

ID FINANCE

Investor Presentation

January, 2020



TOP-250 FINTECH
COMPANIES



100 HOTTEST
STARTUPS IN EUROPE



TOP-50
FASTEST GROWING
COMPANY IN EUROPE



THE MOST INNOVATIVE
IN CREDIT SCORING
SERVICES



FASTEST GROWING
FINTECH COMPANY IN
CONTINENTAL EUROPE



INNOVATION
LEADER

ID Finance – A Fast Growing International Fintech

ID Finance has a unique technology platform, a proven track record and is focused on expansion in Spain & Latin America

Introduction

- **Fastest growing fintech in Continental Europe** according to Financial Times FT1000 ranking (2019)
- Focused on unsecured lending in **Spain** and **Latin America**

c.\$90m
revenue in 2019,
and c.**\$50m** for 2018
Almost doubled
since 2018

The Opportunity in Spain & LatAm

- In **2015** launched operations in Spain and Latin America, where compelling growth opportunity exists
- Quickly became a **market leader** in the competitive Spanish market and **reached profitability**

\$98bn
TAM in Spain
and LatAm

Why ID Finance

- **Profitable** in Spain, **strong unit economics** in LatAm
- **IDF Technology**: robust data science and credit scoring capabilities built on proprietary **State-of-the-Art IT Platform** with fully dedicated in-house teams
- **IDF Lab**: innovative risk and data science team, expert in **AI, machine learning**
- **Highly Qualified Global Team**: combination of deep local market knowledge with global best practices pave the way for a successful execution

3.7m unique
registered users in
Europe and LatAm

90%
retention rate



ID Finance featured in the list of **Top Spanish startups to follow** in 2020 by Sifted

ID Finance – Empowering the Underbanked

A leading digital finance provider focused on Spain and Latin America

Key Business Highlights

■ Robust financial indicators and rapidly growing business:

- Revenues: c.**\$90m** for 2019 (x1.7 YoY growth)
- Issuance: c.**\$160m** for 2019 (x1.7 YoY growth)

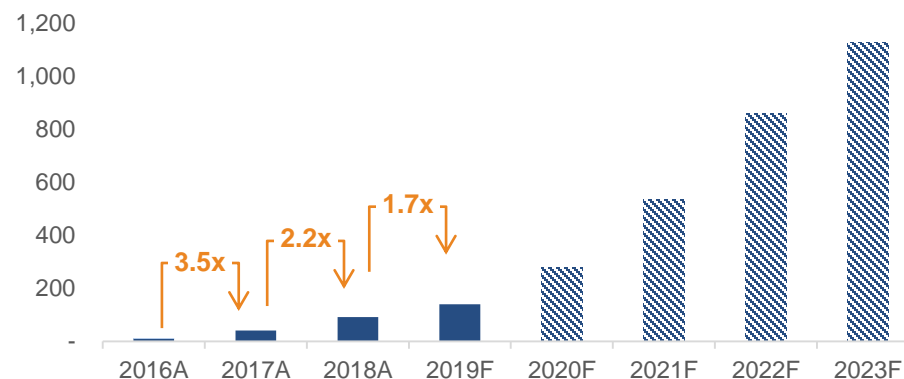
■ Strong operating performance resulting in profitability:

- **3.7m** registered users
- **+35,000** new users weekly
- **90%** customer retention rate
- **Profitability** achieved in Spain: c.**\$3.5m** for 2019

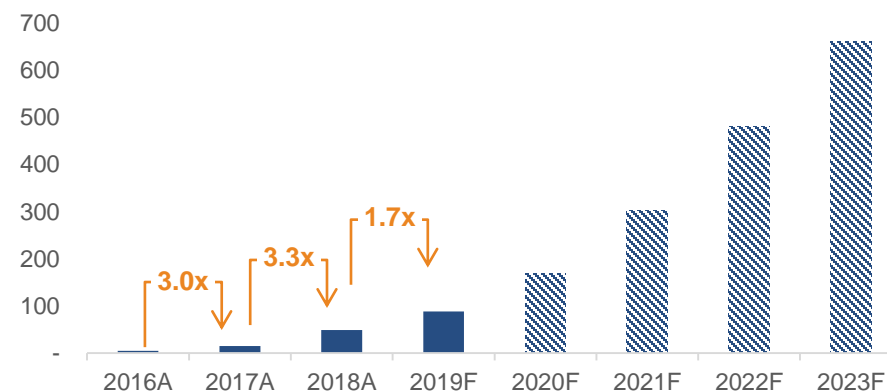
■ Global structure ready to scale up:

- Fully established **international team**: 400+ professionals
- **5 offices**:
 - Headquarters: Barcelona
 - Operating companies: Spain, Brazil and Mexico
 - IT, data science and risk teams: Russia and Belarus

Volume Issued (US\$ mm)



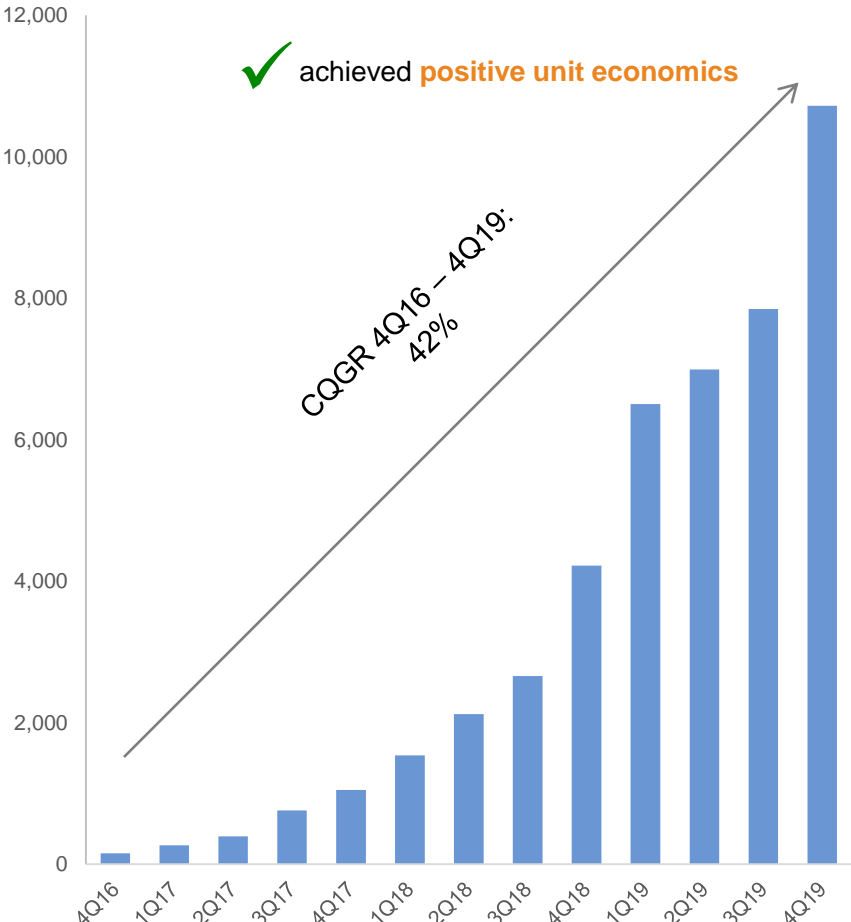
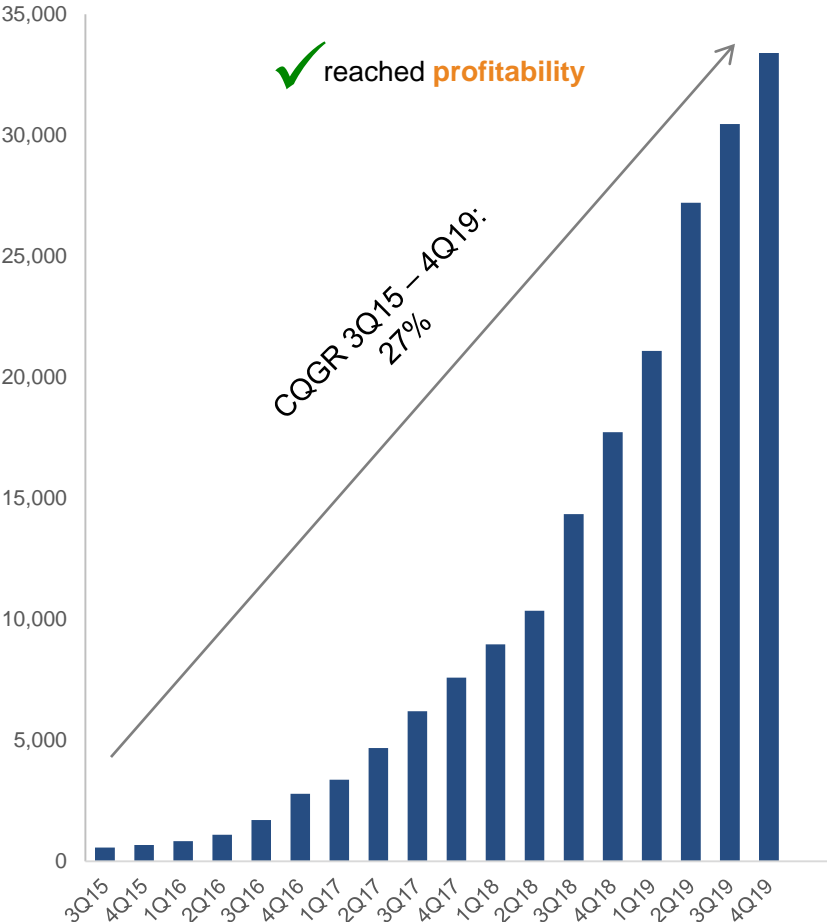
Revenues (US\$ mm)



Exceptional Traction Achieved So Far in Spain and Latin America

ID Finance is ready for rapid scaling

Loan Issuance ('000 US\$)



FinTech Market Approaches New Records In 2019

ID Finance growth is supported by favourable market conditions

FinTech Sector Continues to Grow*

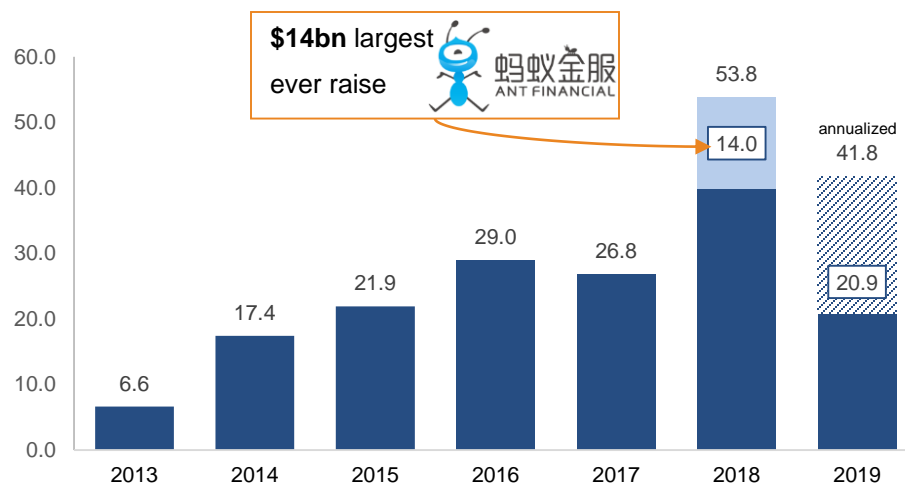
\$21b

Financing
deals in 1H19





\$148b

M&A deals
in 1H19

- 2019 is on track to be **the second strongest year ever**
- Europe** is on track to record levels and already exceeded last year volume with **\$5.8 billion** financing volume in 1H2019
- Banking & Lending Technology** - the most active sector for financing in 1H2019, with **272** deals and **\$8.4 billion** financing volume



Remarkable Deals in Digital Consumer Finance 2Q2019

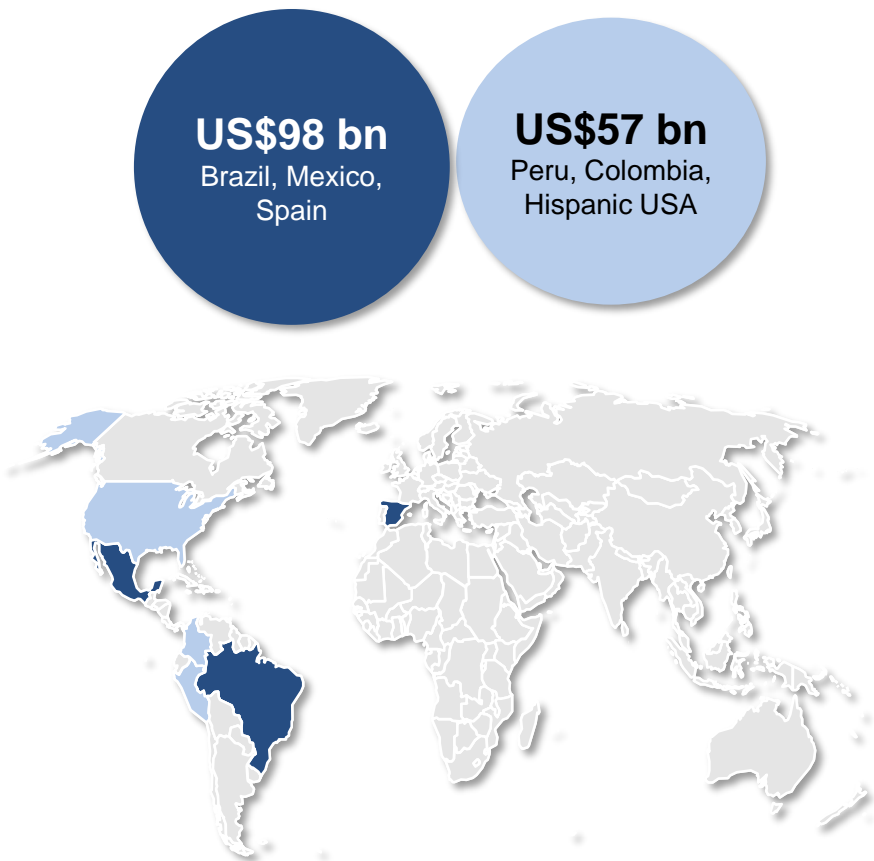
	Amount	Deal	Date	Lead investor
	\$400m with valuation of \$10bn	Series F, equity	Jul'19	TCV
	\$200m with valuation of \$0.7bn	Series D, equity	Jun'19	Softbank
	\$500m with valuation of \$4.8bn	Private Equity round	May'19	Qatar Investment Authority
	\$300m with valuation of \$2.9bn	Series F, equity	Apr'19	Thrive Capital

Sources: [FT Partners Fintech Industry Research \(2Q2019\)](#), [fintechfutures.com](#)

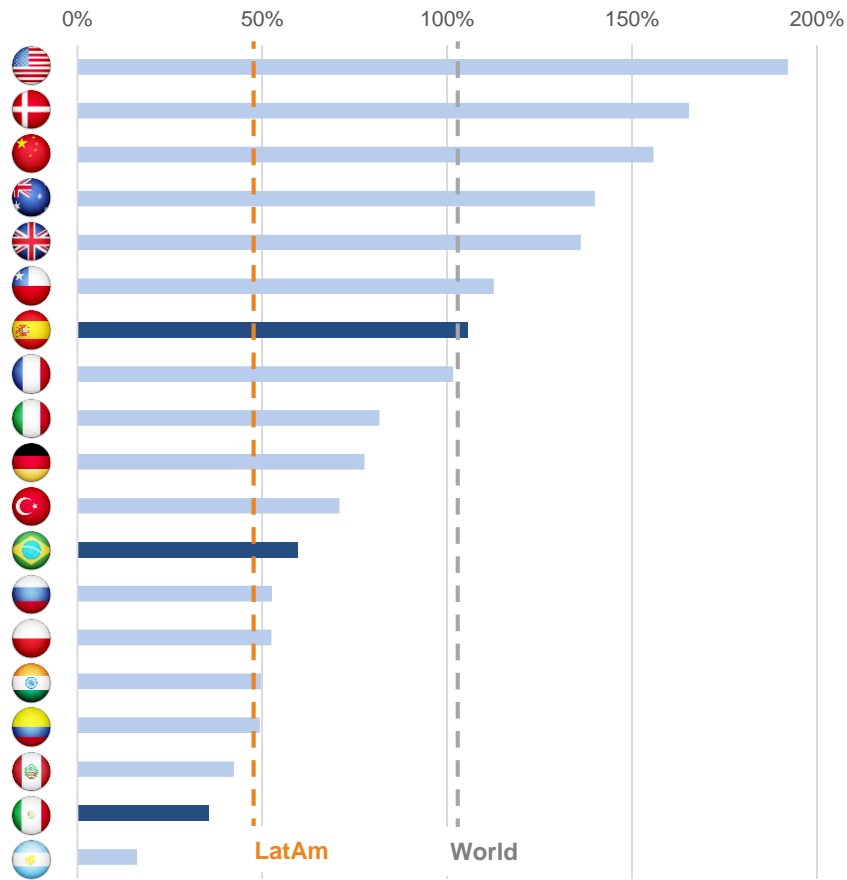
The Fintech Revolution in Latin America and the Potential for Growth in Credit

Latin America is widely recognized as one of the fastest growing fintech markets in the world

ID Finance Total Addressable Market*



Domestic Credit as % of GDP (2018)

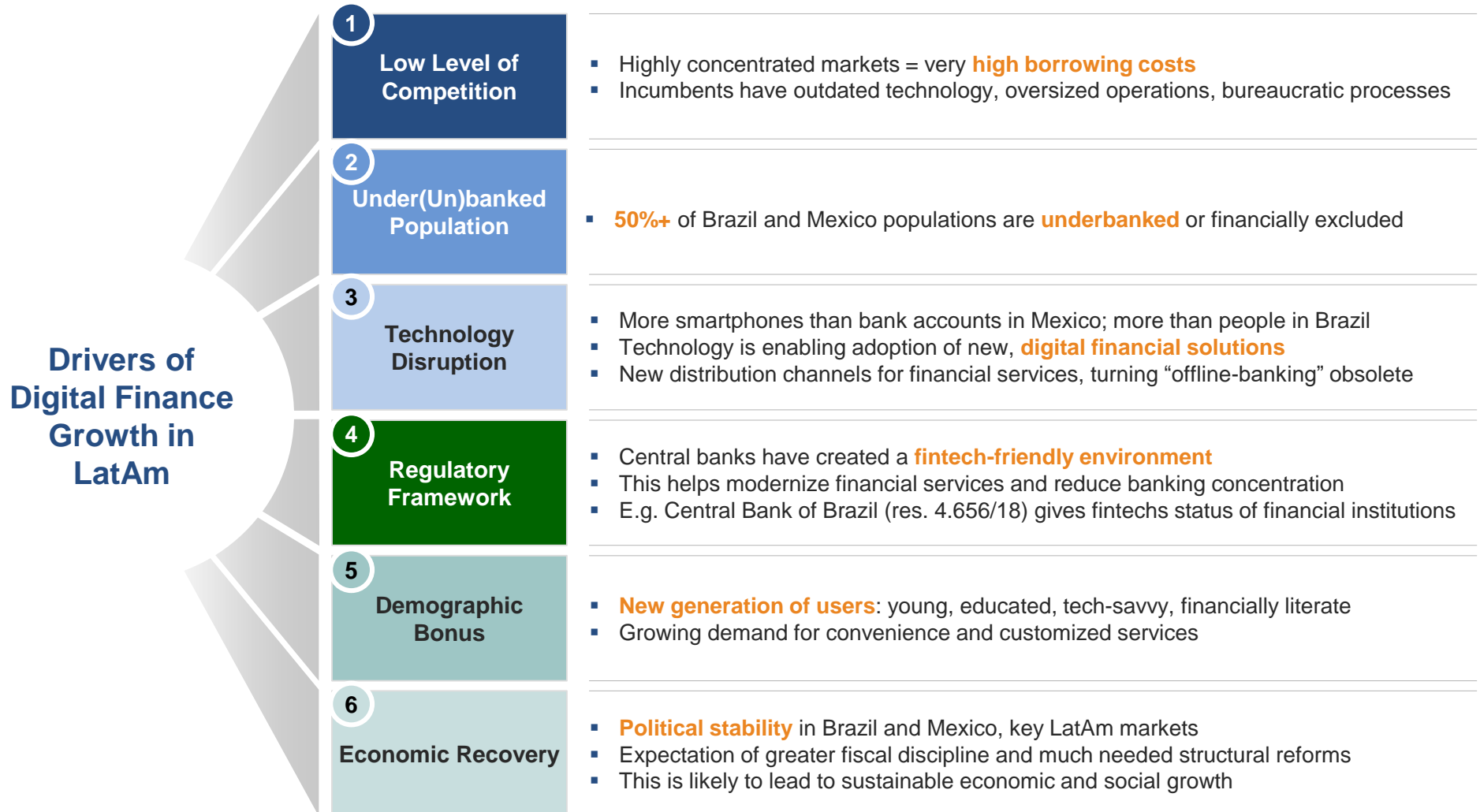


ID Finance Strategy focused on entry into selected high growth markets

* TAM calculation is based on under(un)banked population on the analyzed markets and average check amounts
Sources: Company, E&Y Survey (2017), World Bank

Favorable Market Trends for Digital Finance in Latin America

Young and vibrant fintech companies, quickly reshaping retail banking while increasing financial inclusion in Latin America



ID Finance Differentiated Position in the Market

Deep understanding of target customers and positioning strategies

Target Clients



20-45 years old



Demand convenience



Under(un)banked



US\$1-1.5k disposable income

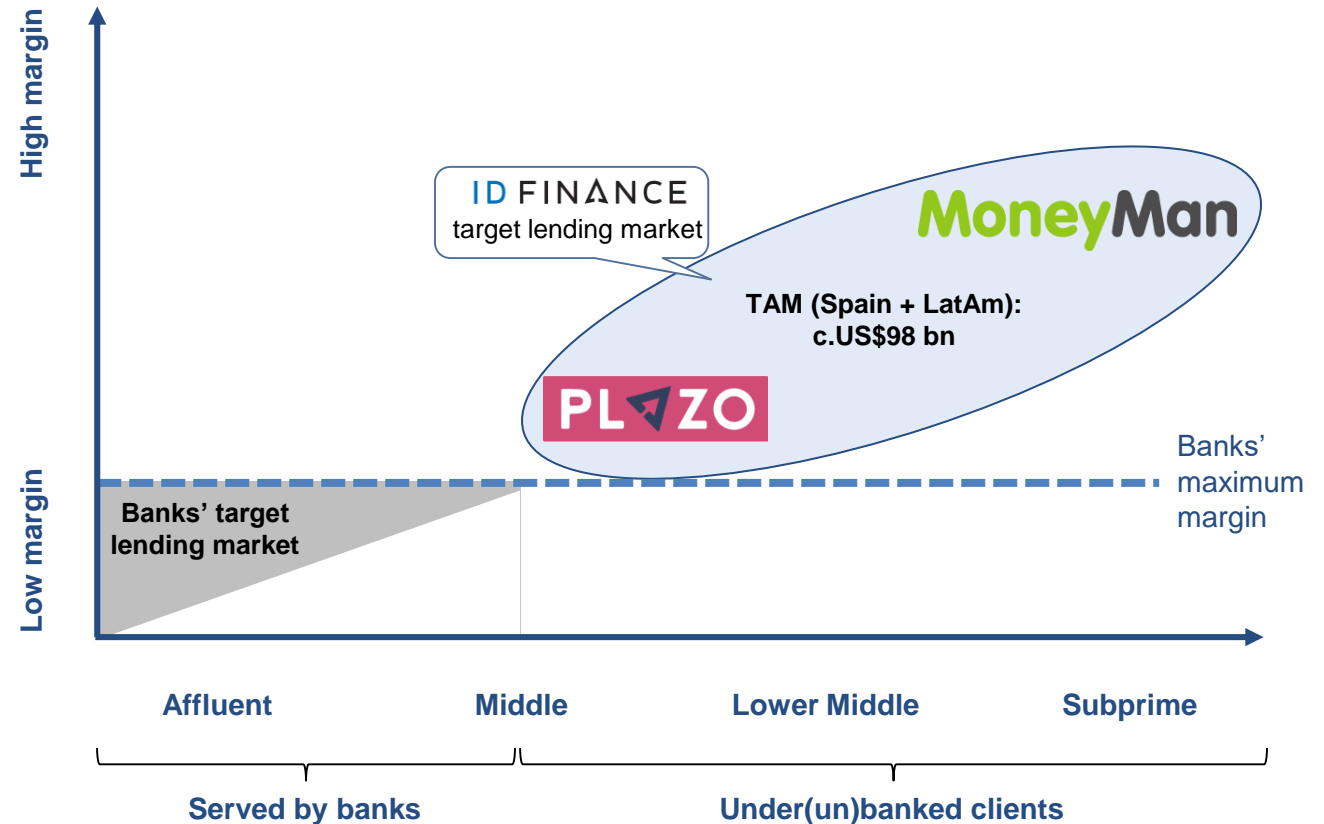


Tech-savvy



Loan users / clients without credit history

Positioning



ID Finance helps customers who are **underserved by traditional financial institutions**

Product Portfolio Aligned with Market Demand

Customized products and solutions targeted to specific markets and client groups

MoneyMan



- Helps people solve **short-term** cash flow needs
- Fully automated** lending service operating online 24/7
- Fast and convenient** financial services via web and mobile platforms
- Proprietary** IT-stack
- Credit scoring using **alternative data** sources



PLAZO



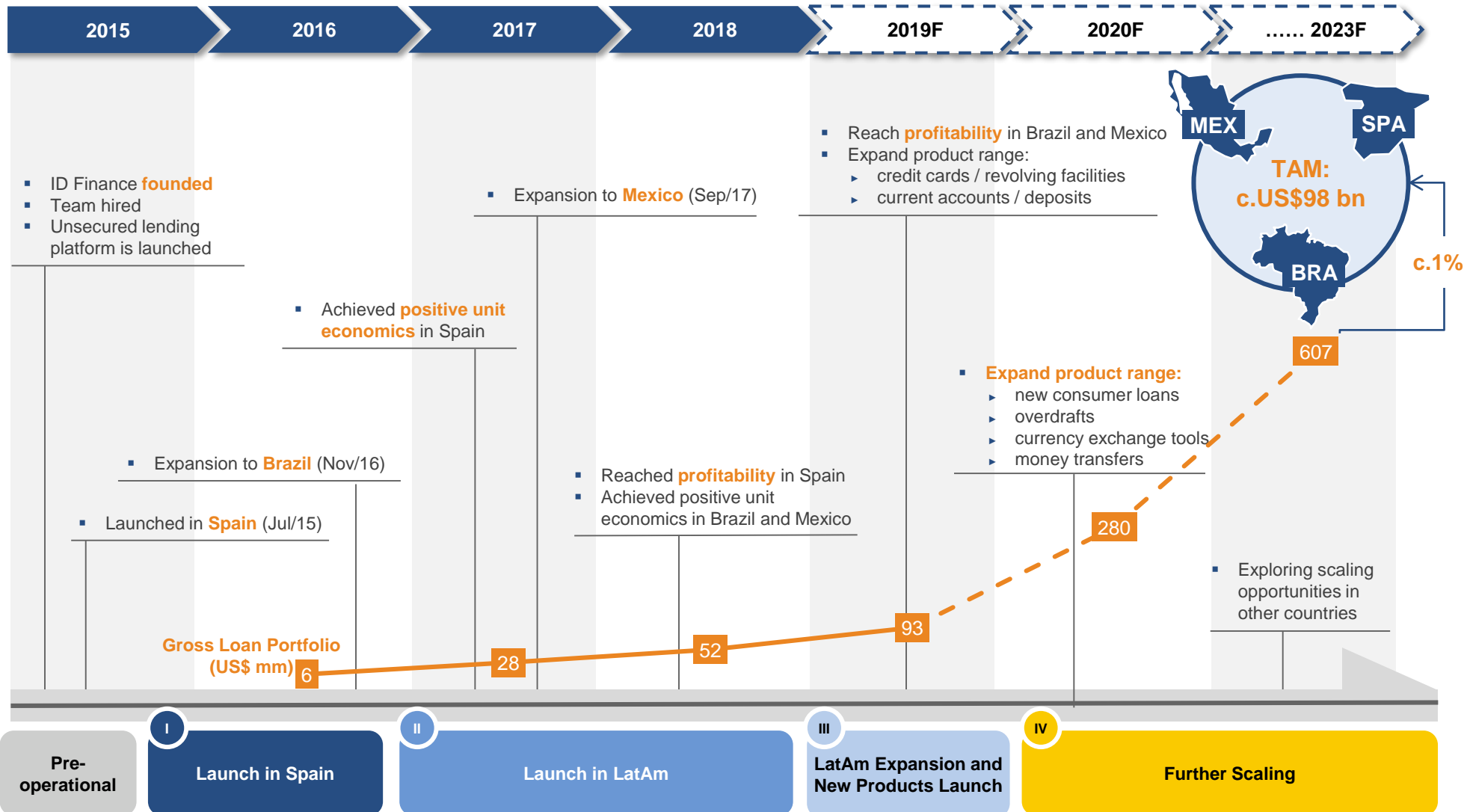
- Long-term** loans for entrepreneurs, SMEs, and for under-banked consumers
- Fast and convenient** financial services via web and mobile platforms
- Addresses **finance inclusion** in the emerging markets
- Proprietary** IT-stack and scoring using alternative data sources



Loan size	up to US\$1.3k	up to US\$750	up to US\$600	up to US\$3.5k	To be launched
Term	up to 4 months	from 6 to 12 months	up to 1 month	up to 3 years	
Interest rate	~16% per month	~16% per month	~27% per month	~3% per month	

Strategic Focus on Capturing the Market Opportunity

ID Finance has built a solid foundation in Spain and Latin America



Highly Qualified Global Management Team



Boris Batin, PhD
co-founder, CEO

- 15+ years of work experience in banking
- Previously held various senior positions at Deutsche Bank, Renaissance Capital and RBS in London and Moscow
- Graduated from Cambridge University with a degree of Master in Economics



Alexander Dunaev, CFA
co-founder, COO

- 10+ years of experience in banking and finance
- Previously experience: Deutsche Bank, London
- Holds Chartered Financial Analyst degree
- Graduated from Imperial College with a degree of Master in Finance



Kieran Donnelly
Board member

- 30+ years of management experience in banking and finance
- Served as CEO of 4finance
- Holds senior roles at Standard Bank Group, MDM Bank and Renaissance Group



Javier Lopez
Chief Financial Officer (CFO)

- 20+ years of work in financial services
- Previous experience in General Electric and Standard Chartered Bank
- Graduated from ESADE University (Barcelona, Spain) with a degree of MBA



Ekaterina Kazak
Chief Risk Officer (CRO)

- 10+ years of work experience in risk management
- Previously worked as Head of Russia & CIS Experian Analytics
- Graduated from Moscow State University of Economics, Statistics and Informatics



Alessandro Ceschel
Chief Marketing Officer (CMO)

- 11 years experience in Digital Marketing and international IT Projects
- Developed online businesses B2C, B2B and P2P in Spain – Ulabox, Logismarket, Socialcar, worked in MNC (Nestlé) and in early stage startups
- Graduated from Padova University with a Master in Industrial Engineering and Business Administration

Spain and Latin America Strategy Driven by Experienced Local Teams



Marco Silva

Chief Operating Officer (COO) Moneyman Spain

- 15+ years of work experience in Banking
- Previously held senior Credit & Collections roles at CitiBank and Ricoh
- Holds an eMBA from Universitat Oberta de Catalunya



Alisa Cevere

Country Manager Plazo Spain

- 9 years of experience in finance
- Held senior positions at GE Capital, Twinero, Via SMS Group and FKM
- Holds a bachelor's degree in Business Administration from RISEBA University and MBA from IESE Business School



Rafael Do Valle Correa

Country Manager Brazil

- 18+ years of experience
- Previously served as COO in Rebel
- Built and ran operations from scratch
- Had extensive experience in strategy consulting (Accenture, Integration Consulting)
- Graduated from Stanford Graduate School of Business



Yannick Del Ponte Bonilla

Country Manager Mexico

- 20+ years of work in financial services
- Previously held senior positions in Servicios Financieros con Valor, Pretmex and Fullerton Financial Holdings
- Certified in Financial Institutions for Private Enterprise Development at Harvard Kennedy School; Post Graduate Certificate in Corporate Finance at Universidad Intercontinental



Ademir de Araujo

Chief Financial Officer (CFO) Brazil

- 28+ years of work in accounting and finance
- Previously worked as CFO and COO at Société Générale Equipment Finance and as Finance Director at GE Healthcare Life Sciences
- Holds a bachelor's degree in Accounting from FECAP and MBA from FGV



Jose Manuel Novo

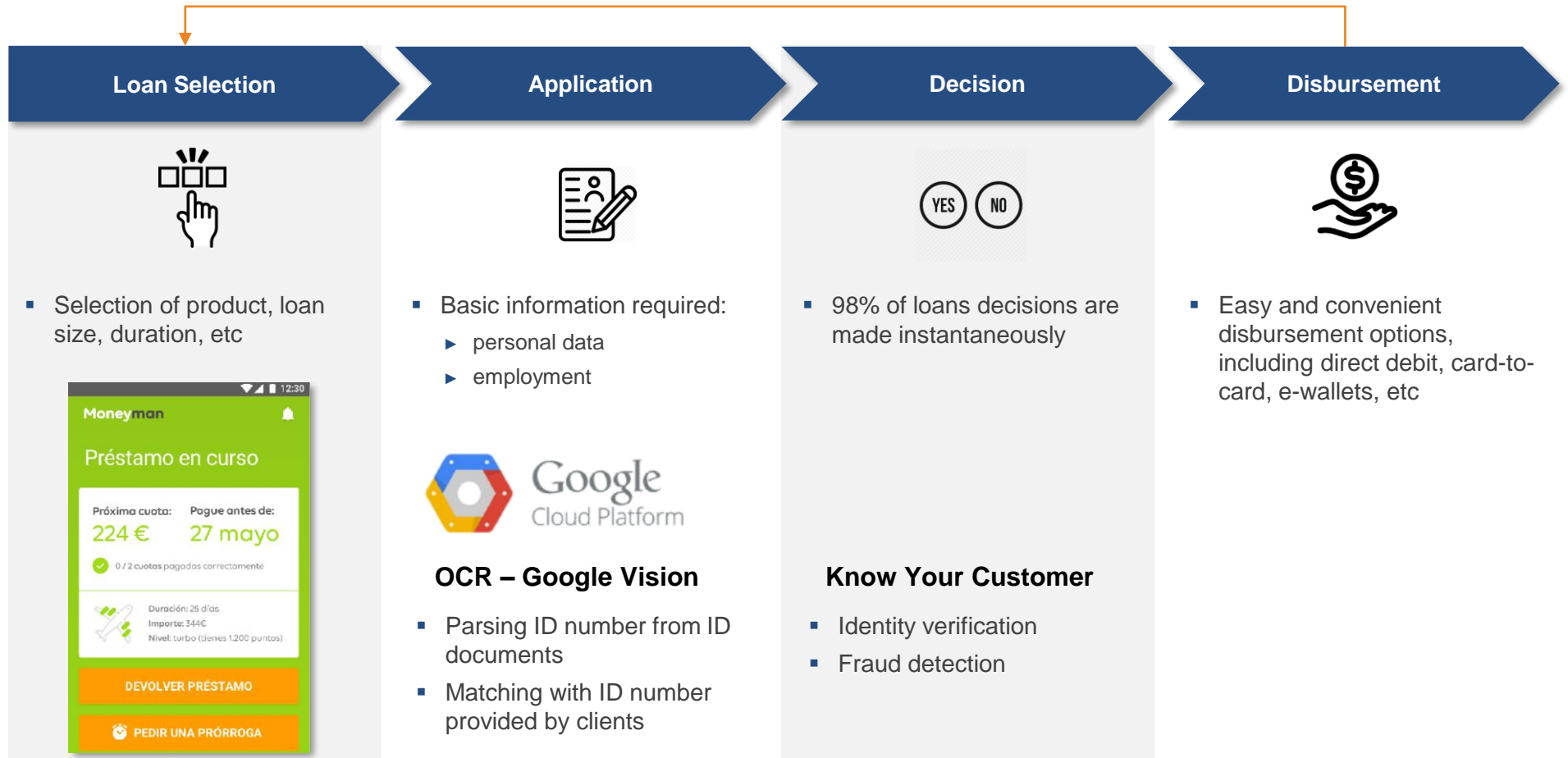
Head of Legal & Compliance

- Served 11+ years as a senior lawyer at Roca Junyent Law Firm in Barcelona.
- In 2004, graduated law studies at the Faculty of Law of the Complutense University of Madrid (Spain)
- Masters Degree in International Commerce from the Business Faculty of the Complutense University of Madrid in 2005

Seamless User Experience

Automation facilitates great user experience in a cost effective way

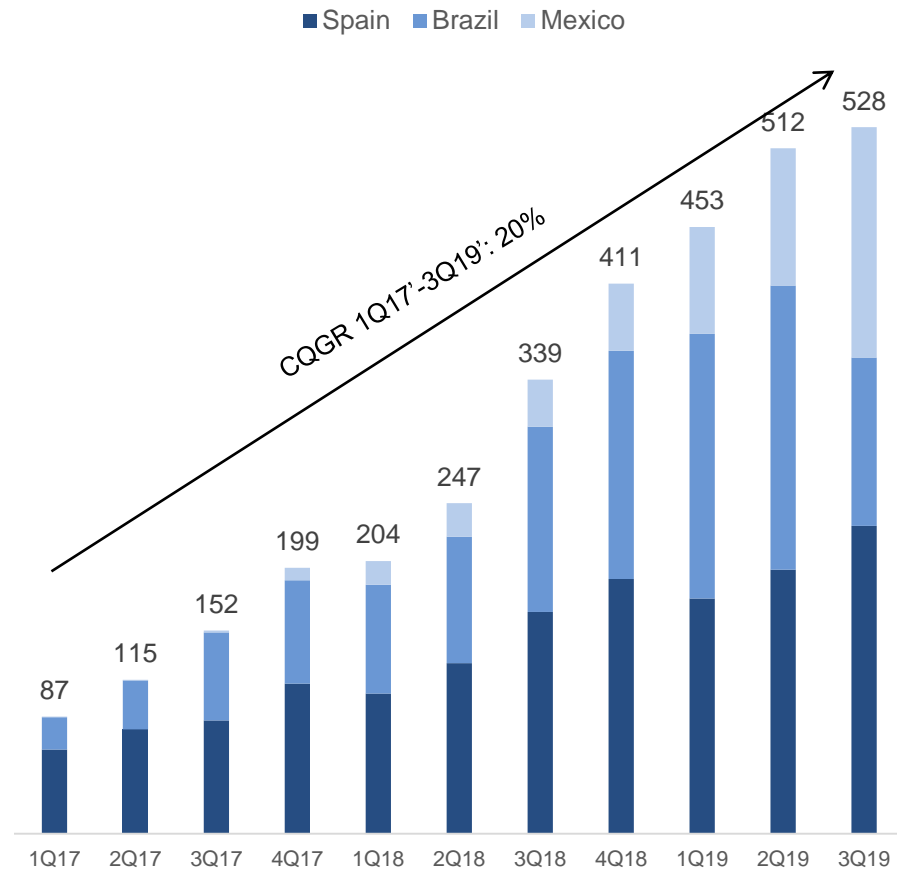
90% of customers who repaid first loan took a second one



Leading Brand In Spain and Latin America

Proven methodology for becoming highly recognized brand in very short period of time

of Brand Searches ('000)



Loyal Customer Base with 90% Retention Rate

Constantly innovating to capture and maximize customers' lifetime value

ID Finance focuses on retention of high value clients

- Products are customized to fit clients' need
- Collecting data, monitoring relationship, quickly addressing problems
- Propensity score matching based on machine learning
- Loyalty programs and bonuses
- Constantly develop and offer innovative products

Conversions to repeat clients

			
1 st loan	100%	100%	100%
2 nd loan	83%	86%	95%
3 rd loan	86%	93%	96%
4+ loans	89%	95%	98%

High retention is key for profitability

Core of Our Business – Artificial Intelligence (AI)

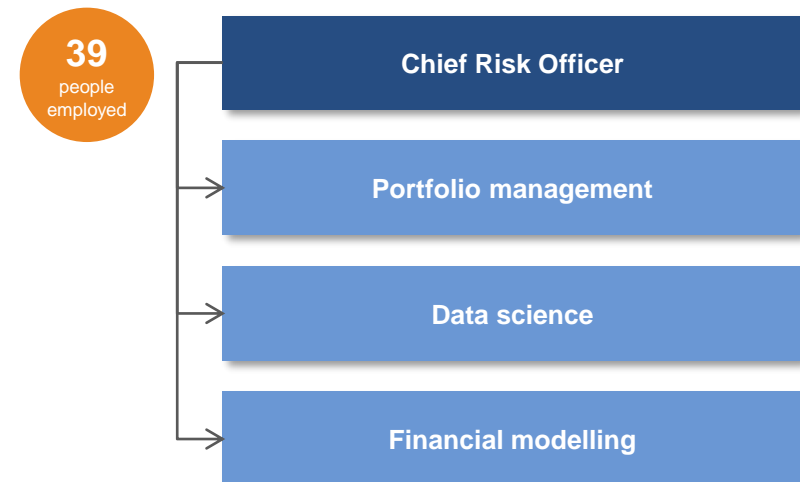
ID Finance is well positioned for global expansion

- **IT team (IDF Technology)** is a resident in Hi-Tech Park in Belarus - one of the leaders among innovative IT clusters in Europe
- **Data science team (IDF Lab)** is expert in statistics, data analysis, machine learning and related methods. A resident in Hi-Tech Park in Skolkovo (Russia)

IDF Technology: IT team



IDF Lab: Risk and Data analytics team



AI expertise

IDF Technology: State-of-the-art Proprietary IT Platform

One of the largest IT companies in Belarus

186

people
employed



Pavel Shareyko
Chief Technical Officer

- 13 years of experience in software development
- Former Lead developer at Itransition
- Graduated from Belorussian State University

IDF Lab: World's Best Practices in Risk Management and Data Science

IDF Lab controls the entire customer journey through highly efficient risk management

39

people
employed

Risk management at every step of client cycle



Proprietary scoring engine analyses data, identifies anomalies and increases risk assessment efficiency by 50%

Data driven approach

Global solutions



Local solutions



- Rating models covering life cycle
- In house Web analytics module
- Credit history consolidation
- Client card transactions information
- Application inconsistencies
- Phones information
- Device analysis and identity
- Browsing history and searches
- Service behavior information collection
- 10000+ data points collected



Ekaterina Kazak
Chief Risk Officer (CRO)

- 10+ years of work experience in risk management
- Previously worked as Head of Russia & CIS Experian Analytics
- Graduated from Moscow State University of Economics, Statistics and Informatics

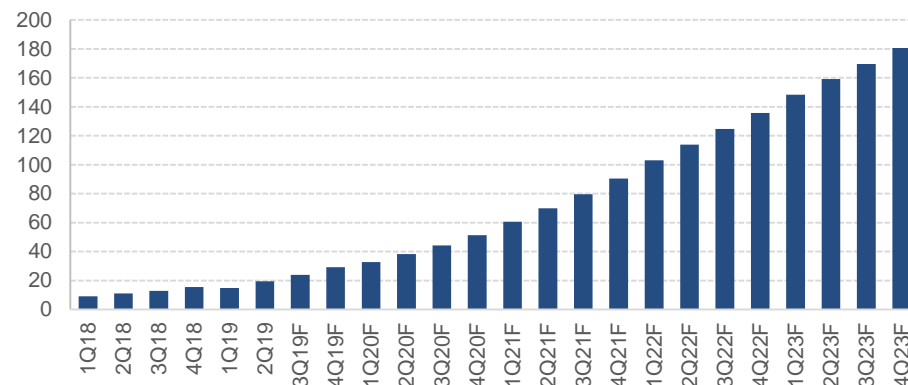
Financial Highlights: Group

Fascinating historical quarterly issuance growth of 35% in 2015-2018. Future quarterly growth rates expect to be at 13% up to 2023

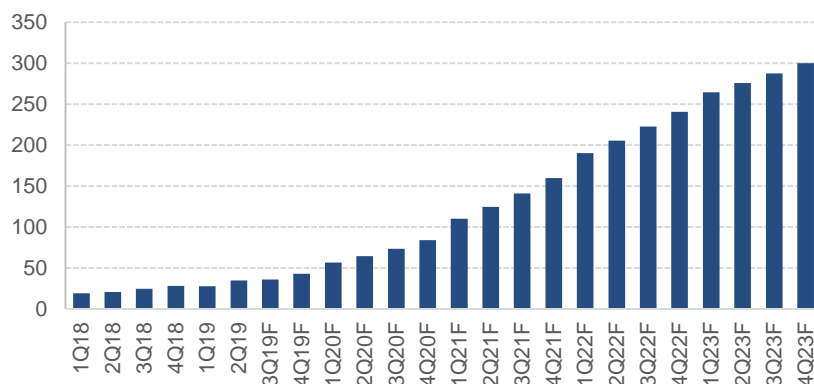
Highlights

- Annual issuance more than doubled in 2018
- Gross portfolio doubled in 2018
- We aim to reach accumulated **\$1bn loan issuances** in 2 years that will bring us to **\$300m in annual revenues**
- Net profit breakeven is expected on a group level in 2020

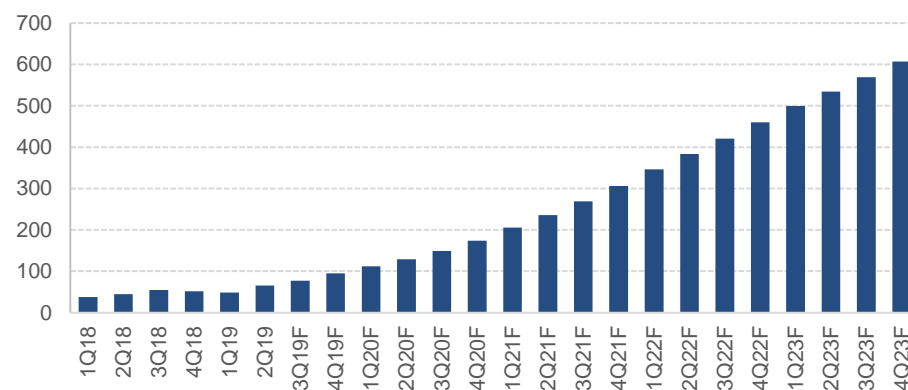
Gross Revenues (US\$ mm)



Issuance (US\$ mm)



Gross Portfolio (US\$ mm)



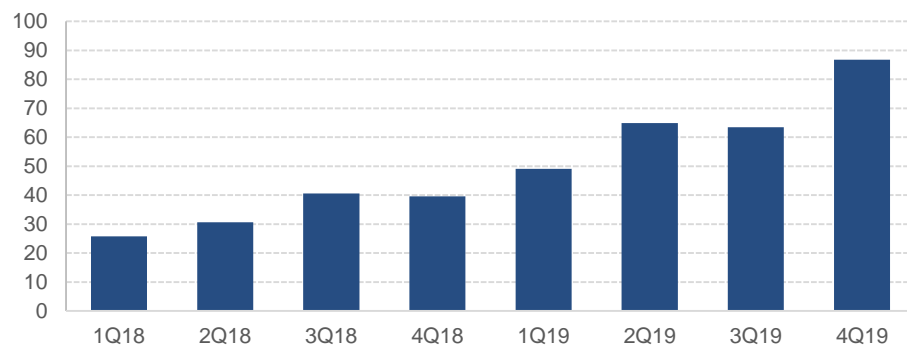
Financial Highlights: Consumer Loans On the Focused Markets

Strong improving trend in 2018-2019 is expected to continue

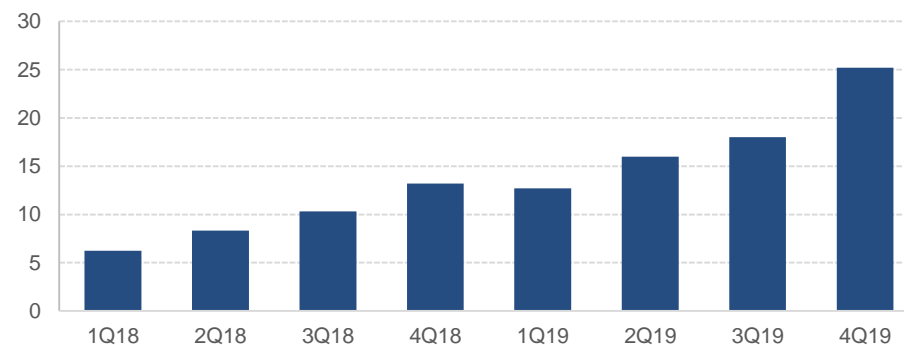
Highlights

- Both Gross Revenue and Issuance **nearly doubled** in 2019
- Profitability in Spain expected to achieve **\$4m net profit for 2019**
- **Positive unit economics** already achieved in all countries
- Operations 100% ready for scaling

Gross Portfolio (US\$ mm)¹



Revenue (US\$ mm)¹



¹ – all financials are presented for focused markets only: Spain, Brazil, Mexico

ID FINANCE

Thank you!



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