GDP: 8.0 billion USD



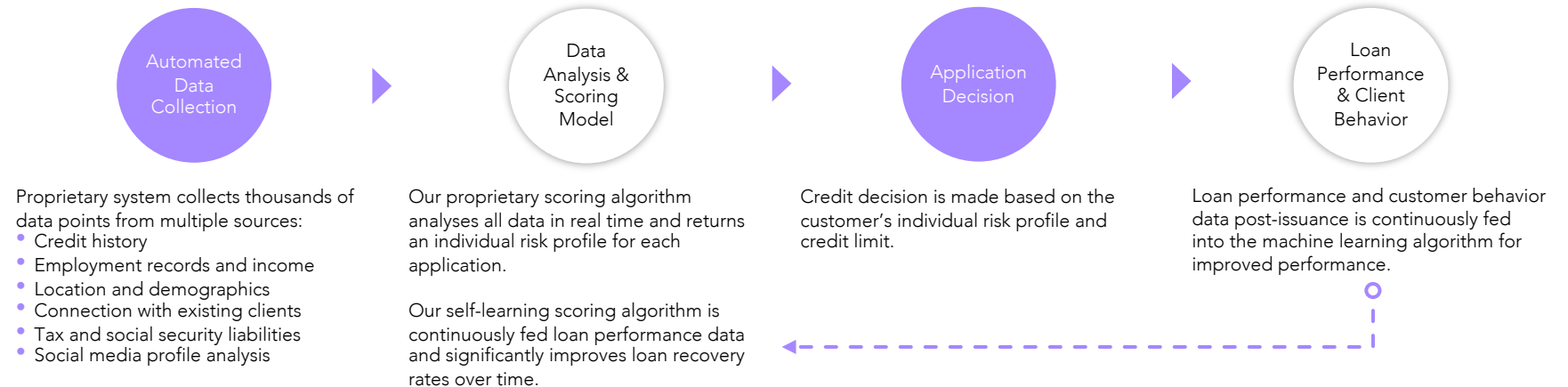
Population: 2.9 million
GDP: 15.4 billion USD

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 62% profit margin.

Stikcredit executes its growth strategy with perfection and in 2019 our **Gross revenue increase by 130% vs. 2018**. The company's net profit has almost doubled increasing by 80% y-o-y. The company maintained its strong momentum throughout 2019 and we **doubled our Gross revenue** for the financial year. 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 54%;
- we have kept our customer acquisition costs within our desired targets;
- we observe stable recovery rates at 100% of the cash granted within the first 4 months of loan issuance;

EUR, '000	1Q20	FY19	FY18
Income from interest and commissions	1 070	3 060	1 327
Interest expense	(33)	(201)	(11)
Net income from interest and commissions	1 037	2 859	1 316
Losses from impairment of loans	(25)	(112)	(2)
Income after impairment	1 012	2 747	1 315
G&A expenses	(353)	(911)	(299)
Income before tax	660	1 836	1 016
Income tax		(184)	(102)
Net income	660	1 652	914

- All figures are in thousand of EUR.
- Stikcredit prepares its financial statements in accordance with International Financial Reporting Standards.
- Figures presented for FY18 are audited, figures presented for FY19 are preliminary and unaudited.

Balance Sheet

Total assets double in size every year.

- Our asset base continues its strong growth and in 2019 we almost doubled our assets currently standing at EUR 5.4 million.
- All generated profits are reinvested back into the business to support its strong growth and maintain low levels of financial leverage.
- Figures provided for 2019 year end are preliminary and unaudited.

EUR, '000	Mar-20	Dec-19	Dec-18
Assets			
Cash and cash equivalents	1 040	624	411
Loans to clients	5 710	4,327	2,300
Other receivables	545	417	27
Long-term assets	34	40	7
Total assets	7 329	5,408	2,745
Equity and liabilities			
Liabilities			
Short-term loans	2 004	540	171
Trade payables	46	25	23
Current tax liabilities	13	199	40
Other current liabilities	24	5	4
Provisions	25	112	5
Total liabilities	2 111	881	242
Share capital	515	515	515
General reserves	26	26	26
Retained earnings	3 173	1 521	607
Profit (loss) for the financial year	660	1 652	914
Total equity	4 375	3 715	2 062
Accruals and deferred income	844	812	441
Total equity and liabilities	7 329	3,945	2,745



We are happy to address all your questions and requests.

Please contact us for any further details or requests:

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