

# Company Overview and Financials

# The Company

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Registered in Malta, Credissimo is a **leading European FinTech group** that utilizes innovative proprietary technology to provide instant online consumer loans, e-commerce financing, and bill payment services since 2007

Credissimo is **present in five countries worldwide**, of which four in Europe, and is an undisputed market leader in the online consumer lending segment in two of them

Credissimo's **efficient business model, rigorous technological optimization, lending automation solutions, and visionary management** are the key drivers of its longstanding competitive edge and success

The group adheres to the highest regulatory requirements and is **supervised by multiple banking and financial services regulators** in each country of operations

- A leading FinTech consumer lender with a state-of-the-art proprietary operating platform
- Immediately scalable and transferrable online business model for global expansion
- Strong brand awareness in multiple countries
- Healthy balance sheet and reliable long-term free cash flow generation

## Highlights

The beginning of 2018 marked Credissimo's **aggressive expansion**, including on new continents. Given that the proprietary platform could readily **accommodate any language, currency, and regulatory framework**, the requisite for massive further growth is purely financial

Credissimo's shareholders seek **constant operational improvements in all markets, as well as investigate new opportunities** (markets and products) which would drive the Company forward in its next stages of expansion and would contribute towards harnessing of its profitability potential around the world

- Rapid customer base and loan portfolio expansion
- EBITDA Margin of 35+% and Net Margin of 30+% in the ordinary course of business over an extended period of time
- Experienced management with tremendous visionary capabilities

The current document summarizes the most important characteristics (financial and non-financial) of the Company, including its historical development, ownership, products, business processes, customer base growth, portfolio growth and financials.

# Vision and Mission

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OUR  
VISION

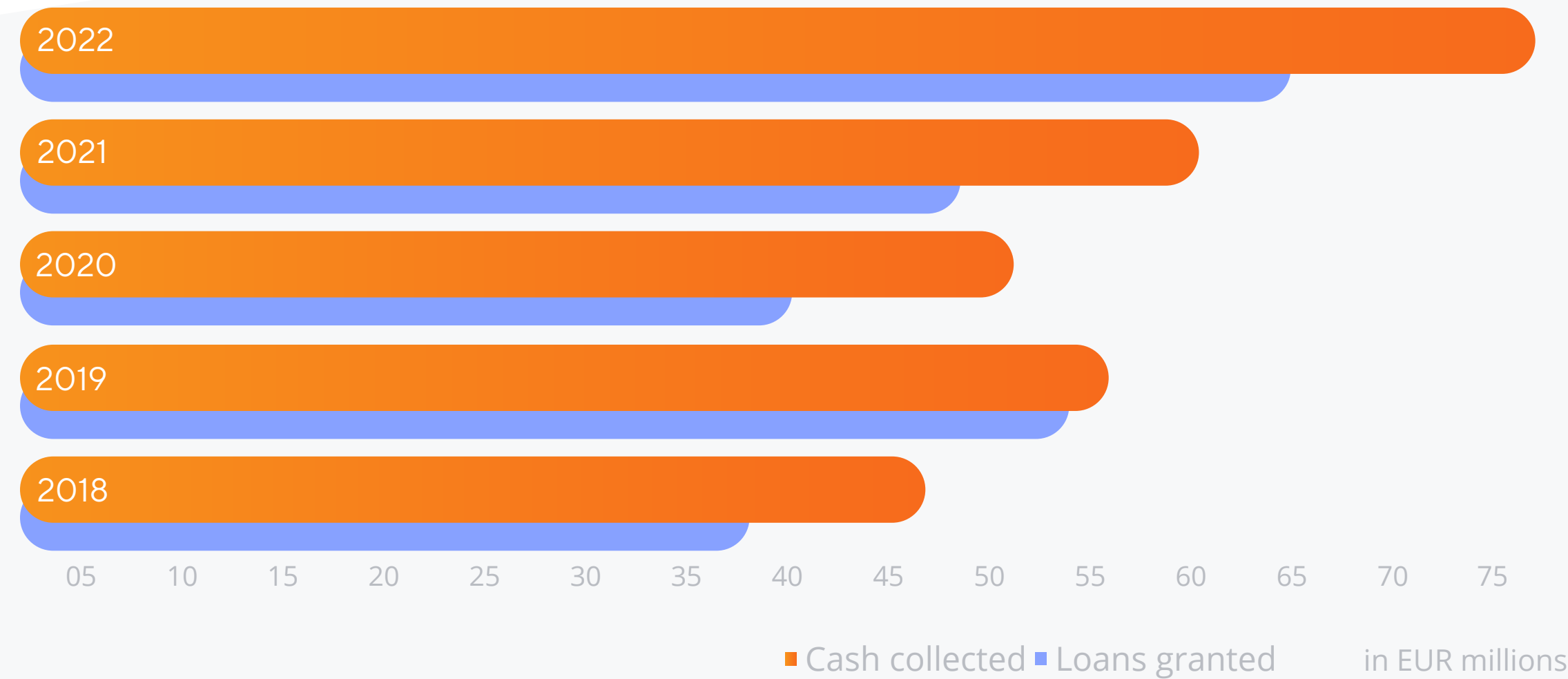
- Be perceived **as an innovator in the FinTech sector** in the region and a trustworthy company that customers can rely on to meet their financial requirements
- Migrate to the market of **near prime**, online customer while ensuring competitive pricing and using a more streamlined and user friendly process than that of the competition (including banks)
- Have employees and partners who **share our goal** and to constantly develop their potential to ensure that we create products tailored to fill the the gap in the market and the requirements of our customers

OUR  
MISSION

- Provide **easy and affordable access** to credit to consumers across Bulgaria and improve their credit profile
- Offer the complete ecosystem of services related to cash financing of shopping needs including consumer finance loans, deferred payments and auto loans
- Develop and offer products via superior scoring and selection that are more effective than those of the competitors at prices that are acceptable to a larger group of customers

# Credissimo's snapshot

EUR 335M loans granted  
 EUR 419M cash collected  
 since inception



20%  
 GARG Net Portfolio growth

20%  
 2016-2022 compound average annual revenue growth

128%  
 cash granted versus collected margin historically

>500k  
 Cumulative number of unique customers applied for a loan

## Consolidated financial information

Summary IS /EUR:'000/	2019	2020	2021	2022
Total revenue*	21 868	22 026	21 835	26 728
EBITDA	3 305	3 775	4 505	4 355
Net income	2 526	2 714	3 500	3 305

\* Total revenue is net of interest expense.  
 Audited FS

Summary BS /EUR:'000/	2022
Loan receivables, net	26 588
Cash and cash equivalents	2 529
Non-current and other assets	946
<b>Total Assets</b>	<b>30 293</b>
Total Liabilities	8 310
<b>Net Assets</b>	<b>21 983</b>

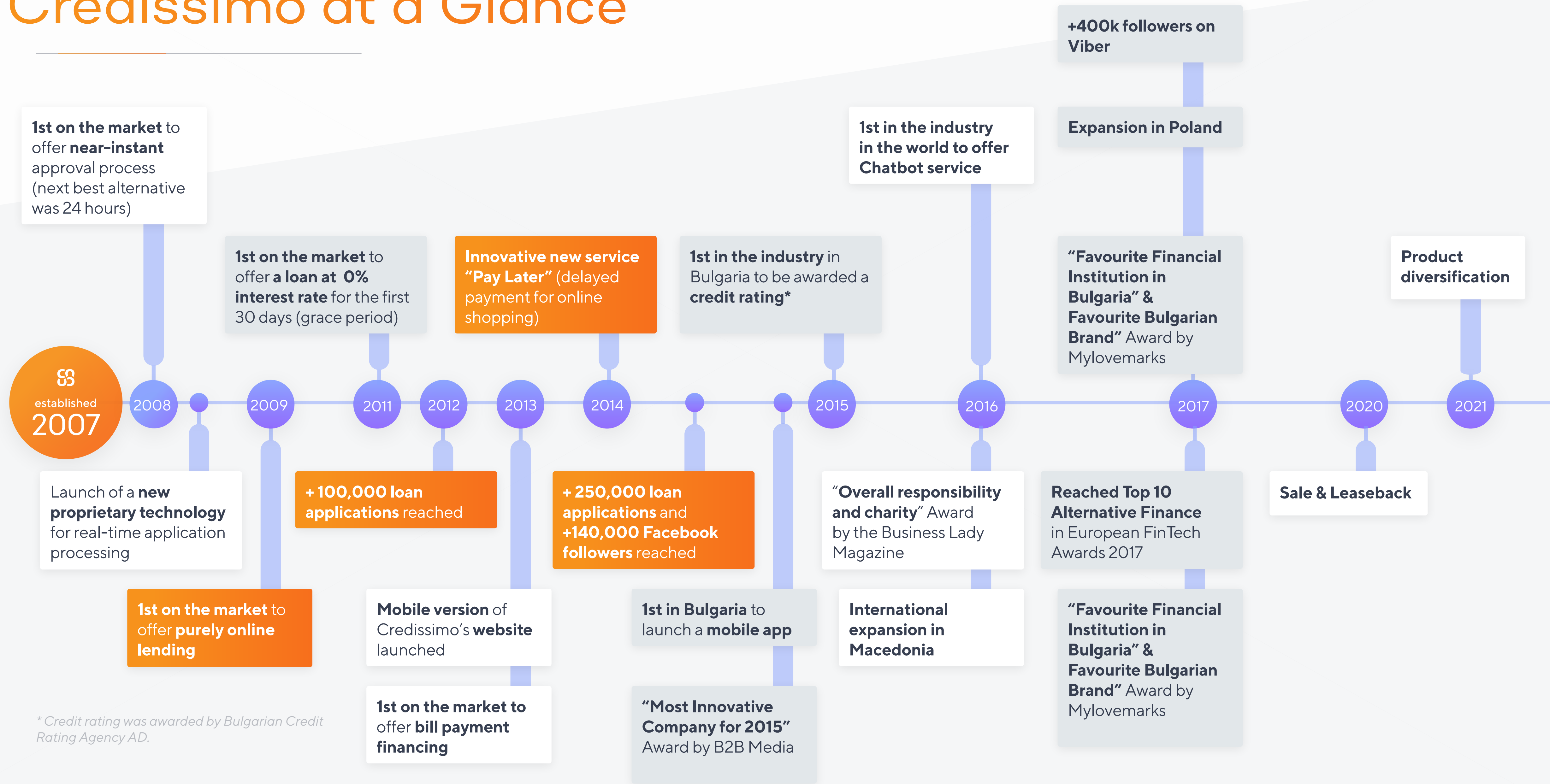
>520k  
 Number of loans disbursed since 2017

>70%  
 returning customers since 2017

180  
 Employees

BBB  
 Credit rating, Oct22 (positive perspective)

# Credissimo at a Glance



# A leading player in the CEE tech-enabled consumer lending arena with solid global potential



## Leading FinTech company in Europe

- One of the **most dynamically developing FinTech structures** in the non-banking financial (NBF) sector, Credissimo strives to continuously provide innovative tech solutions to enhance its **leading positions on the online lending market in Europe and around the world**
- The Company has developed a **state-of-the-art proprietary operating platform** which allows a high degree of automation of the business processes on the basis of **machine learning and big-data coordination**
- Credissimo's platform **can be easily and efficiently implemented to work purely online in any country, language, currency, regulatory framework at minimized risk and cost**



## Scalable business model

- Structured **entirely online**, Credissimo's business model has **no reliance on a physical network or PPE** to achieve growth, thus **no significant future CAPEX** outflow would be required **to leverage the effectiveness of the model at full potential**
- Through its **fast and rigorous scoring system and automated pre-selection procedures with preset criteria for approvals/ rejections**, the Company is capable of **addressing the financial needs of customers with higher risk standing**, while **minimizing both risk cost and time of service delivery**
- Credissimo has always strive to expand its business offerings in terms of new jurisdictions and products by offering better quality and customer service



## Strong brand

- One of the most **highly recognized brands in the FinTech industry** in Bulgaria, Macedonia;
- Over **70% returning customers** over the since 2017;
- **96% customer satisfaction** based on an in-house survey;



## Profitability & Growth

- On a consolidated level, Credissimo generated a **net loan portfolio CAGR of 20%** for the period after 2016
- The Company granted cash to customers at the amount of EUR 263m for the period 2017-2022 and collected EUR 327m, achieving the impressive **125% cash collection rate** as a result of its **highly efficient, in-house structured debt collection process**
- For the period 2017-2022 Credissimo enjoyed **more than 4m website visits** and granted **more than 520 thousand loans**, marking a significant increase year-to-year

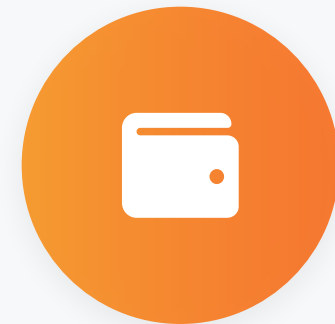
# Improving Consumer Access to Credit in Bulgaria

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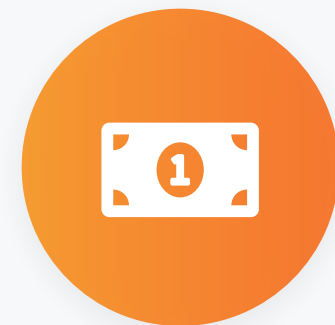
## Access

Credit for clients who do not have the cash to meet emergency requirements



## Affordability

Longer tenors allow customers to limit the monthly cash flow burden vs the offer from pay day lenders



## Larger tickets

Customers can meet their requirements without having to tap into multiple pay day lenders



## Equitable and smart risk scoring

360° risk profile based on alternative data-sources and advanced analytics. Due to advanced tool, ability to differentiate between customers better than banks and give fair assessment (not just by the fact whether they used paydays or applied multiple times)



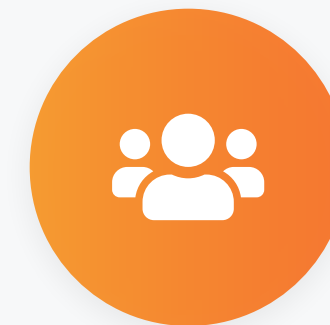
## Transparency

Clear pricing and no penalties when customers prepay



## Speed

Quick decisions so clients have access to credit in a timely manner to meet emergencies



## Reach

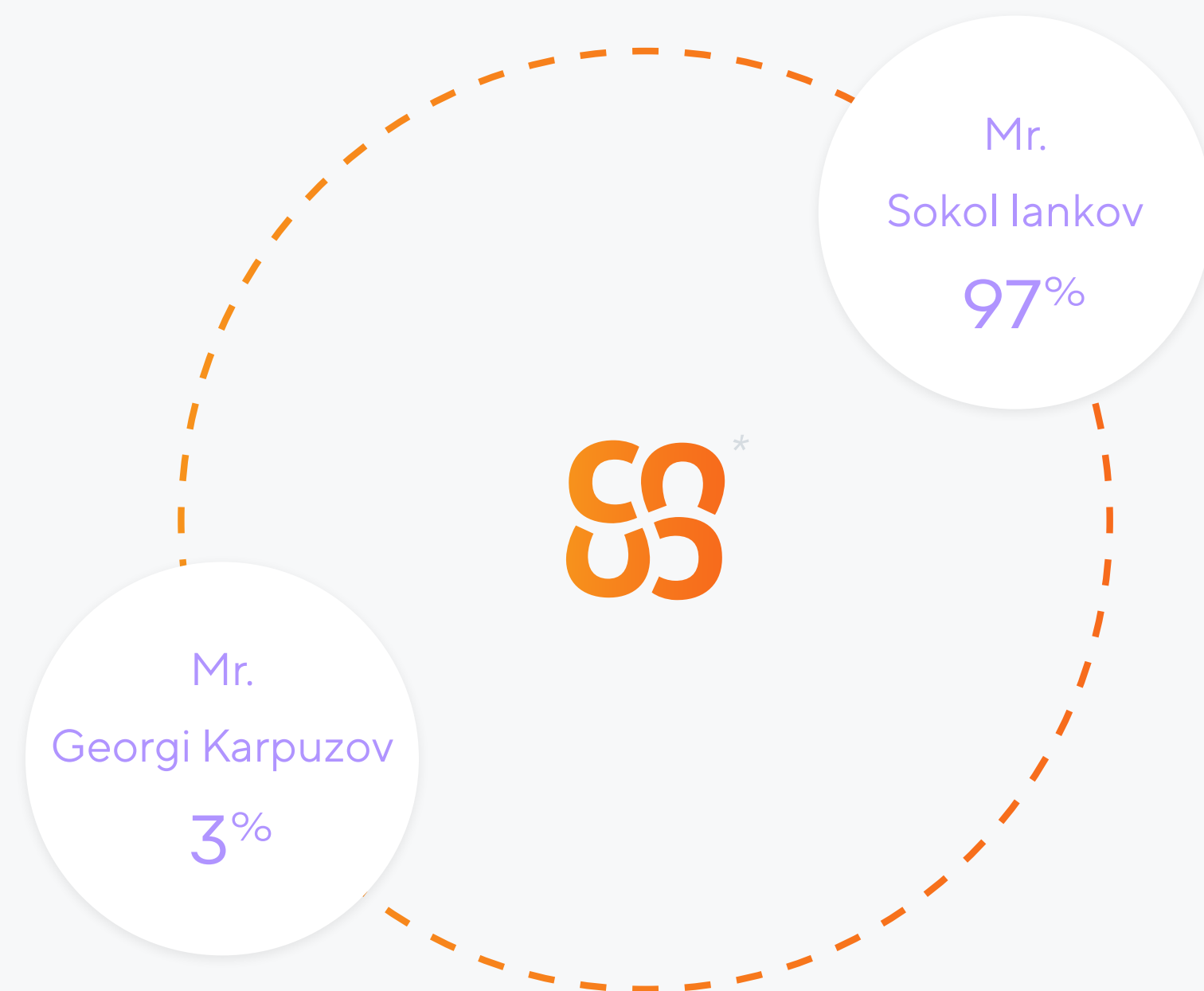
Ability to access customers throughout the country

# Credissimo's Group Overview

After 10 years of FinTech experience and having reached a mature stage of its development, Credissimo has paved its way to leverage its successful online business model abroad and expand in other countries around the world.

## Ownership structure

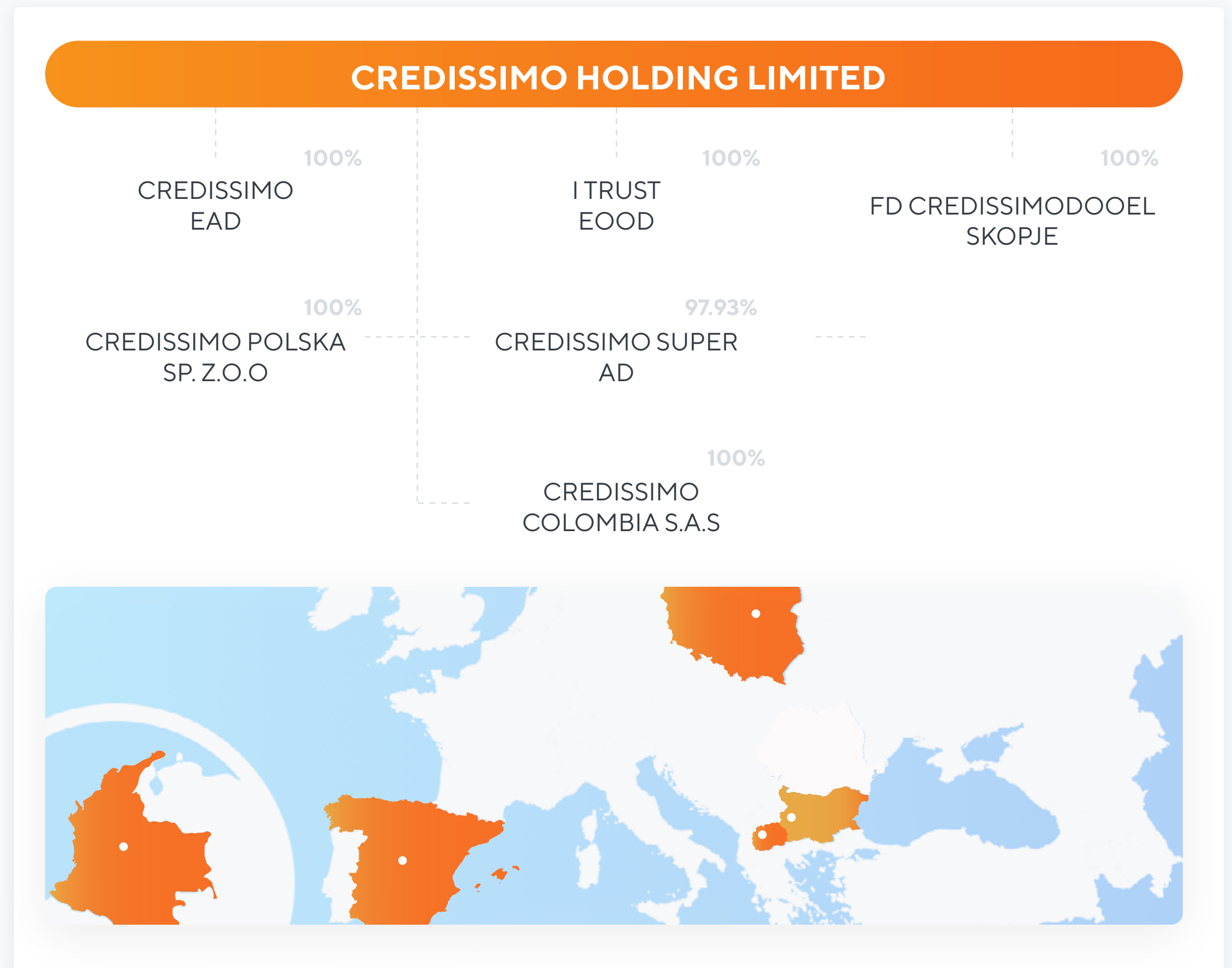
Source: Company Management



\* Parent company, registered in Malta

## Credissimo's Group

Source: Company Management





# Diversified product mix and innovative tech solutions in line with the latest trends in the FinTech world

## Credissimo's Product Portfolio



### Short-term Loans

**Loan amount:** EUR 50 to EUR 500

**Loan term:** revolving on 15/30 days

**Interest rate:** 0% for the first loan received if repaid within a grace period of 30 days

**Repayment:** bullet

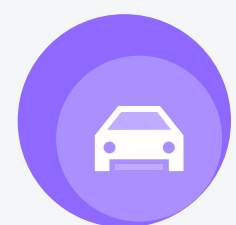


### Installment Loans

**Loan amount:** EUR 100 to EUR 3,000

**Loan term:** 3 - 24 months

**Repayment:** monthly installments



### Online Car Loans

A car title loan with a convenient model of application and near instant approval. It is securitized with the leased asset, owned by the lessee prior to the transaction



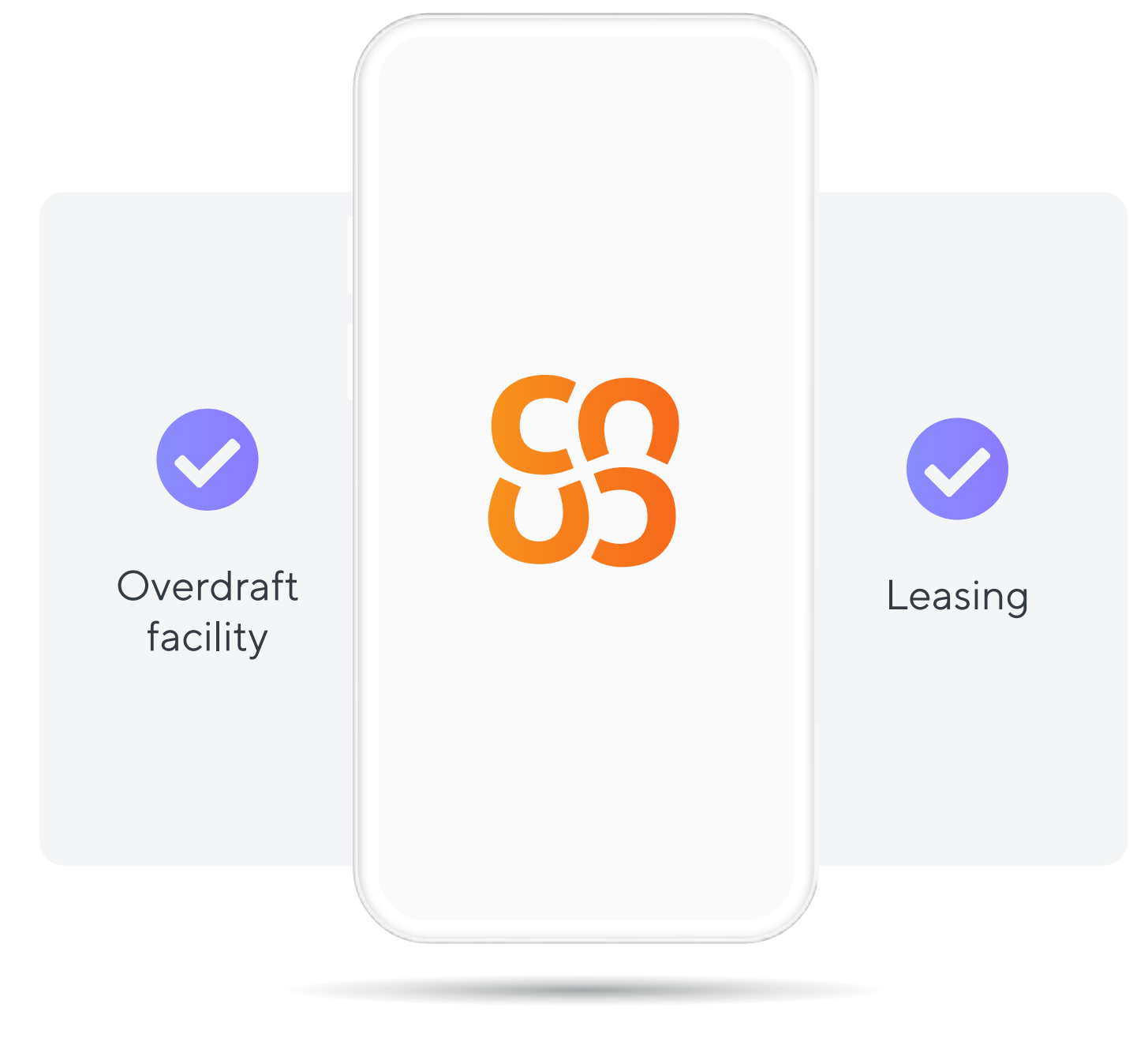
### E-commerce POS

**Benefits:**

**For merchants:** easy and free-of-charge integration, 100% guaranteed payment, improvement of sales > 122 merchants listed as users of the service so far

**For customers:** financing of online purchases, online application, and nearly instant approval, deferred payment until the delivery of the goods, 0% interest rate within a 15-days grace period after the delivery of goods

## Product Diversification Envisioned in 2021-2022



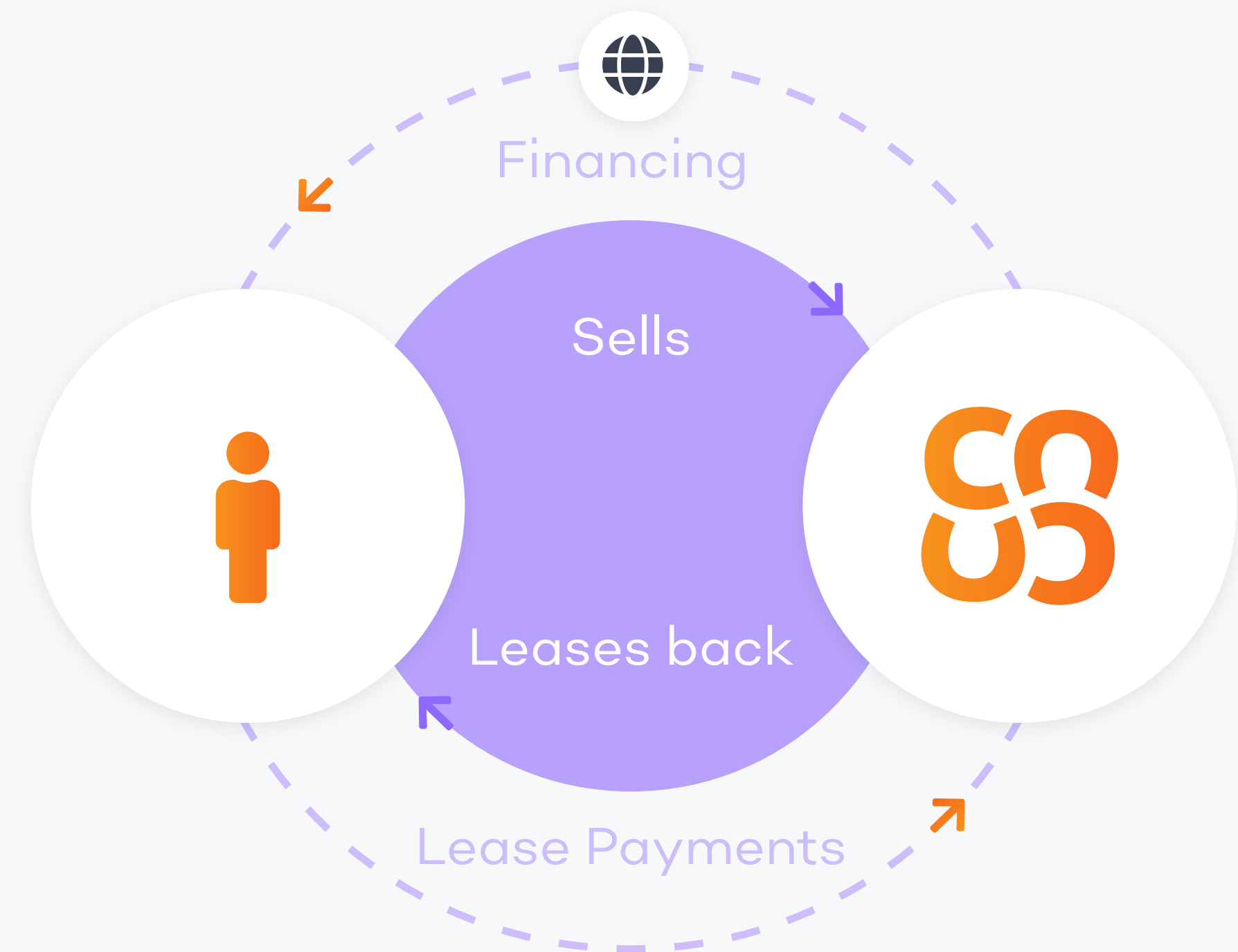
# Credissimo Super Business Model

- Credissimo Super AD is a joint stock company, licensed by the BNB as a non-banking financial institution with licensed activities including leasing, acquisition of loans and other receivables, financing activities
- Similar to its parent company, Credissimo Super operates an entirely online business model, which is the strength of the whole Credissimo Group
- The product has the following parameters:

- **Client type:** Individuals and SME
- **Lease type:** Finance Lease
- **Asset type:** Used vehicles
- **Lease term:** 6 to 60 months
- **Lease size:** EUR 500 to EUR 50,000
- **Interest rate:** within the statutory APR (50%)
- **Repayment:** monthly annuity installments

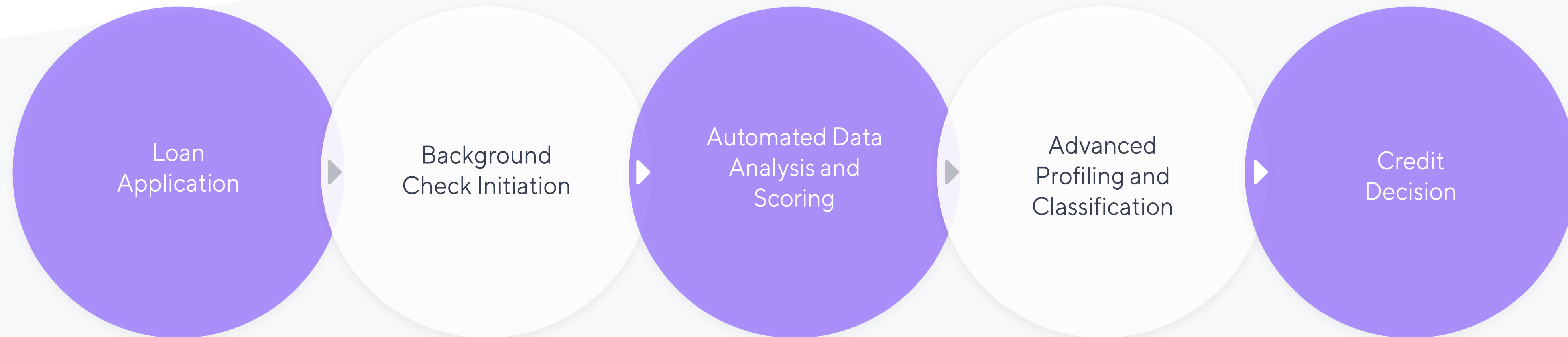
The service is characterized with

- 🕒 **Speed of execution** – convenient mode of application and near instant approval
- 🚗 **Collateralization** – the loan is securitized with the leased asset (car), owned by the lessee prior to the SLB transaction.



# Underwriting: Scoring Model / Process

Credissimo's in-house underwriting system assesses the riskiness and potential probability of default of a new loan in real-time by applying the Company's comprehensive evaluation criteria to a number of different data elements.



"Omni-channel" processing capability allows for virtually unlimited access to Credissimo's consumer finance products:

- Desktop, Mobile, Tablet
- Mobile and Facebook apps
- Chat Bot
- E-commerce POS
- Telephone and SMS
- Utility providers
- Online partners

Multiple data points gathered:

- Demographic characteristics
- Location
- Employment record
- History/communication with client and acquaintances
- Data from tax, social security, government, and banking databases, credit bureaus and registers
- Social media and online profile analysis

Automated proprietary underwriting system simultaneously gathers and analyzes thousands of data points to create a personalized client snapshot

Credissimo's in-house profiling and classification system cross-checks the personalized customer credit profile against over 10 years of proprietary statistical data, as well as partner financial institutions to determine:

- Creditworthiness
- Probability of default
- Likelihood of collection



Candidate Approved

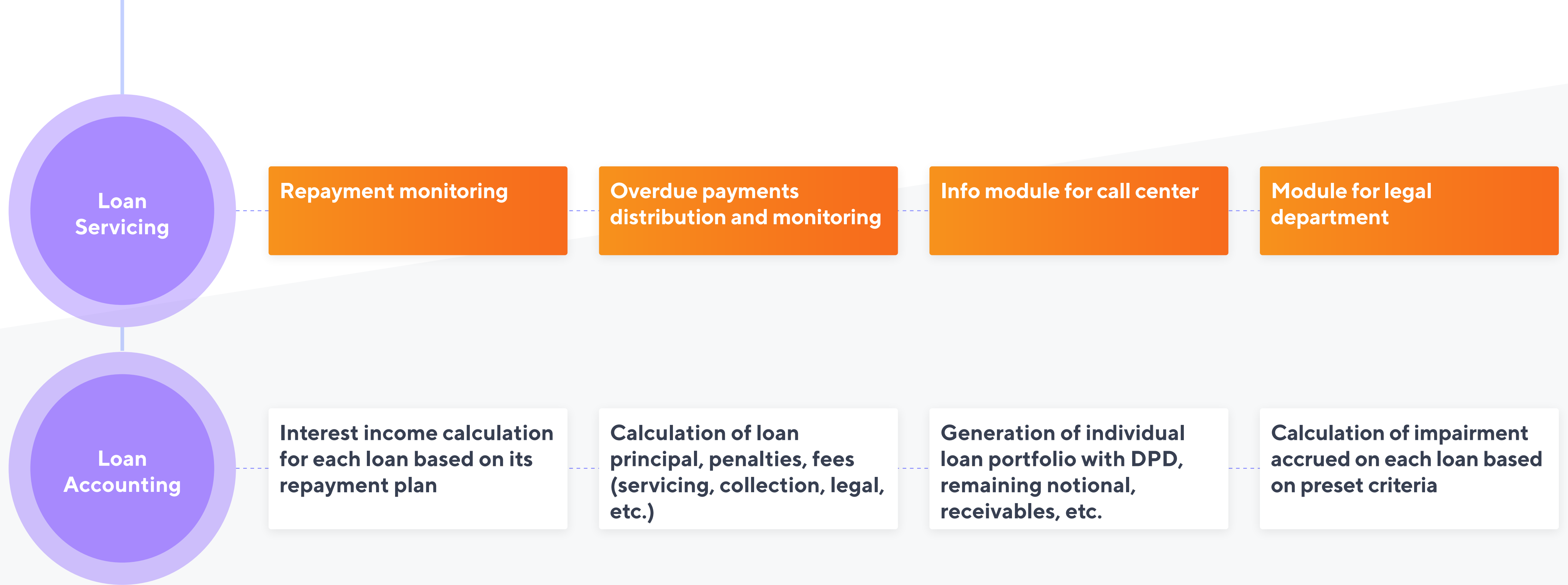


Candidate Rejected

# Business Flow

Integrated credit model with fully automated business processes





## Risk Management System

- 1.** Automatic reminders in case of delinquency

Customized settings of the system functionality allow for automatic sending of reminders via SMS and e-mail in case of delinquency or other events that can be specified
- 2.** Automated filters & packages of overdue receivables

Based on preset criteria, packages of loans in arrears are automatically loaded and distributed to the employees responsible for their collection (soft collection/ call center or field collection)
- 3.** The in-house structured debt collection process

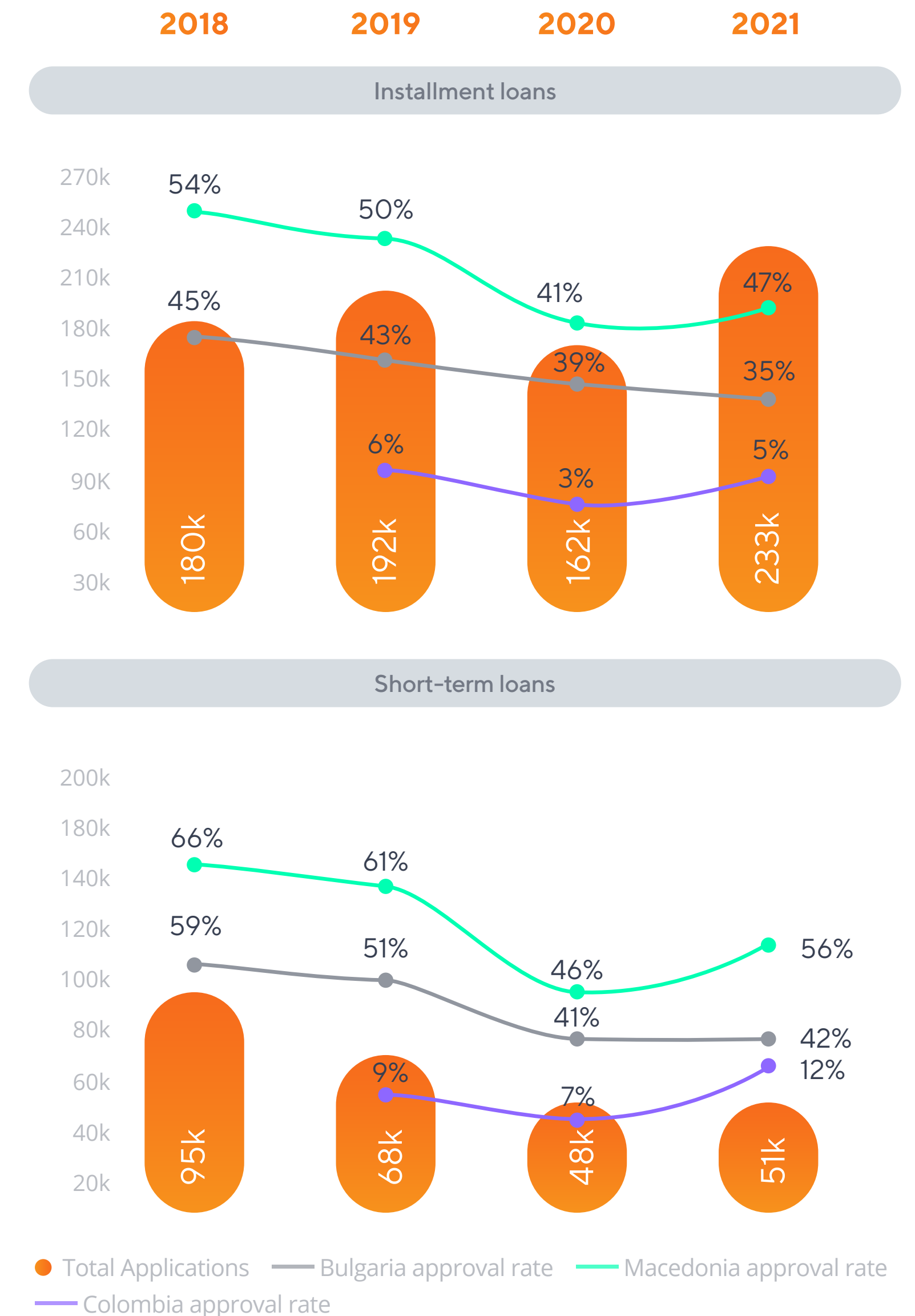
Coordination of all loans in arrears is performed with great efficiency through the collection module of Credissimo's proprietary IT system, which allows for scaling and a personalized approach to the customer via full automation and smart big-data analytics

# Credit Risk Management

## The state-of-the-art proprietary scoring model

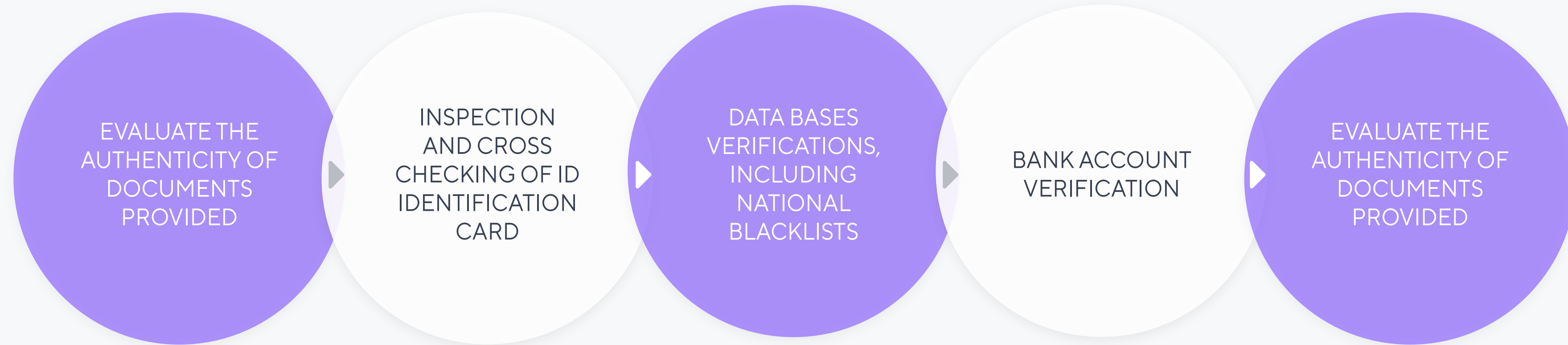
- The internally developed scoring model is based on **behavioral analysis, demographics of past loans and past data for all borrowers (from various sources within each jurisdiction)** to calculate a scoring result for any new loan application. The data parameters are automatically extracted from the loan application, processed through the scorecard and the result is provided based on which the application is automatically approved/declined based on predefined criteria
- The Company has **embedded** in the automated scoring system **many fraud detection and prevention measures** (e.g. ID card validity checks, cross-checking of overall customer's indebtedness and historical credit records, location authenticity, data validation from different authorities, etc.)
- Due to its thorough underwriting risk management process, Credissimo has sustained a relatively low, but stable and consistent share of approved (granted) loans compared to the number of loan applications submitted

## Loan applications and approvals



# Fraud Prevention

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The company has set up anti fraud guidelines to detect and deter possible frauds that led to less than 0.7% fraud cases historically

# Debt Collection

## Not overdue

3 days prior to installment due date

SMS with a reminder with content (everything is automated)

## Overdue

1 - 10 days

customer receives 2 messages and 3 calls from the automated Interactive voice response (IVR) – please see the table to the right for additional information

## Overdue

10 - 30 days and 30 - 60 days

customer receives 5 messages, 5 calls from call center and 1 notification letter with information about possible legal action

## Overdue

60 - 150 days

some customers are visited by mobile collection teams 1 to 3 times per month      some customers are outsourced to 3<sup>rd</sup> party collection agency

## Overdue

Above 150 days

for some customers legal proceedings are initiated by internal legal team      some customers are directly sold towards 3<sup>rd</sup> party debt collectors

## IVR technology – Recent innovation in the collection process

### Interactive voice response (“IVR”) is

- ✔ A robotized process for automated phone calls to numerous past due clients at one and the same time without the necessity for human interaction
- ✔ Developed in-house by Credissimo’s IT team;
- ✔ Cost-efficient, easy to set up and maintain in any language and infrastructure.

### Key IVR stats since the launch date (1 July 2017):

5

telephone lines used

10

working hours per day

700

outgoing calls per line per 10 working hours

3,500

outgoing calls per working day

Tripled productivity compared to human capacity



# IT Systems and Operations

Credissimo's talented IT professionals design, develop and perform tests of online systems and applications, as well as are responsible for the maintenance of developed systems and services and ensuring their proper operation

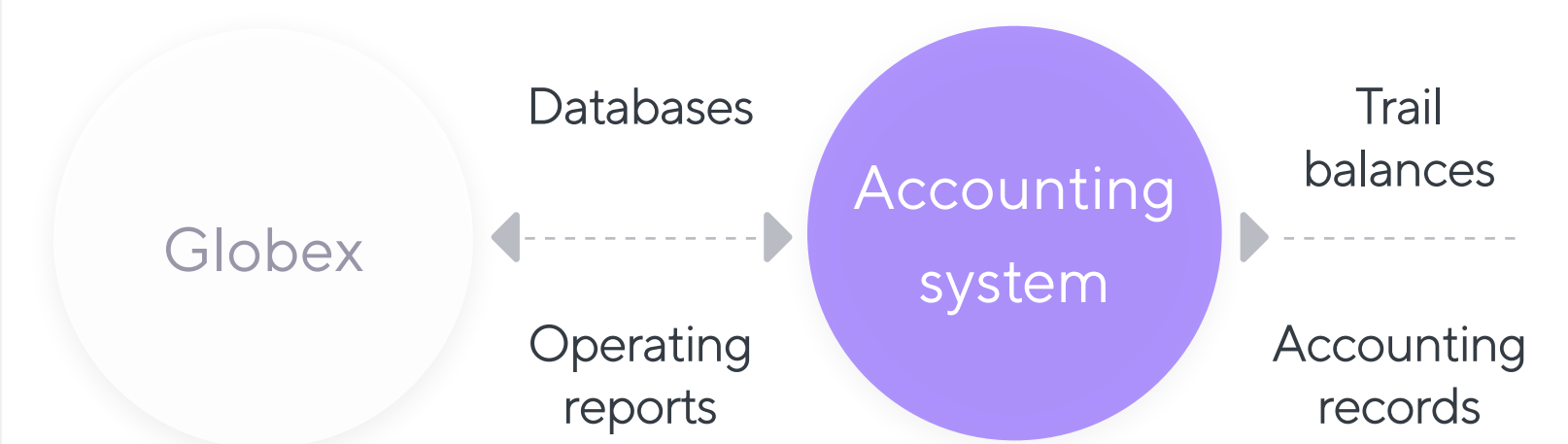
- **Credissimo Globex** (the "System") is the **internally developed, core corporate CRM** system by means of which the Company performs its operating activity
  - Allowing for full automation of the business processes, the System integrates all stages of the lending process by having functionalities covering the period from the loan application, application and disbursement to its servicing, full repayment, accounting and reporting
  - Globex has been designed to operate in different languages and currencies, integrated with multiple data bases, as well as easily scaled and calibrated for the specific requirements of any new market. The System and the software are proprietary and entirely coordinated with country-specific legal aspects and processes of Credissimo's business in all countries

## Operations performed by Credissimo's IT Department

- Installation and configuration of developed systems and services
- Database management of sites and CRM instances – optimizations, backup
- Monitoring of applications used (both web and database servers)
- Troubleshooting of reported problems and issues
- Integration of custom components for company partners
- Server management for developed systems and applications, including upgrades, applying of patches and fixes
- Job scheduling for automated processes in CRMs

## Accounting system overview

- All information necessary for accounting and reporting is contained in Globex and exported from it into the accounting software that is used mainly for bookkeeping purposes



# Credissimo's Innovation-Driven Culture

In honor of its continuous efforts in the FinTech innovation sphere, Credissimo has been recognized with numerous awards by the business community



## "Company of the Year 2016"

for bringing innovations to lending and providing online access to financial services ("Business Lady" Magazine)



## "Most Innovative Company for the Year 2015"

for launching Pay Later – the e-commerce POS financing platform for deferred payment of online purchases (B2B Media)



## "2017 European FinTech Awards"

nominated in two categories: "Alternative finance" and "European Innovator of the Year 2017", finished in top 10 out of 133 companies in the "Alternative finance" category



## "Innovation of the Year 2016" "2016 Technological Innovation"

for the successful integration of SIMO (Smart Integrated Multitasking Operator) – the first chatbot service for online loan application in the world (B2B Media) delinquency or other events that can be specified



## 2017 Favourite "Financial institution" of Bulgarian consumers

Received the highest rating of all online consumer lending companies in Bulgaria



## "Financial Sector Innovations 2017", "Quality of Services 2017"

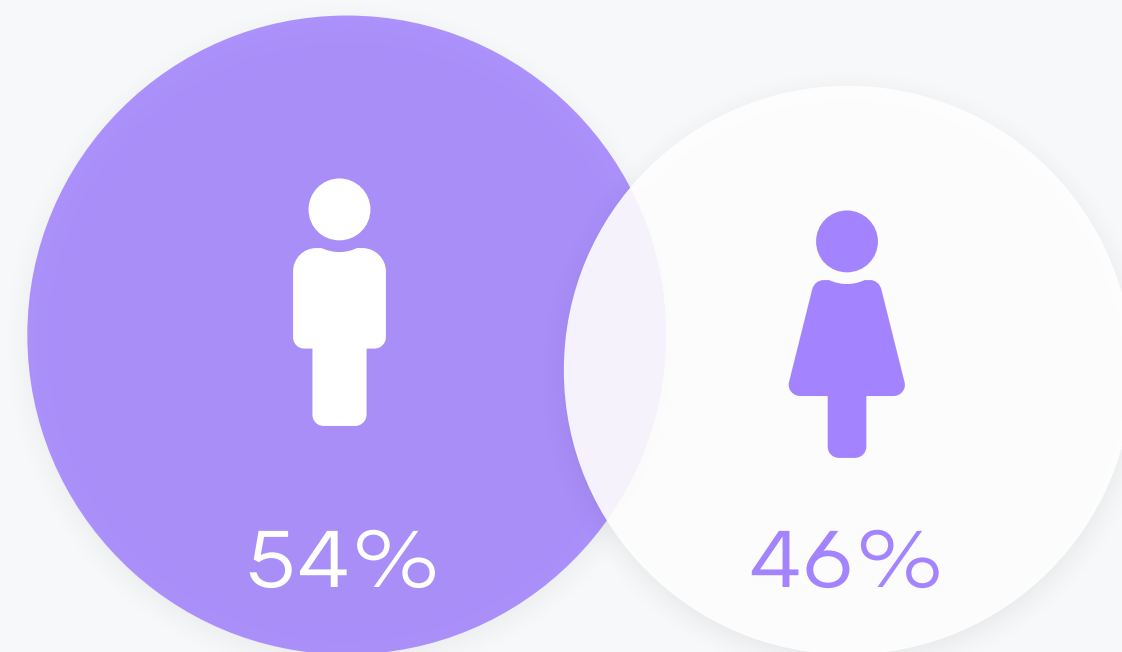
for pioneering outstanding technological solutions, impeccable customer service incomparable user experience and aggressive Pan-European expansion ("The Forbes Business Awards 2017")

Credissimo has an **internally developed structure and a team of professionals** dedicated to handling the entire marketing and distribution process and continuously enhancing the brand identity. With its solid market presence, Credissimo possesses one of the most recognized brands on the operational markets

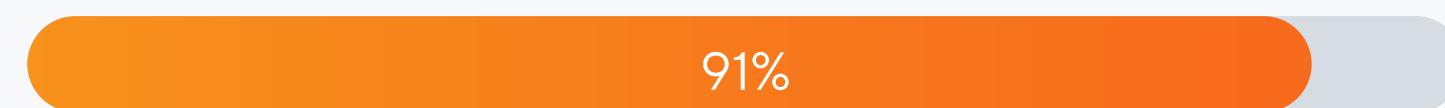
# Map and Client Base

The Company's comprehensive approval criteria contribute to maintaining the high quality of the customers base

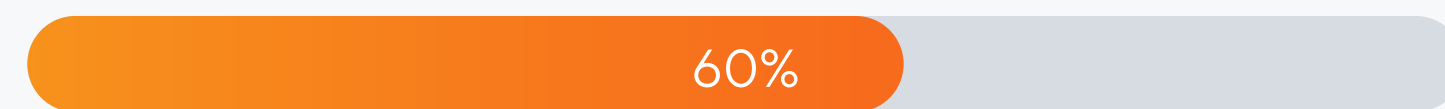
Credissimo's client base contains predominantly young people, having a stable occupation, residing in big cities, with male share slightly prevailing



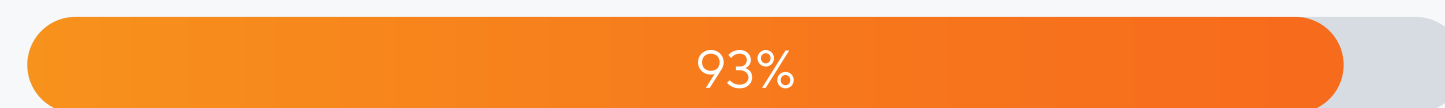
Clients residing in large cities (above 200k)



Clients below the age of 30 years

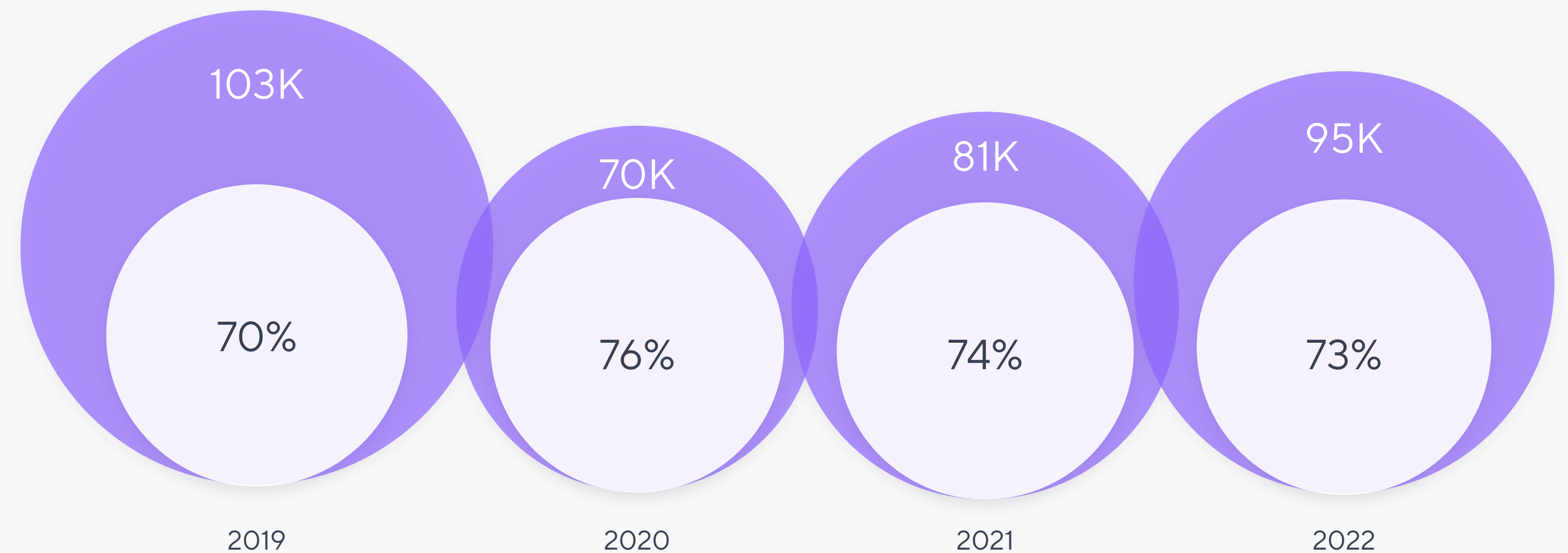


Clients with at least secondary educational degree



Satisfactory customer-driven experience leads to an increase in repeating clients

In line with the development of Credissimo's loan portfolio and international development, the share of new customers increased consistently from 23% in 2015 to 30% in the past two years



● Granted Loans (in numbers) ● % returning clients

# Profit and Loss Summary

EUR, '000	2017	2018	2019	2020	2021	2022
Interest Income	4 061	4 450	5 719	6 374	5 619	6 617
Interest Expense	(43)	(65)	(304)	(371)	(398)	(780)
Other income from operations	10 609	13 472	16 453	16 023	16 519	20 891
<b>Total consolidated revenue</b>	<b>14 627</b>	<b>17 856</b>	<b>21 868</b>	<b>22 026</b>	<b>21 740</b>	<b>26 728</b>
G&A and other OPEX	(6 215)	(9 097)	(11 824)	(9 265)	(10 013)	(12 653)
Depreciation	(117)	(136)	(293)	(382)	(305)	(405)
Losses from impairment of loans	(2 709)	(4 874)	(7 044)	(9 293)	(7 380)	(9 757)
<b>Total OPEX &amp; Impairment</b>	<b>(9 041)</b>	<b>(14 107)</b>	<b>(19 161)</b>	<b>(18 940)</b>	<b>(17 699)</b>	<b>(22 816)</b>
EBT	5 586	3 749	2 708	3 086	4 041	3 912
Income tax	(584)	(567)	(182)	(373)	(394)	(607)
<b>Net Income</b>	<b>5 001</b>	<b>3 182</b>	<b>2 526</b>	<b>2 714</b>	<b>3 647</b>	<b>3 305</b>

## Accounting Policies

- Credissimo prepares its financial statements in accordance with IFRS. The presented Profit & Loss Statement is on consolidated basis in thousand EUR.
- Loans to customers represent a net amount comprising granted loan amounts, collected amounts, accrued interest, fees, commissions, and impairment
- Short-term loans payables are liabilities under loans received from individual creditors and one credit institution

# Balance Sheet Report

EUR, '000

31 Dec17

31 Dec18

31 Dec19

31 Dec20

31 Dec21

31 Dec22

## Assets

Cash and cash equivalents	1704	1211	1650	2283	3932	2529
Loans to clients	13448	17149	22102	19580	20468	26384
Other assets	112	322	410	809	565	204
PPE	216	167	496	400	537	230
Intangibles	302	574	855	976	1046	946

## Total Assets

15 782

19 423

25 513

24 048

26 548

30 293

## Liabilities

Loans payables	475	1604	7795	3689	5858	7,356
Finance Leasing	84	65	350	240	403	121
Trade payables	347	610	688	653	634	402
Tax Payable	464	449	76	254	192	120
Other liabilities (incl. salaries)	267	372	479	372	574	311
Deferred tax liability	-	-	-	-	-	-

## Total Liabilities

1637

3100

9387

5208

7661

8,310

## Total shareholder's equity

14 145

16 323

16 126

18 840

18 886

21 983

## Total liabilities & shareholder's equity

15 782

19 423

25 513

24 048

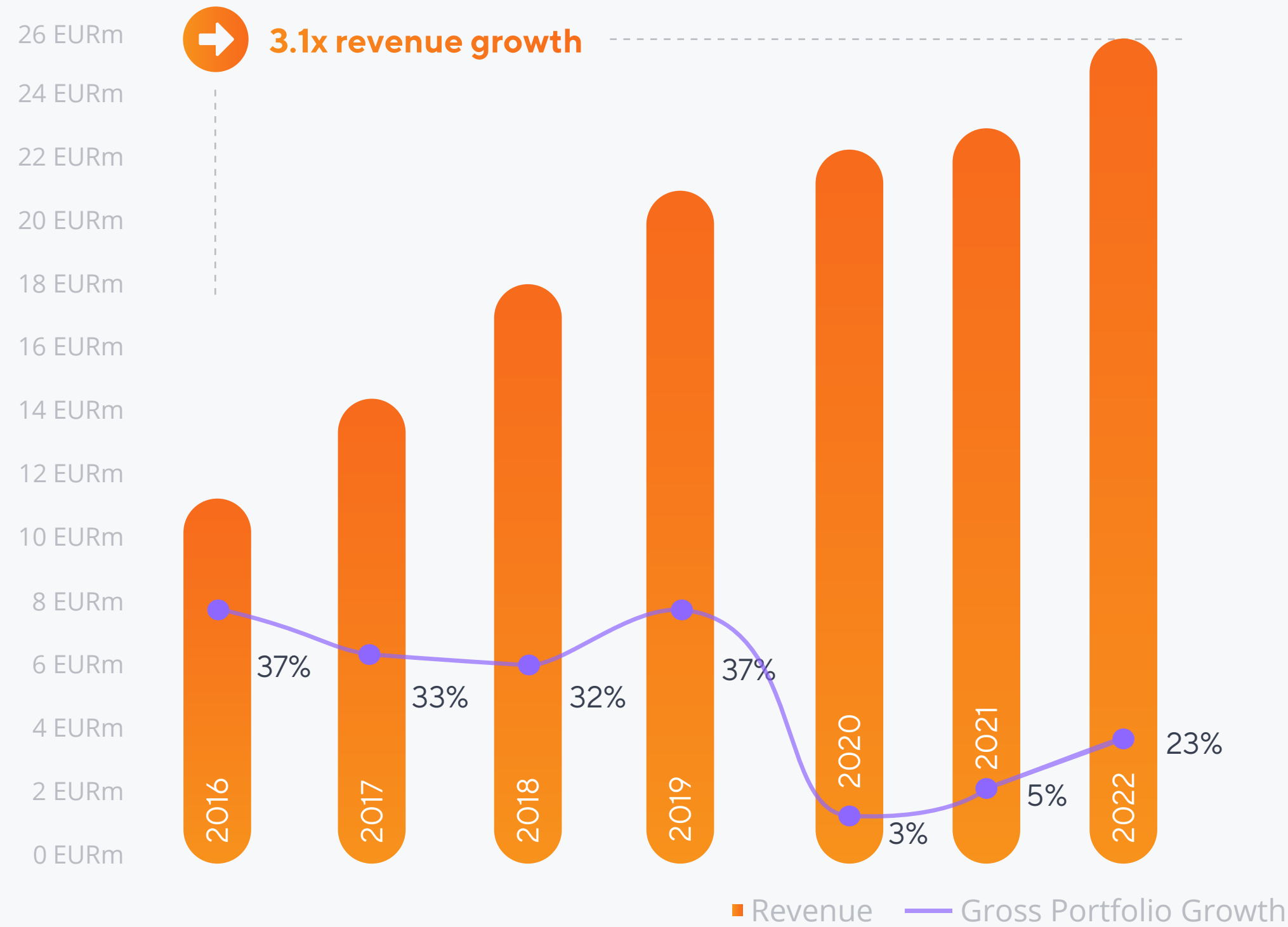
26 548

30 293

# Revenue, Portfolio and Collections

## Revenue and portfolio growth

Our automated proprietary underwriting system simultaneously gathers and analyzes thousands of data points to create a personalized client snapshot. This helps us constantly increase our client base, maintain steady revenue growth and sustain stable profitability levels



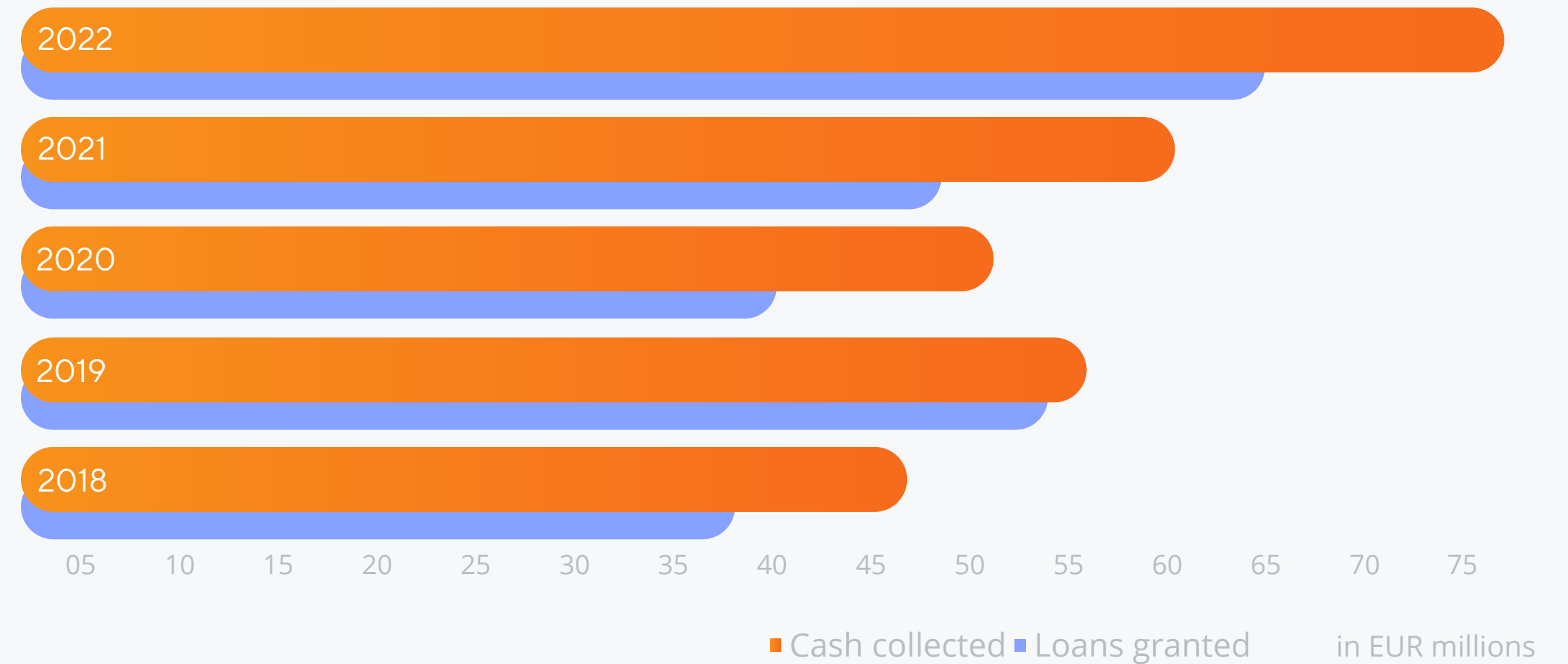
## Collection From Grants

During its historical development, Credissimo has steadily increased the total size of annual loan disbursements. The collection grows in stride with the disbursement growth and the average cash collection rate amounts to approximately 130% from granted loans as a result of Credissimo's highly efficient, in-house structured debt collection and legal enforcement process

### EUR 335M loans granted

### EUR 419M cash collected

since inception



# We look forward to your feedback and investment interest

Please contact us for any further details or requests:

e-mail: [investors@credissimo.com](mailto:investors@credissimo.com)

website: <https://credissimo.com>

credissimo