

# CREDITSTAR COMPANY PRESENTATION

MAR 2025



Private & Confidential



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**LIVE YOUR BEST  
FINANCIAL LIFE.**

Creditstar makes your life effortless with financial products tailored to you and your everyday needs.

## PROFITABLE INTERNATIONAL FINANCE BUSINESS SINCE 2006

**€ 362.7 M**

Assets as of  
31.12.2024

**+€ 74.3 M**

vs. 31.12.2023

**€ 74.6 M**

Interest income  
full year 2024

**+€ 11.5 M**

vs. full year 2023

**€ 13.0 M**

Net profit  
full year 2024

**+€ 4.7 M**

vs. full year 2023

**€ 72.6 M**

Total equity as of  
31.12.2024

**+€ 14.4 M**

vs. 31.12.2023

**17 thousand**

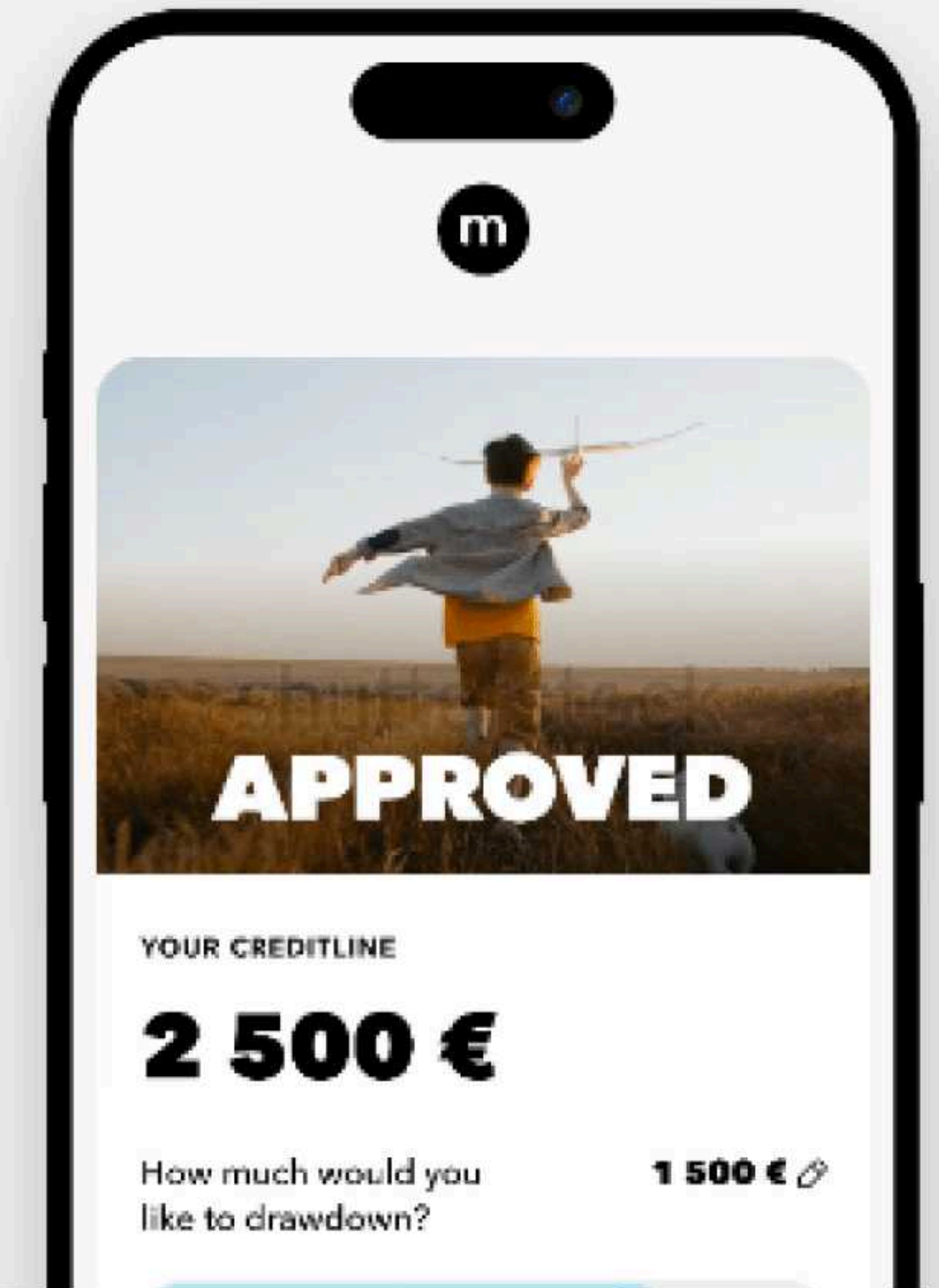
SmartSaver investors  
as of 31.12.2024

**+10 TH**

vs. 31.12.2023

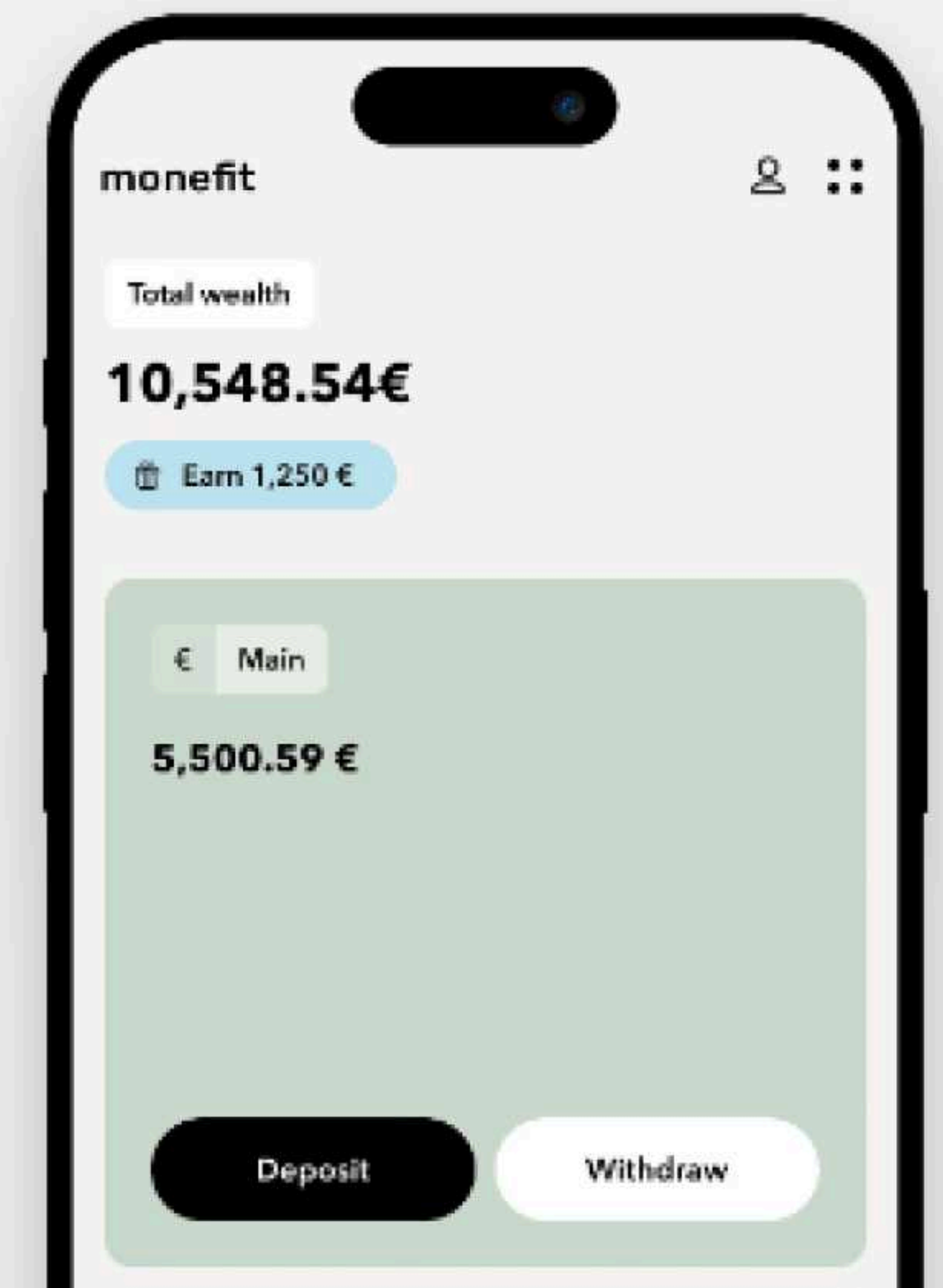
## CREDIT

Access up to 10,000 EUR through our flexible credit line over 58+ months or opt for a fixed-term loan of up to 36 months.



## INVESTMENT

P2P investment product offering fixed returns of 7.25% to 10.52 % APY.



## CREDITSTAR IS A LEADING INTERNATIONAL DIGITAL CONSUMER FINANCE COMPANY

Creditstar is well-positioned for substantial growth over the next five years, driven by strong competitive advantages that are difficult for newcomers to replicate.

Creditstar excels in performance, profitability, and innovation, setting industry benchmarks in Banking and FinTech.

- Seasoned team
- Proven traction
- Efficient operation
- Substantial demand
- International experience
- Compliance & Reg expertise
- State of the art technology
- Scalable business model



120+ team members from 30+ countries

## INTERNATIONAL EXPANSION

The Company is actively seeking new markets and has identified multiple new markets to expand into.

2006



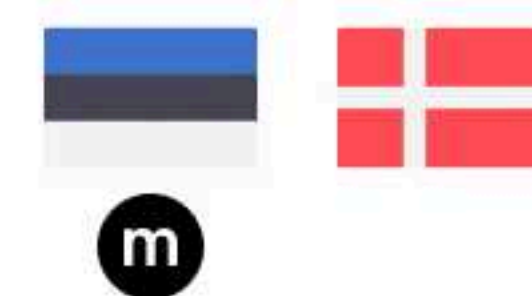
2010-2011



2015-2016



2017-2019



2021-2022



2024



Credit product launched under Monefit brand

SmartSaver

Investment product launched under Monefit brand in EEA & Switzerland

## INTERNATIONAL RECOGNITION

Creditstar has earned global recognition for its excellence in financial services, innovation, and business growth. With various industry awards and accolades, the company continues to set high standards in Banking and FinTech. These achievements reflect our commitment to technological advancement, diversity, and workplace excellence.



## KEY TAKEAWAYS FROM LATEST FINANCIAL RESULTS

### Loan portfolio

- **Net portfolio growth** reached 25.9% in 2024, highlighting our focus on long-term credit. **Revenue grew** by 18.2%, driven by our focus on higher-quality customers.
- The increase in loan portfolio was driven by **higher lending volumes** in our key markets.
- **The improved loan impairment ratio** (2.9% at year-end 2024 vs. 3.4% in 2023) reflects strengthening portfolio quality.

### Interest income and profit

- **Interest income growth** in 2024 (18.2%) accelerated compared to the previous year (6.4%).
- Growth was driven by **increased lending**, supported by **strengthened funding** that supports our expansion.
- **Net profit (€13.0 M) and net profit margin (17.4%) in 2024** improved from 2023 (€8.3 M and 13.2%), reflecting our strategic focus on higher-quality customers.

### Expenses

- **Interest expense on borrowings** rose from €31.5 M in 2023 to €36.0 M in 2024, though the Company has successfully **lowered the average cost of capital** and positioned itself for further reductions.
- **Operating expenses** saw a moderate increase from €10.3 M in 2023 to €11.1 M in 2024.
- **Wages and salaries** experienced a slight rise from €3.9 M in 2023 to €4.0 M in 2024.

## ACHIEVEMENTS IN 2024

Successful fundraising,  
strategic and innovative  
product expansion,  
engaging and inclusive culture.

### Financial developments

- Creditstar successfully **achieved key funding goals in 2024**, strengthening our financial position.
- **We raised substantial funds** through bond issuances, enhancing our financial flexibility and ability to scale.
- **We established important partnerships**, including a private credit investment platform based in Singapore, further expanding our reach to family offices, funds, and accredited investors and enhancing our financial capabilities.
- These efforts have **strengthened our access to global investors**, creating new opportunities to align our financing strategy with long-term objectives.

### Product developments

- 2024 witnessed remarkable **advancements in product offerings and market expansion**.
- Notably, **SmartSaver surpassed €100M in incoming investments**, underscoring its growing appeal to customers.
- We also **launched subscription-based credit solutions** in Spain, offering flexible pricing and competitive rates tailored to diverse customer needs.
- **Our dedication to enhancing credit and investment solutions** highlight our commitment to innovation, ensuring we meet evolving market demands effectively.

### Organisational developments

- **Our focus on people and culture** continued to drive engagement and strengthen our foundation in 2024.
- **Our efforts were recognised with awards** such as the "Health Promoting Employer" label and the "Respecting Differences" award.
- **We unified our customer support platforms**, significantly reducing wait times and improving customer satisfaction. This initiative reflects our dedication to providing exceptional service while streamlining processes.
- **Additionally, we expanded our team** with specialists in marketing, data analysis, and engineering, positioning us for further market growth and deeper local relationships.

## ACHIEVING BUSINESS EXCELLENCE THROUGH DATA ANALYTICS

### Data driven decisions

Creditstar uses and develops scoring models based on thousands of data points to assess credit risk.

### Real time

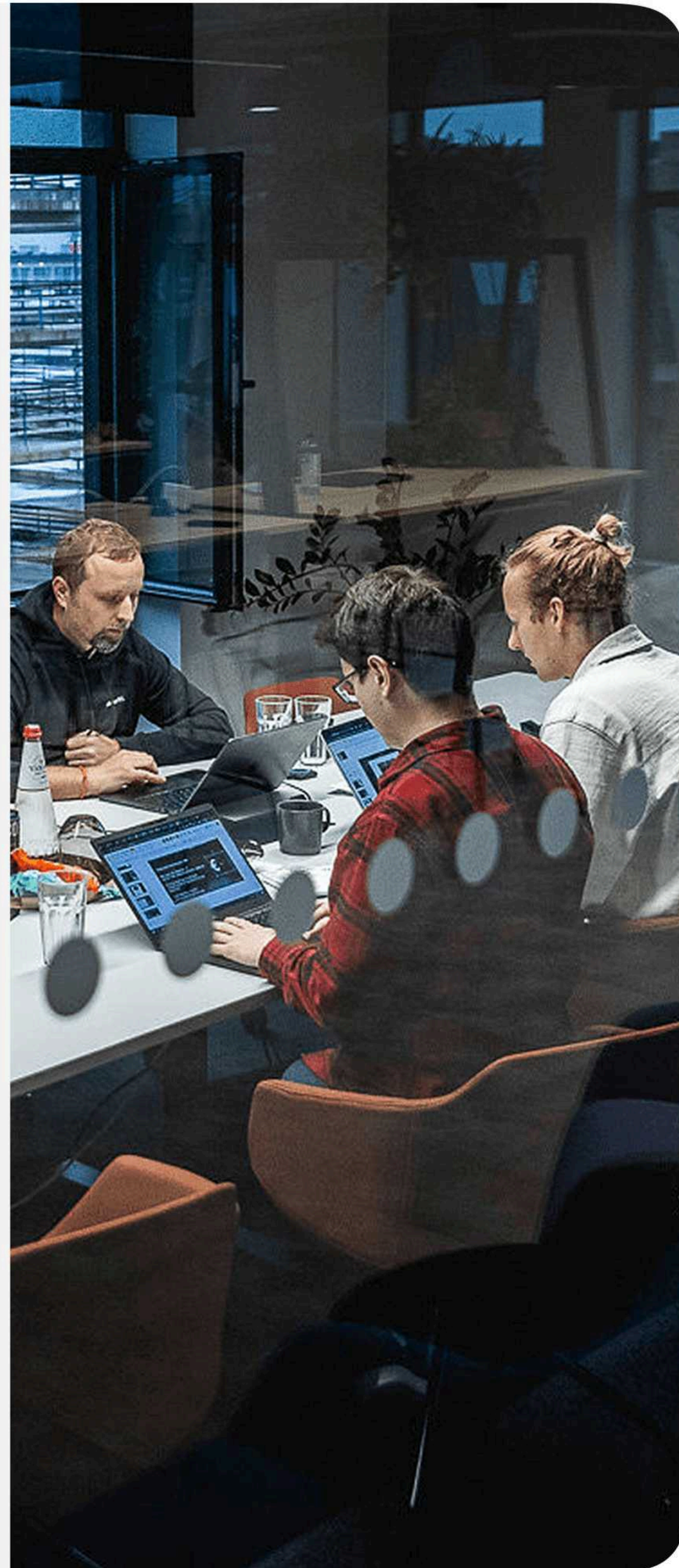
Even with extensive data analysis, credit scoring and underwriting analytics are processed instantly.

### Automated processes

Advanced statistical and machine learning models make lending decisions, detect fraud, and expand the customer base more effectively.

### Optimisation

Reporting, marketing optimisation and customer segmentation analytics.

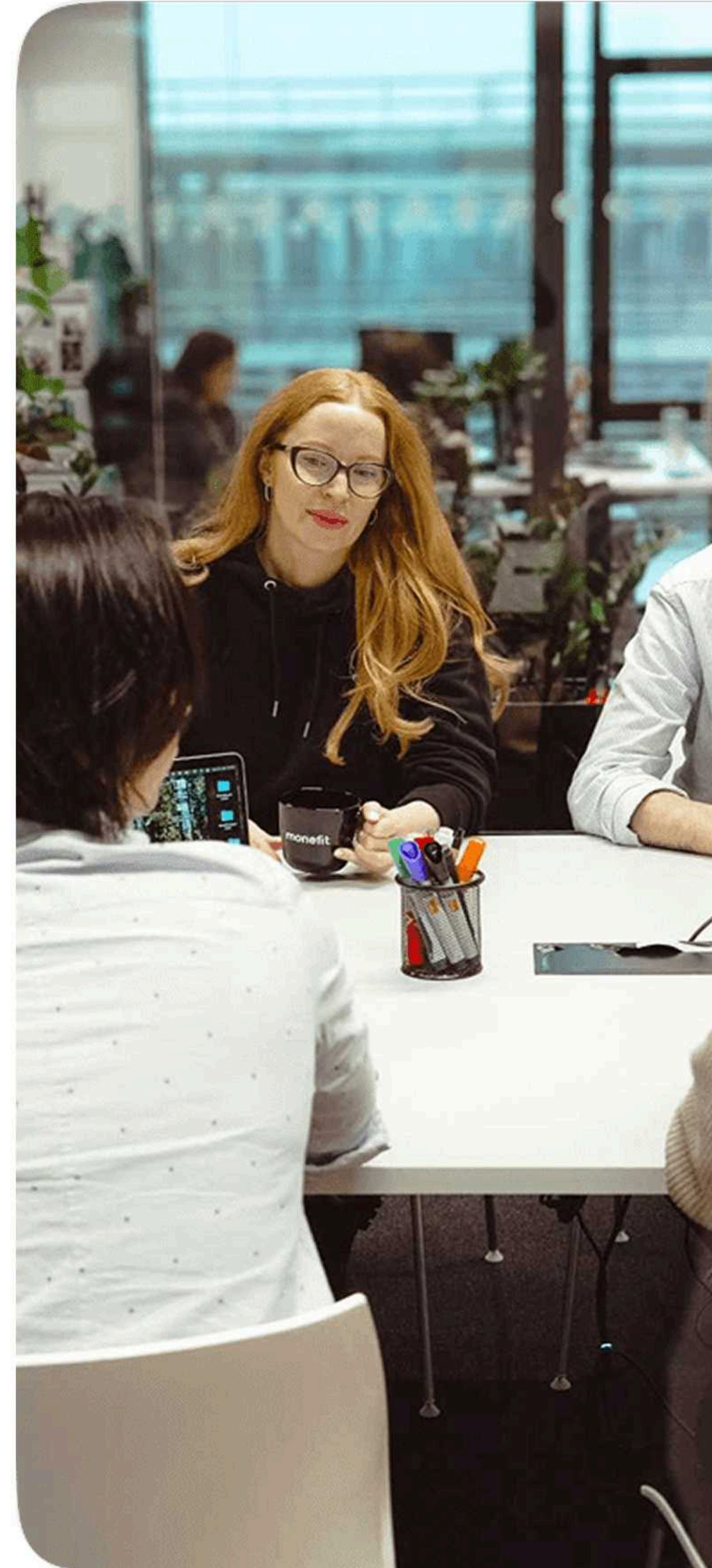


### Data-driven competitive advantage

- Creditstar pursues data and analytics to build a competitive advantage and improve the customer experience, loan underwriting and scoring.
- The Company can analyse large volumes of data. This has resulted in improved marketing methods which can accommodate growth in current target markets and further international expansion.
- Scoring models reduce credit losses and increase revenue by expanding the client base. In addition, such a unified credit scoring model also provides an advantage when entering new markets.



## ADVANCED MARKETING TECHNOLOGIES AND AUTOMATION HELP US LEARN & IMPROVE QUICKLY



### Aquisition strategies

Based on growth phases, brand awareness and market particularities.

Digital channel mix  
Offline add-on  
Targeted messaging

### Retention strategies

Based on lifecycle stages, powered by data analytics and machine learning.

Direct marketing  
Various channel mix  
Customer segmentation

### Marketing execution

In-house team of area specialists  
+ agencies in different countries.

In house core expertise  
Local sourced insights  
Agency add-on

### Marketing analytics

360 degree customer view across the entire usage lifecycle.

KPI reporting  
Cohort analysis

**WE ARE  
REGULATED /  
MEET LICENSING  
REQUIREMENTS IN  
8 EUROPEAN  
MARKETS.**



Under supervision as a  
consumer credit lender  
(Creditor) by Estonian  
Financial  
Supervisory Authority  
Finantsinspeksioon

 ESTONIA



Under supervision as a  
consumer credit provider by  
the Financial Supervisory  
Authority (FIN-FSA)

 FINLAND



Authorised and regulated  
by the Financial Conduct  
Authority under  
registration  
number 675392

 UNITED KINGDOM



Registered as a loan  
institution in the Polish  
Financial Supervision  
Authority

 POLAND



Authorised and Regulated  
as a consumer credit  
company by the Swedish  
Financial Supervisory  
Authority  
Finansinspektionen

 SWEDEN



Under supervision as a  
non-bank consumer credit  
provider by Czech National  
Bank under identification  
number 24247936

 CZECH REPUBLIC




Licensed as a consumer  
loan company in Denmark  
by the Danish Financial  
Supervisory Authority

 DENMARK



No license required by the  
legislation. Following the  
best practices and  
cooperating with the  
Financial Intelligence Unit

 SPAIN

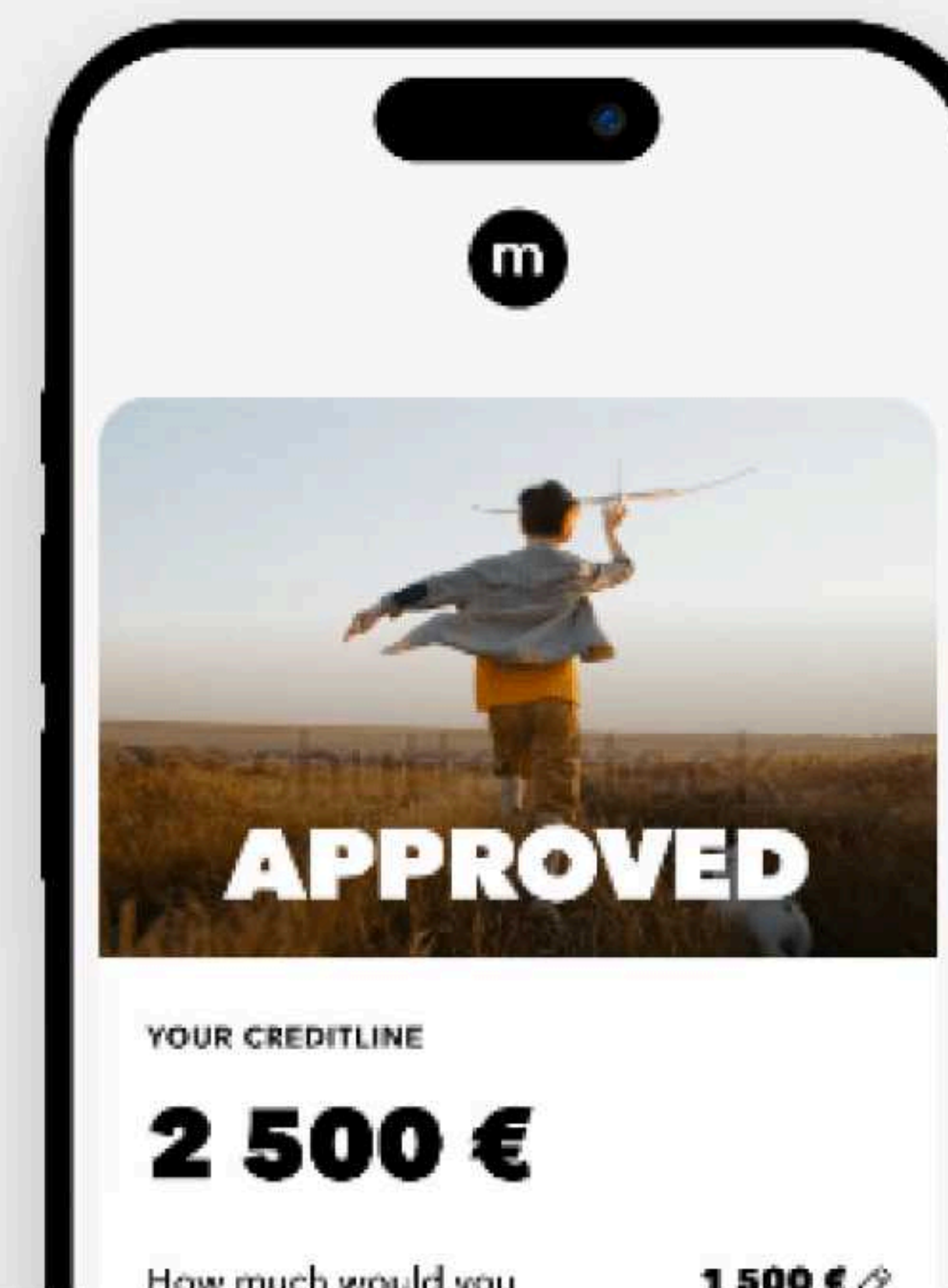
## DELIVERING SEAMLESS FINANCIAL SERVICES ACROSS 32 COUNTRIES<sup>1</sup>

Our products are designed for a quick, easy, and seamless experience on all devices, helping everyone achieve their best financial life.

### CREDIT

Access up to 10,000 EUR through our flexible credit line for over 58+ months or opt for a fixed-term loan of up to 36 months. Both options offer fair and transparent pricing and the convenience of postponing payments for 30 days and flexible repayment plans.

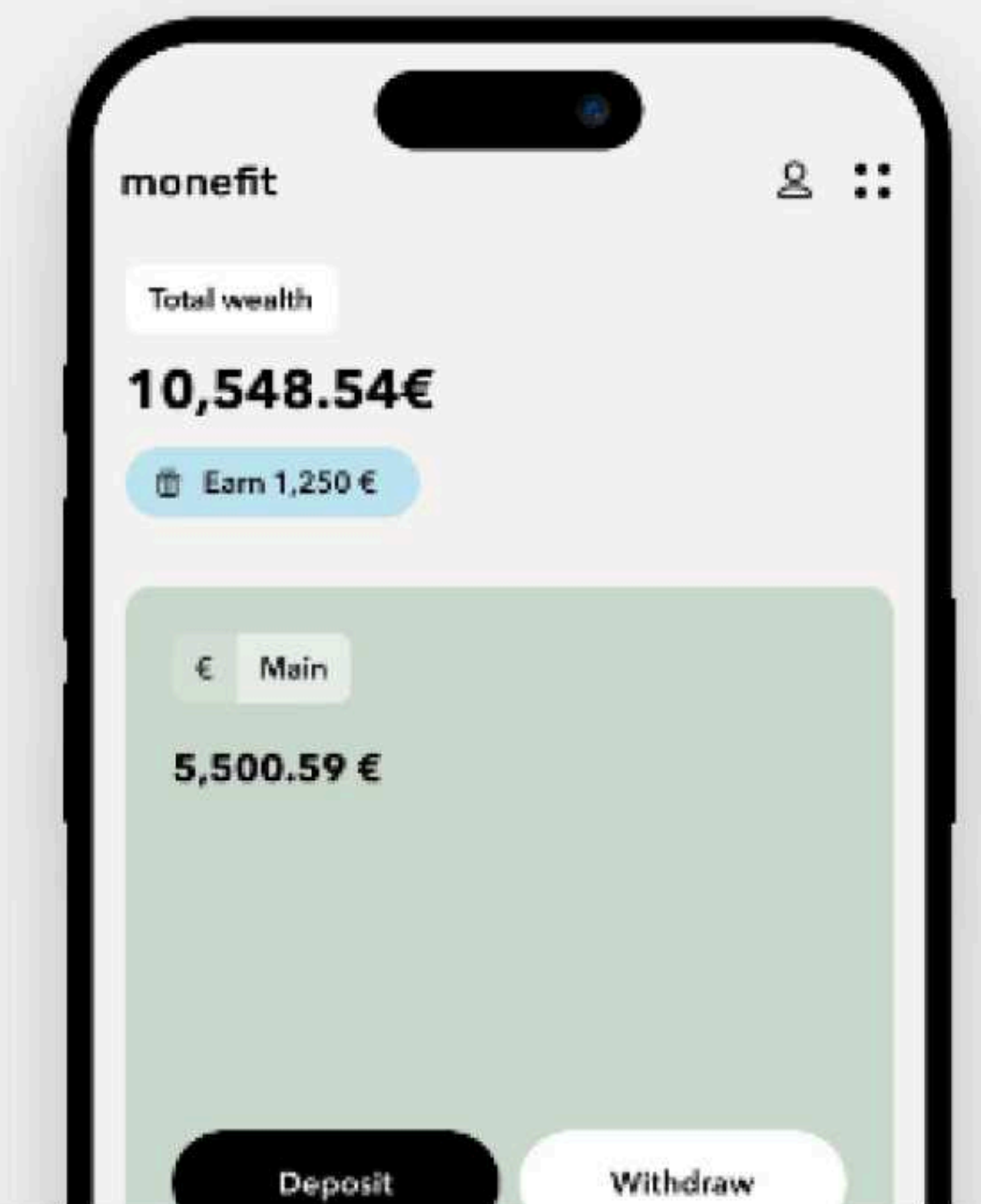
- Easy access
- Suitable for various lifestyle needs
- Attractive pricing
- Favourable repayments
- Faster service



### INVESTMENT

P2P investment product offering fixed returns from 7.25% to 10.52% APY. Investors worldwide can benefit from daily interest payments and convenient access, making it ideal for anyone looking to save money, earn extra income, and reach their financial goals faster.

- Easy access
- High yield return
- No fees or hidden cost
- Low barrier to entry
- Invest up to €500 thousand



<sup>1</sup> Credit product is available in 8 European markets. Investment product in 31 European Economic Area markets and Switzerland.

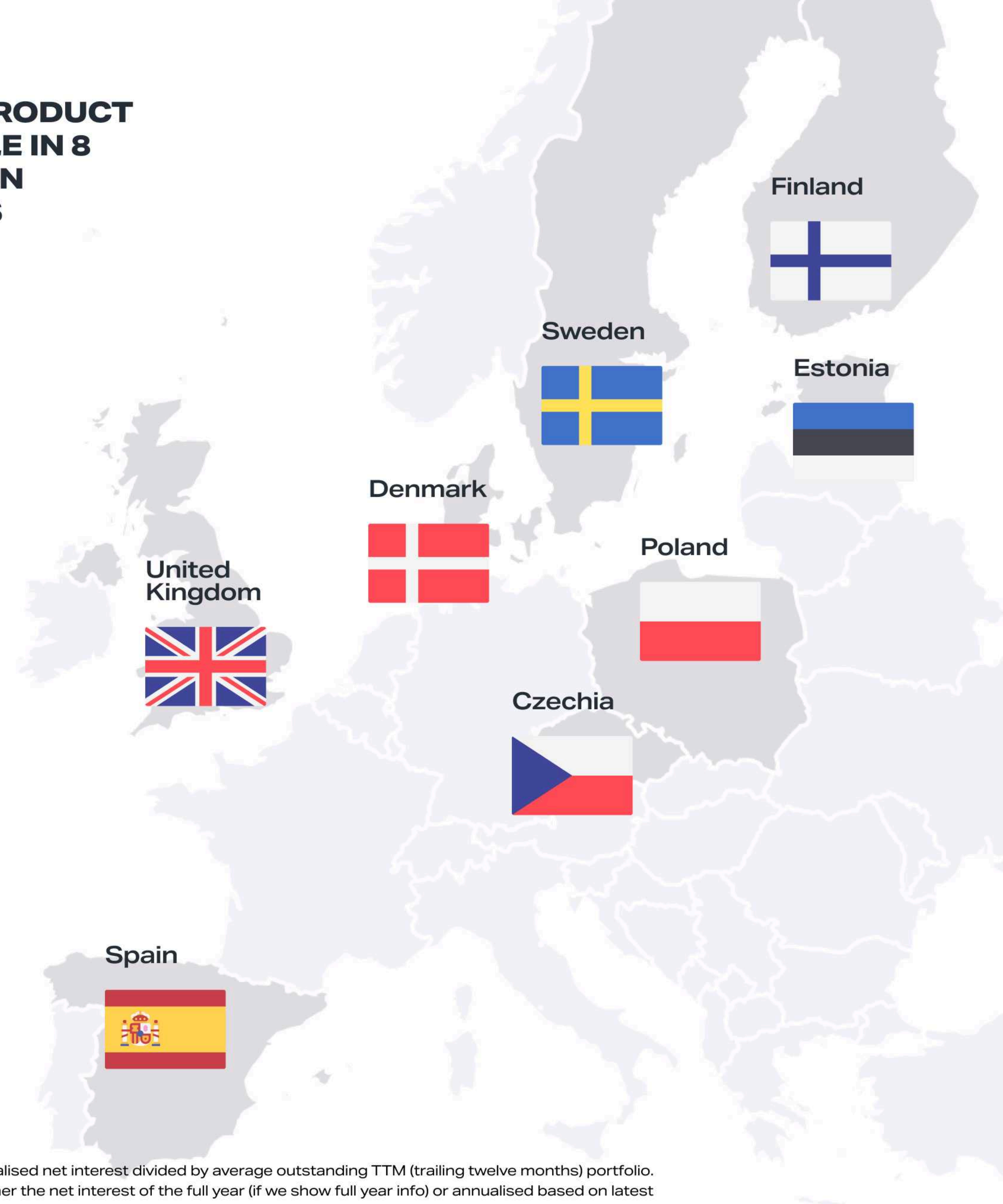
## CREDIT PRODUCT AT GLANCE

<p><b>€ 347.7 M</b></p> <p>Net loan portfolio as of 31.12.2024</p>	<p><b>+€ 71.6 M</b></p> <p>vs. 31.12.2023</p>
<p><b>€ 74.6 M</b></p> <p>Interest income full year 2024</p>	<p><b>+€ 11.5 M</b></p> <p>vs. full year 2023</p>
<p><b>12.4%</b></p> <p>Net interest margin<sup>1</sup> full year 2024</p>	<p><b>12.6%</b></p> <p>vs. full year 2023</p>
<p><b>CAGR</b></p> <p>Size of loan portfolio</p>	<p><b>21%</b></p> <p>since 2019</p>
<p><b>1.42 M</b></p> <p>Registered users as of 31.12.2024</p>	<p><b>+110 TH</b></p> <p>vs. 31.12.2023</p>

LARGEST MARKETS BY PORTFOLIO SIZE



## CREDIT PRODUCT AVAILABLE IN 8 EUROPEAN MARKETS



<sup>1</sup> Net interest margin = Annualised net interest divided by average outstanding TTM (trailing twelve months) portfolio. Annualised net interest is either the net interest of the full year (if we show full year info) or annualised based on latest quarterly info (if we show an interim TTM info).



## OUR CREDIT CUSTOMERS STRADDLE BOTH THE PRIME AND NEAR-PRIME GROUPS

### Available at the time of need

Direct / aggregated digital channels.

### Customer trust & love our services

Dedicated multi-lingual staff. Appraised customer service quality.

### Favourable repayments

Various add-ons to support customers during repayment.

### Attractive products for various lifestyle needs

Free cash advance, long term loans, revolving credit lines, growth products.

#### Instalment Loan clients

Larger purchase

Travel

Consumer goods

Renovation

They enjoy planning and budgeting, avoid impulsive buying and want to understand their commitment.

#### Revolving Credit clients

Hobbies

Travel

Sports

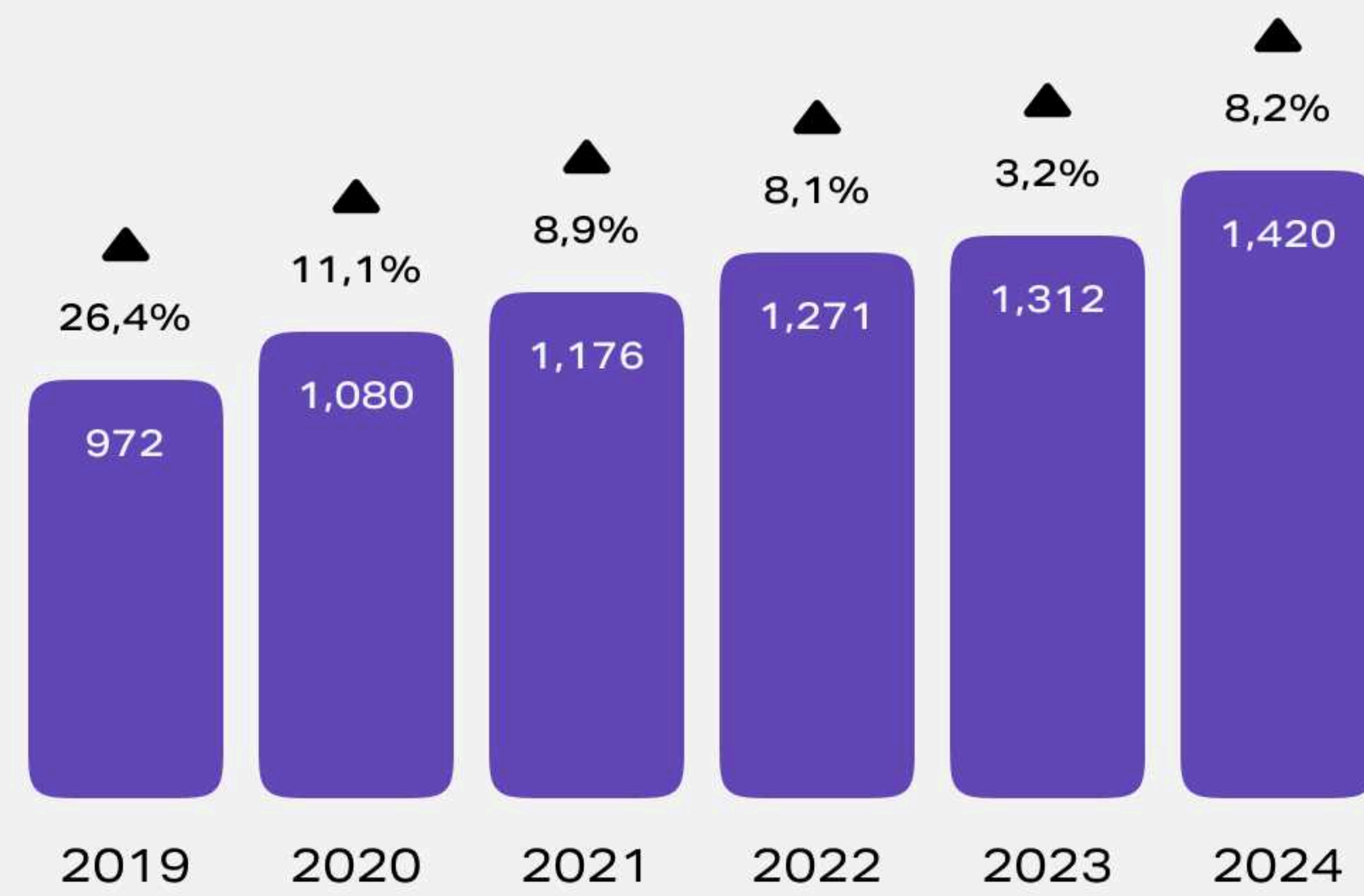
Lifestyle purchases

They want to prepare for unexpected expenses and don't want a new borrowing process every time.

# CREDIT PRODUCT TRACK RECORD

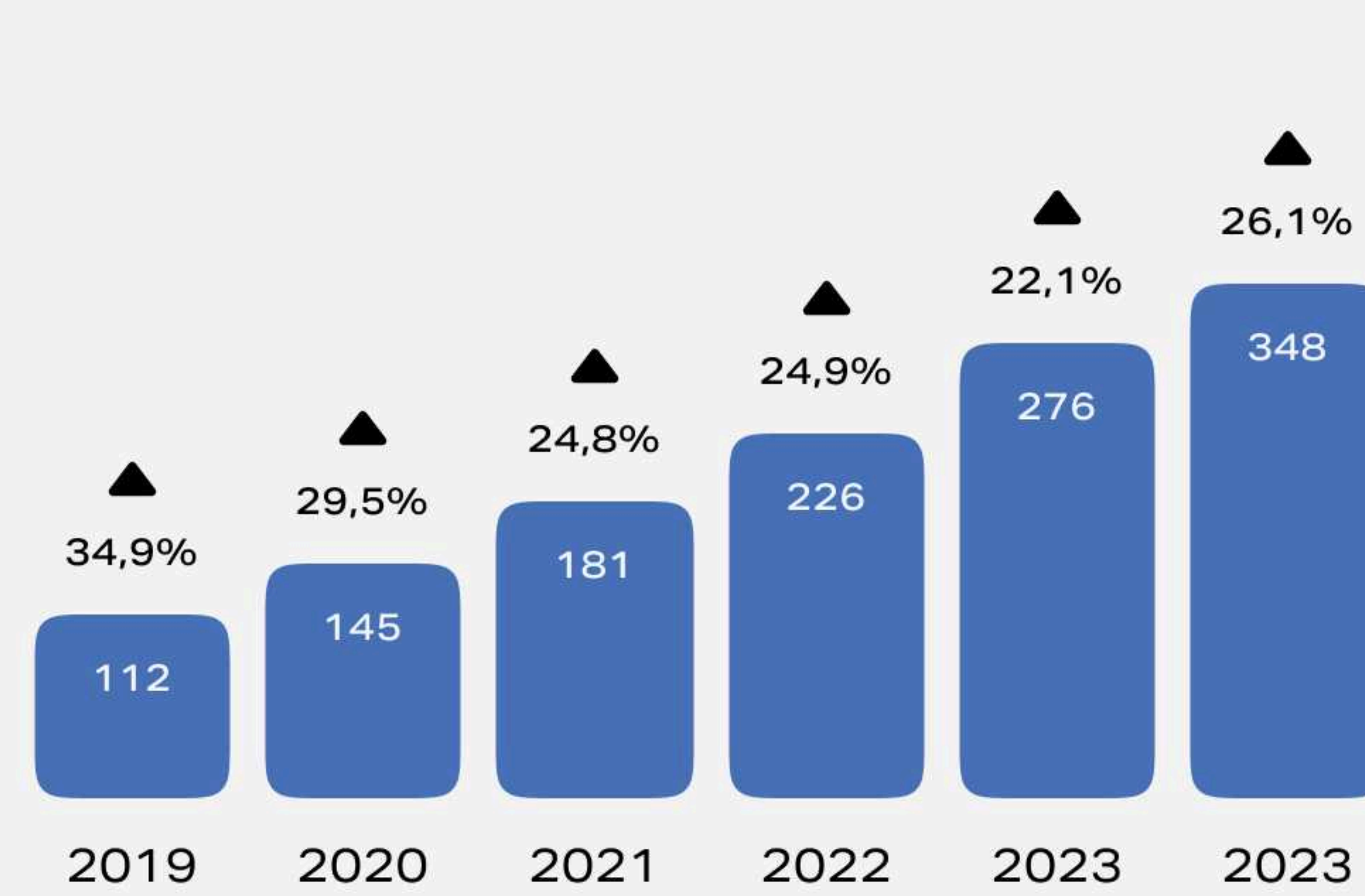
## CUSTOMERS

- Total number of registered users, TH
- ▲ Growth, y-o-y



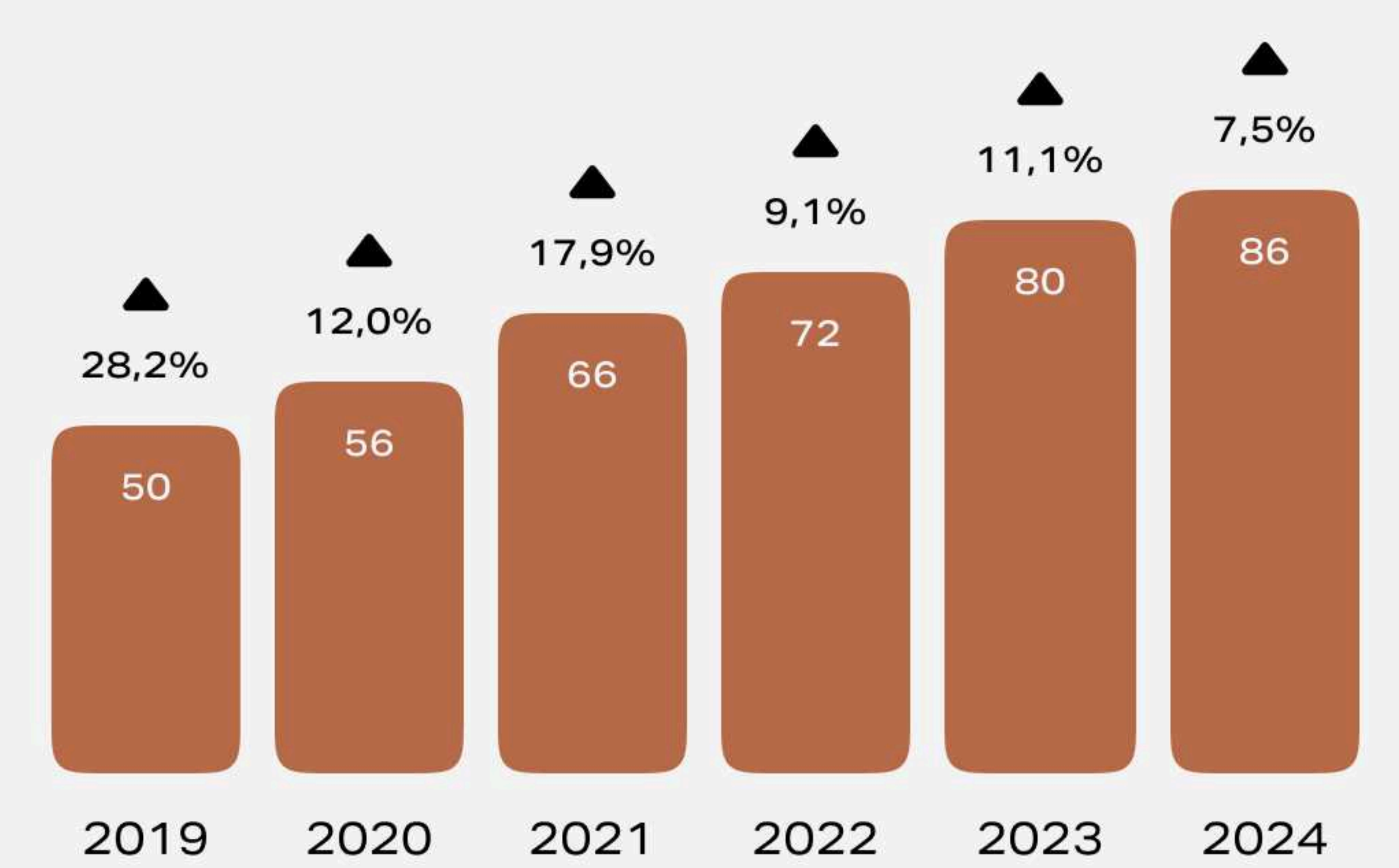
## LOAN PORTFOLIO

- Loan portfolio after provisions, M EUR
- ▲ Growth, y-o-y



## CREDITSTAR IN THE CAPITAL MARKETS

- Amount of bonds outstanding, M EUR
- ▲ Growth, y-o-y



# PORTFOLIO PERFORMANCE

Strong financial output across the years.

Creditstar has demonstrated resilient growth during different economic cycles.

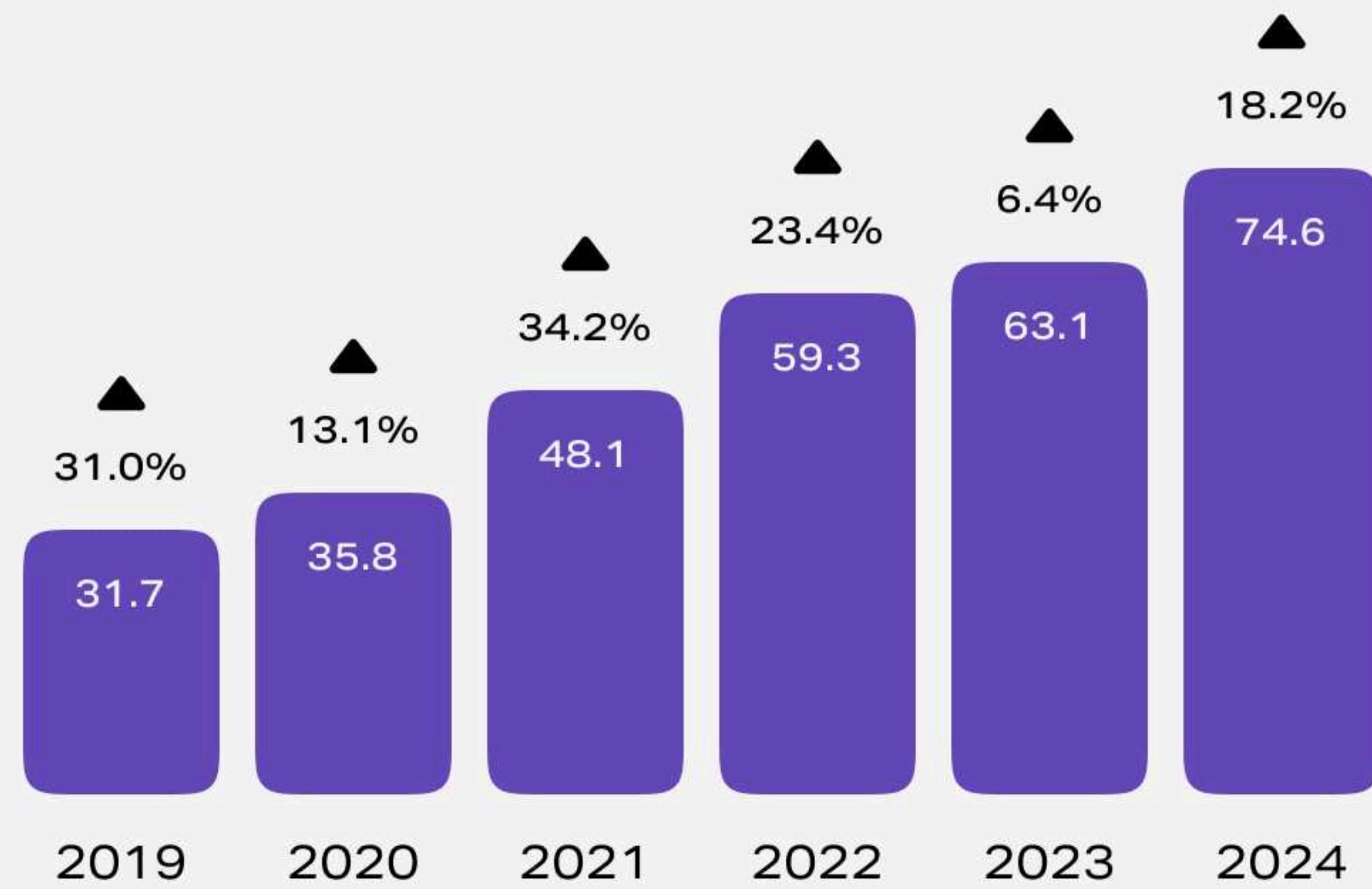
Creditstar Group's auditor from 2020 is KPMG.



## CONTINUOUS GROWTH OF REVENUE

Total number of registered users, TH

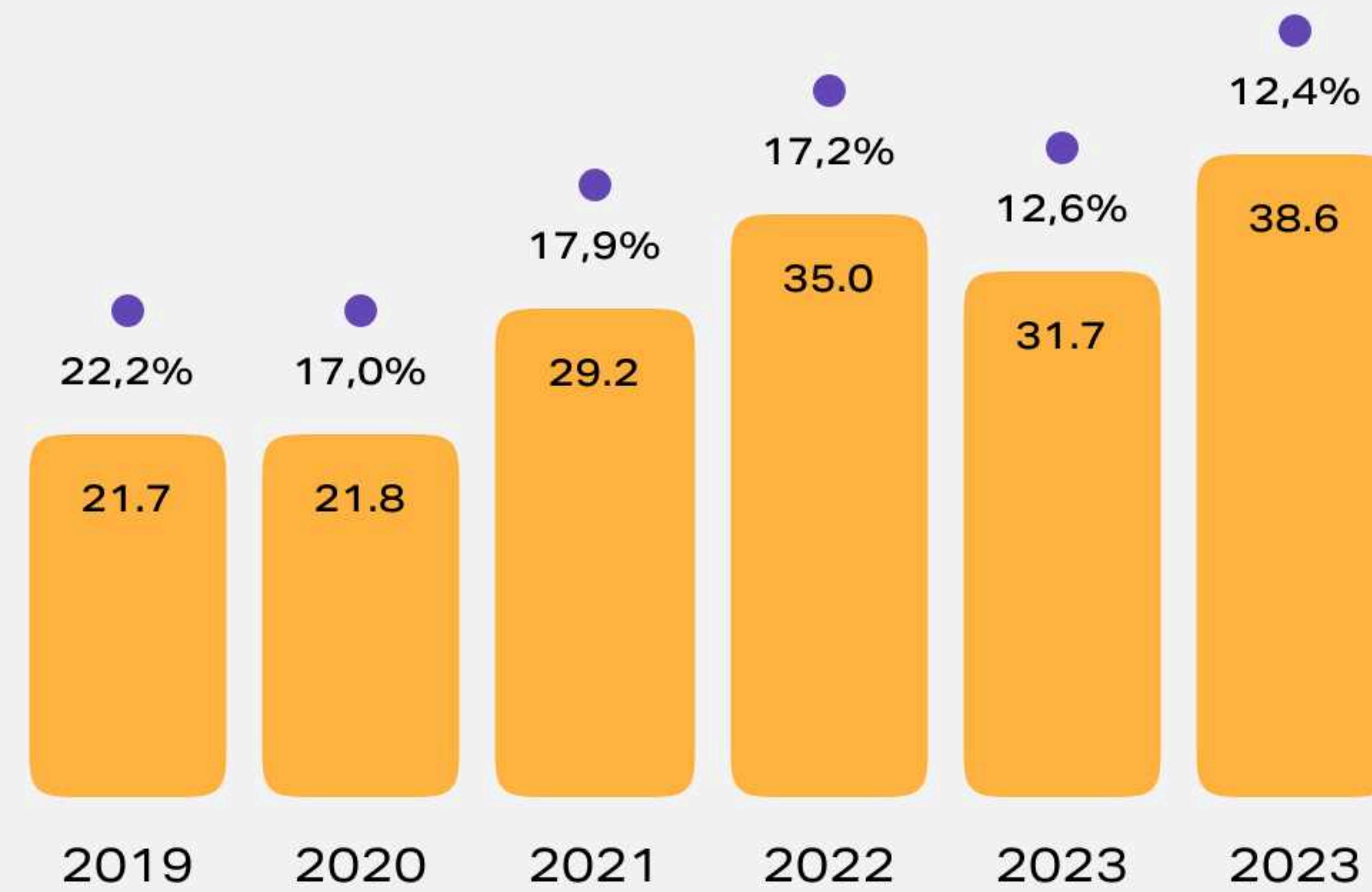
- Interest income, EUR M
- ▲ Interest income growth, y-o-y



## LOAN PORTFOLIO

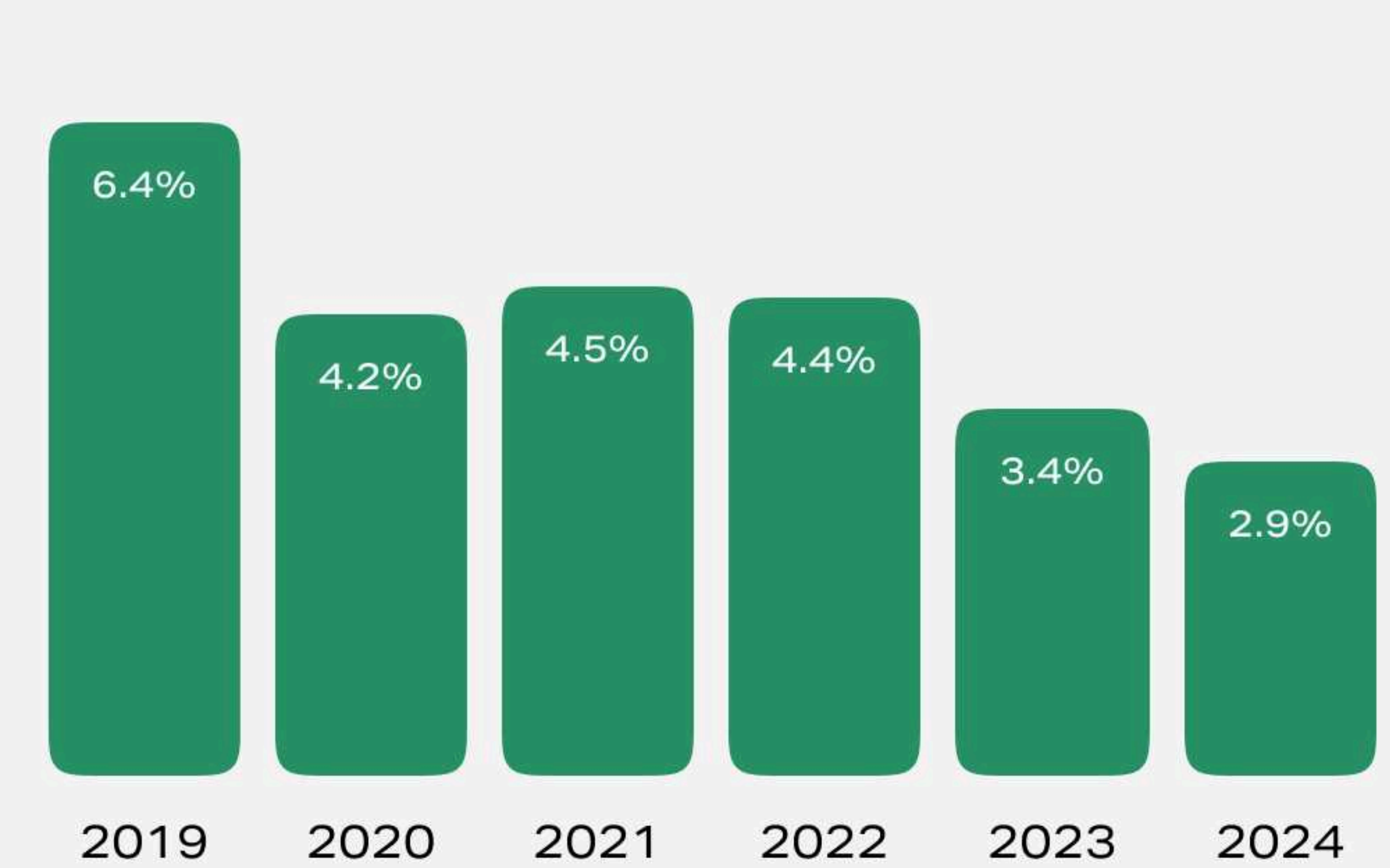
Loan portfolio after provisions, M EUR

- Net interest income EUR M
- Annualised (TTM) net interest margin, %



## IMPROVING PORTFOLIO QUALITY

Annualised (TTM) impairment charges / average loan portfolio, %



## MAINTAINING EXCELLENT PORTFOLIO QUALITY

The overall credit quality of the portfolio has strengthened over the past year and remains robust.

### Loan characteristics

- All loans to customers are unsecured loans to private individuals with amounts ranging from 40 to 10 000 euros.
- Loans are issued with a repayment date up to 54 months.
- Receivables with a significant breach of repayment terms are handled by collection agency. All loans to customers are considered to have similar risk characteristics.
- The balance sheet also includes receivables claimed based on court rulings in favour of the Group and are being collected mainly by court bailiffs.

### Non-performing loans

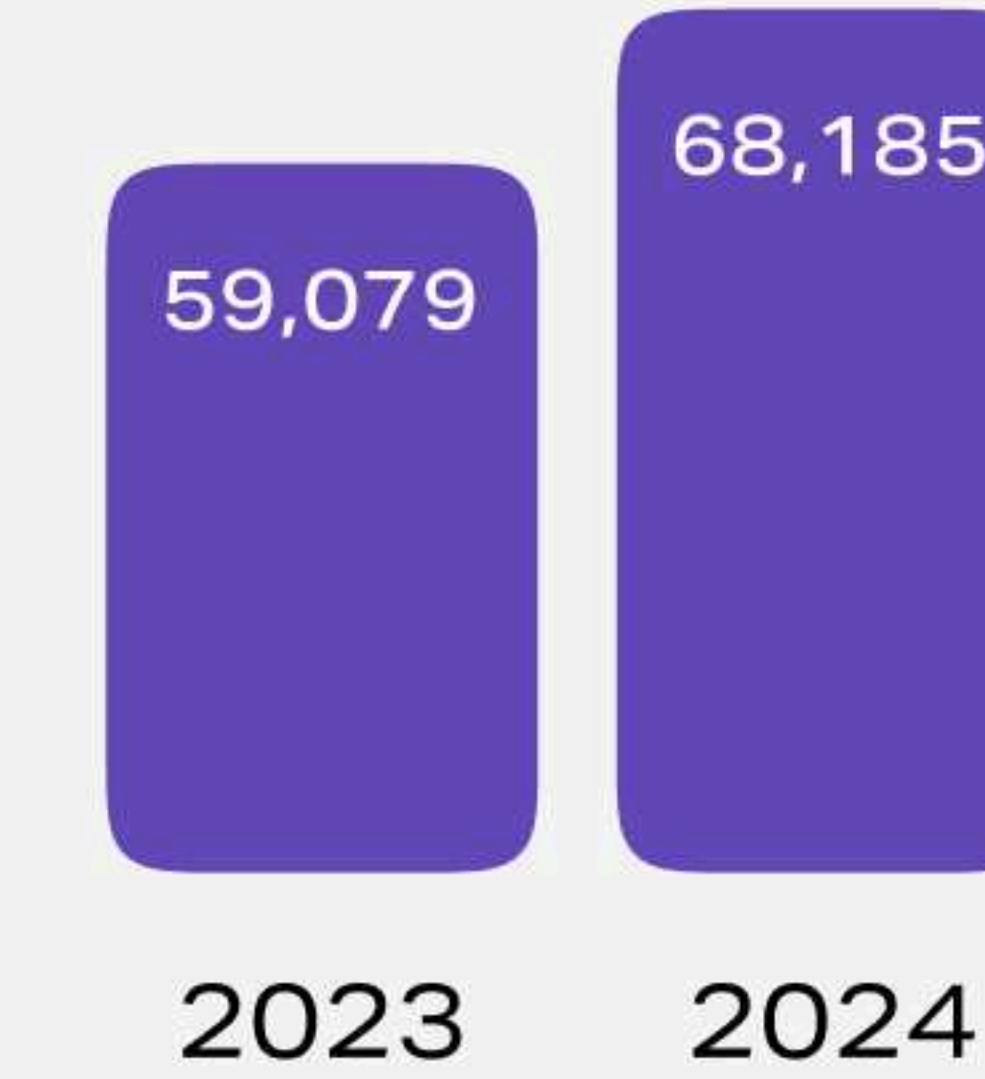
- The majority of the non-performing loans have been recoverable – the small size of the loans has helped keep recovery rates at high levels.
- Loans that fail to comply with the initial or extended payment schedule are recovered through internal collection efforts or with the help of an external debt collection service or bailiffs.
- Only a minor part of the loans have not been recoverable due to several reasons, e.g. bankruptcy, death, fraud.

## END OF YEAR DATA (IN THOUSANDS EUROS)

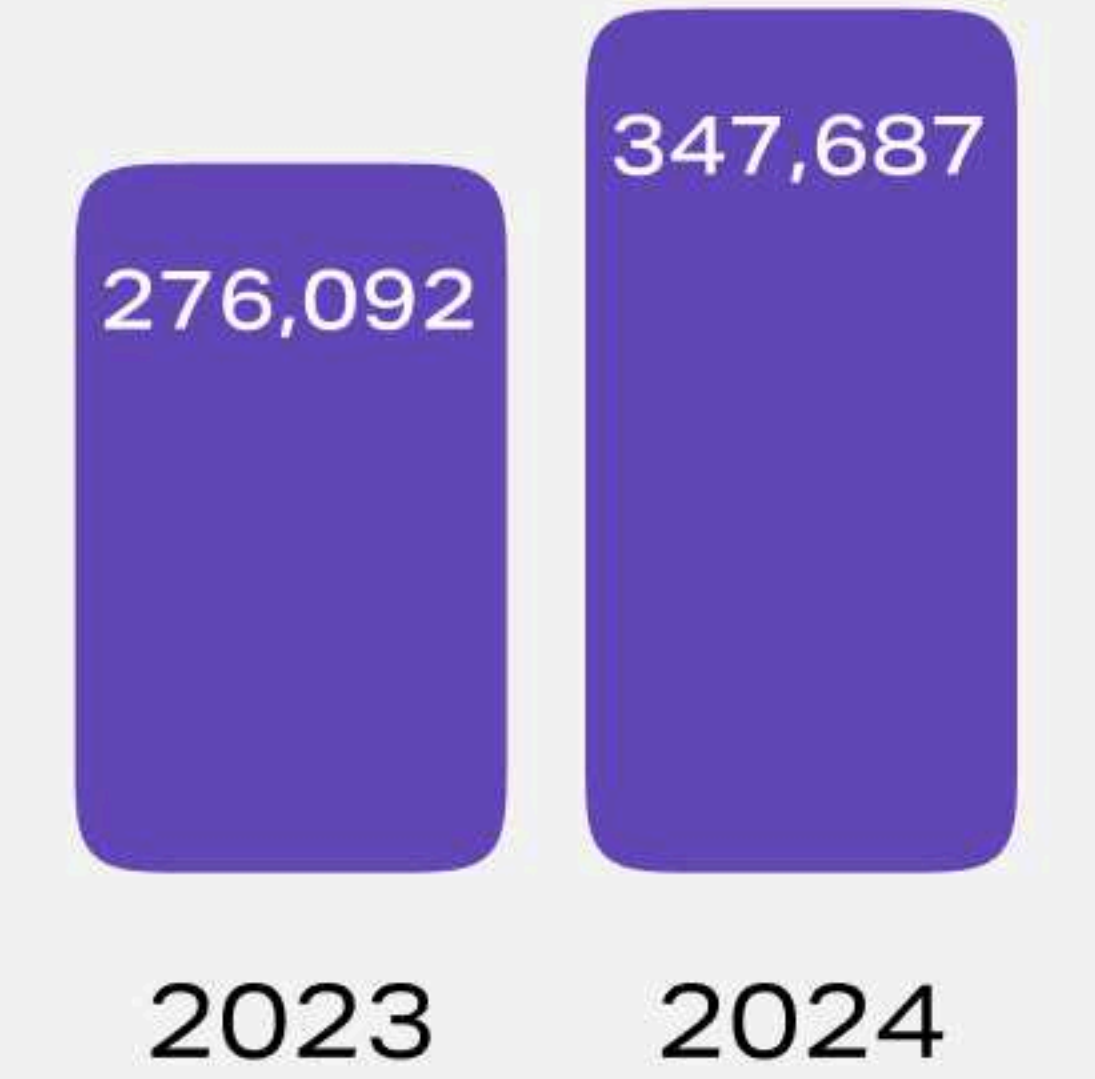
Gross loan portfolio



Loan impairment allowance



Net loan portfolio



Net portfolio: maturity up to 12 months



Net portfolio: maturity 13-54 months



Source: Company's data



## **STRONG UNDERWRITING, PORTFOLIO MONITORING AND SEAMLESS COLLECTION OPERATIONS**

We pride ourselves on delivering customer value through seamless lending operations while maintaining unit economics. Our operational excellence produces attractive repayment results and favourable pricing while offloading non-performing loans.

### Responsible lending

We follow a responsible lending policy in all markets. The policy includes thorough background checks for all loan applicants, the rejection of applicants with previous loan repayment issues and providing applicants with simple agreements. Product marketing and communications also highlight responsible consumer borrowing.

#### **Verification & Decisioning**

Online  
identification

User information  
collecting

Statistical scoring  
model

Contract and digital  
signing

Process  
completion

#### **Repayments & Collection**

Automated invoice  
& repayment plans

Automated  
reminders

Manual contact  
for repayments

Payment  
reconciliation

Self-service  
client portal

#### **Billing Tools**

Principle &  
interest payments

Pre-collection  
process

Agency  
collection after

Court  
proceeding

Offloading  
non-performing loans

## INVESTMENT PRODUCT AT GLANCE

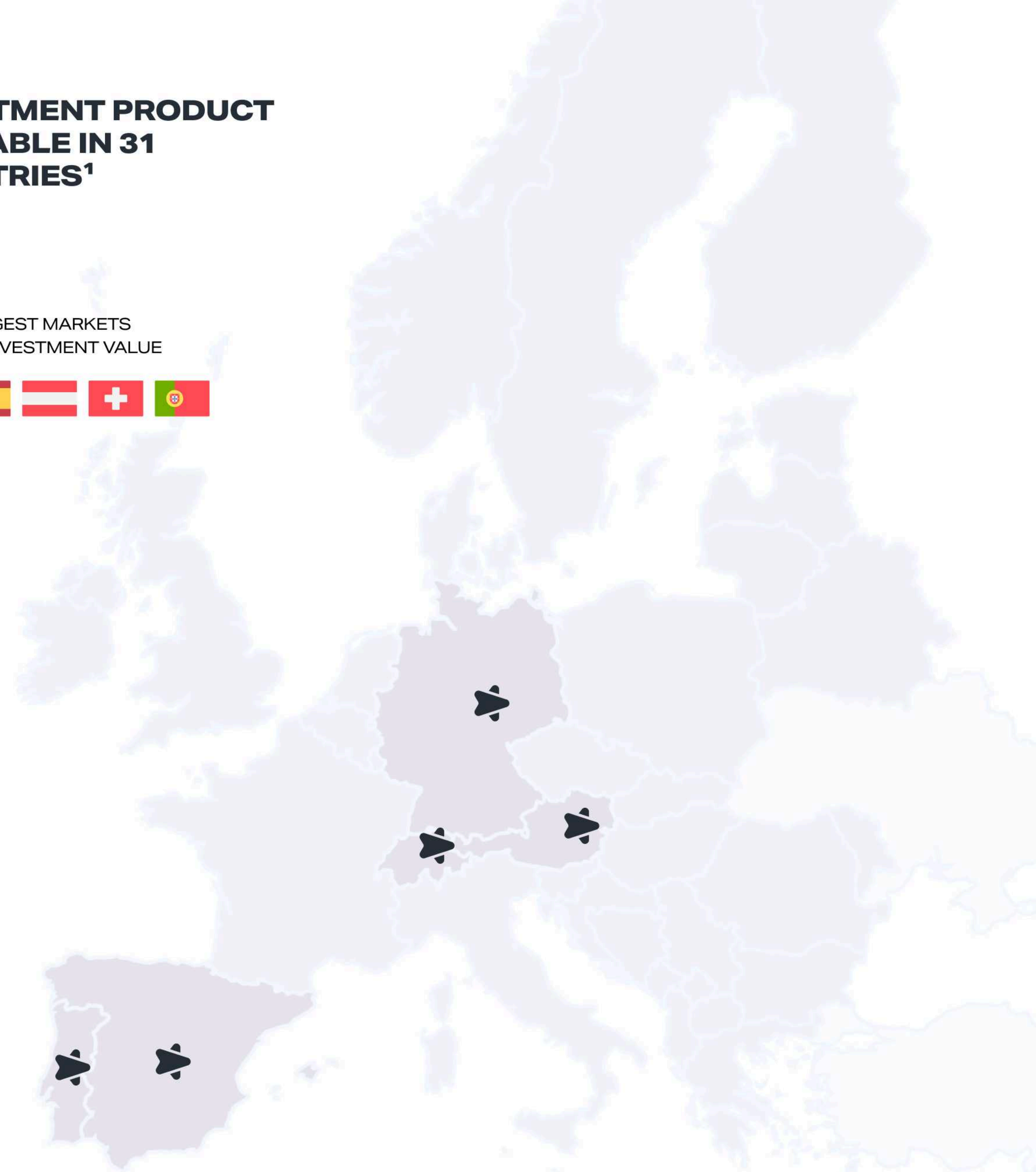
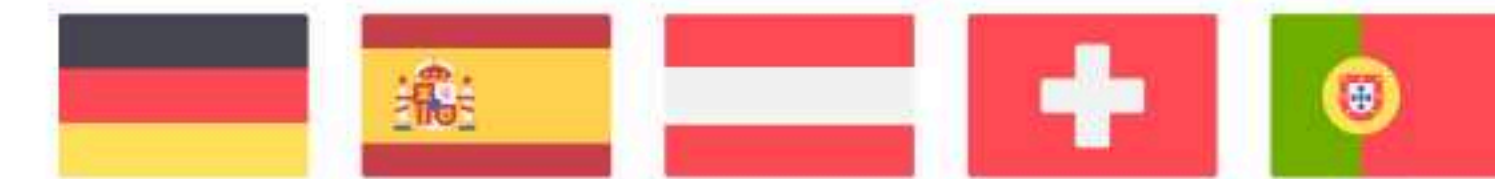
We launched Monefit SmartSaver in October 2022, offering attractive fixed returns on investments to achieve financial goals.

<b>€ 9 TH</b> Avg. investment account as of 31.12.2024	<b>+€ 3 TH</b> vs. 31.12.2023
<b>83 TH</b> Number of investments made in 2024	<b>+59 TH</b> vs. in full year 2023
<b>+€ 4.6 M</b> Investment returns paid until end of 2024 <sup>2</sup>	<b>+ € 3.7 M</b> vs. returns paid until end of 2023
<b>16 TH</b> Number of Vaults <sup>3</sup> opened until end of 2024	<b>NEW</b> feature launched in 2024
<b>1,875</b> Number of investors with € 10 TH+ account balance as of 31.12.2024	<b>+1,275</b> vs 31.12.2023

## INVESTMENT PRODUCT AVAILABLE IN 31 COUNTRIES<sup>1</sup>



**LARGEST MARKETS BY INVESTMENT VALUE**



<sup>1</sup> Available in 31 European Economic Area markets and Switzerland.  
<sup>2</sup> Investment returns paid to investors from the launch of SmartSaver product in Q4 2022 until indicated term  
<sup>3</sup> Vault – fixed term investment offering at SmartSaver platform

## EMPOWERING SMARTSAVER INVESTORS FOR FINANCIAL GROWTH

### Investor profile

Our investors are trust-focused, return-driven, and financially cautious, discovering us through social media ads, trusted reviews, and word-of-mouth in financial communities.

- **Savers:** New investors building financial habits, valuing simplicity, automation, and passive income growth.
- **Earners:** Experienced investors seeking returns, liquidity, and portfolio diversification.

### Investment goals

- Mid-Term Goals: House deposits, weddings, vacations, education savings
- Wealth Growth: Passive income, reducing work hours, FIRE movement
- Inflation Protection: Beat inflation, maximising savings potential
- Emergency Fund: Accessible savings for unexpected expenses
- Diversification: Part of a larger investment strategy for financial stability



### Why investor choose us?

- Simplicity & ease—Simple interface, no complex financial knowledge needed. No Fees.
- Daily growth & high returns—Real-time earnings, competitive rates, long-term Vault options.
- Trust & credibility—Investors start small and increase investment after positive experiences.
- Flexibility & liquidity—Easy deposits/withdrawals; Vaults offer higher returns. Easy access to funds.
- Top-tier support—Highly responsive multilingual, well-rated customer service.

★ Trustpilot



# INVESTMENT PRODUCT TRACK RECORD

## INVESTORS

Number of onboarded investors, TH



## INVESTMENTS

Number of investments made, TH



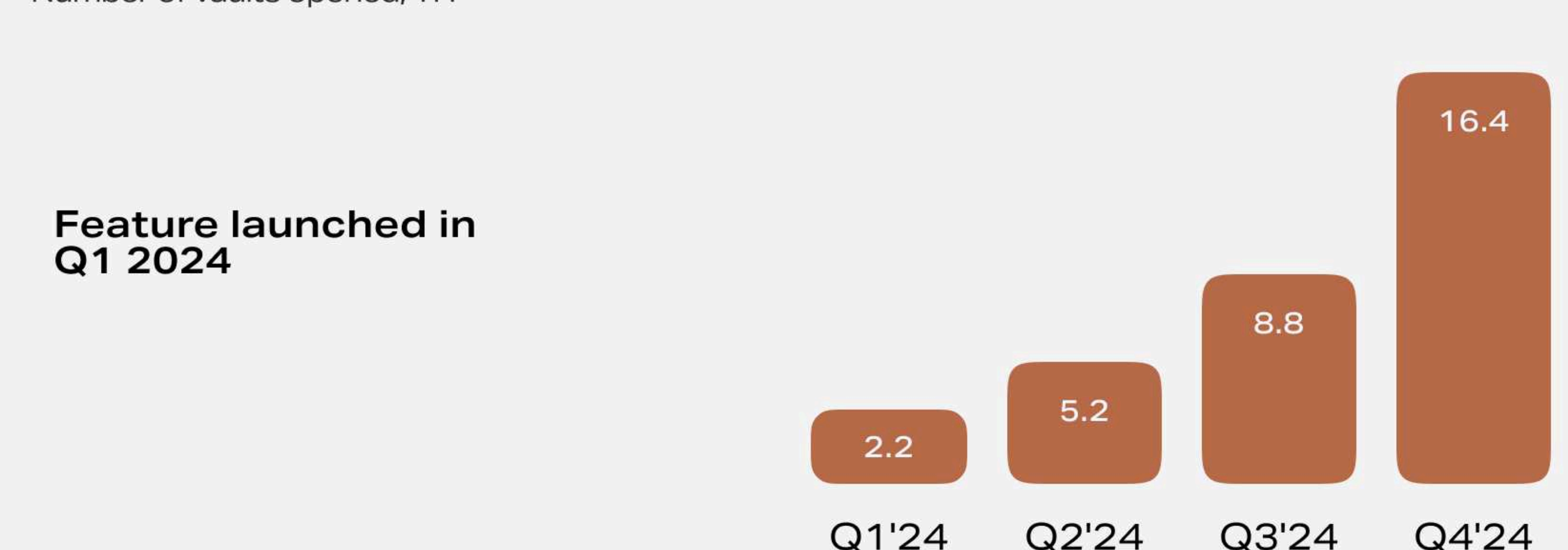
## INVESTMENT RETURNS

Cumulative income paid to investors, TH EUR



## VAULTS

Number of vaults opened, TH



## SMARTSAVER IS ACCELERATING FINANCIAL SUCCESS FOR OUR COMMUNITY

SmartSaver's fantastic investing experience with great investor value helps our community achieve their financial goals quicker.

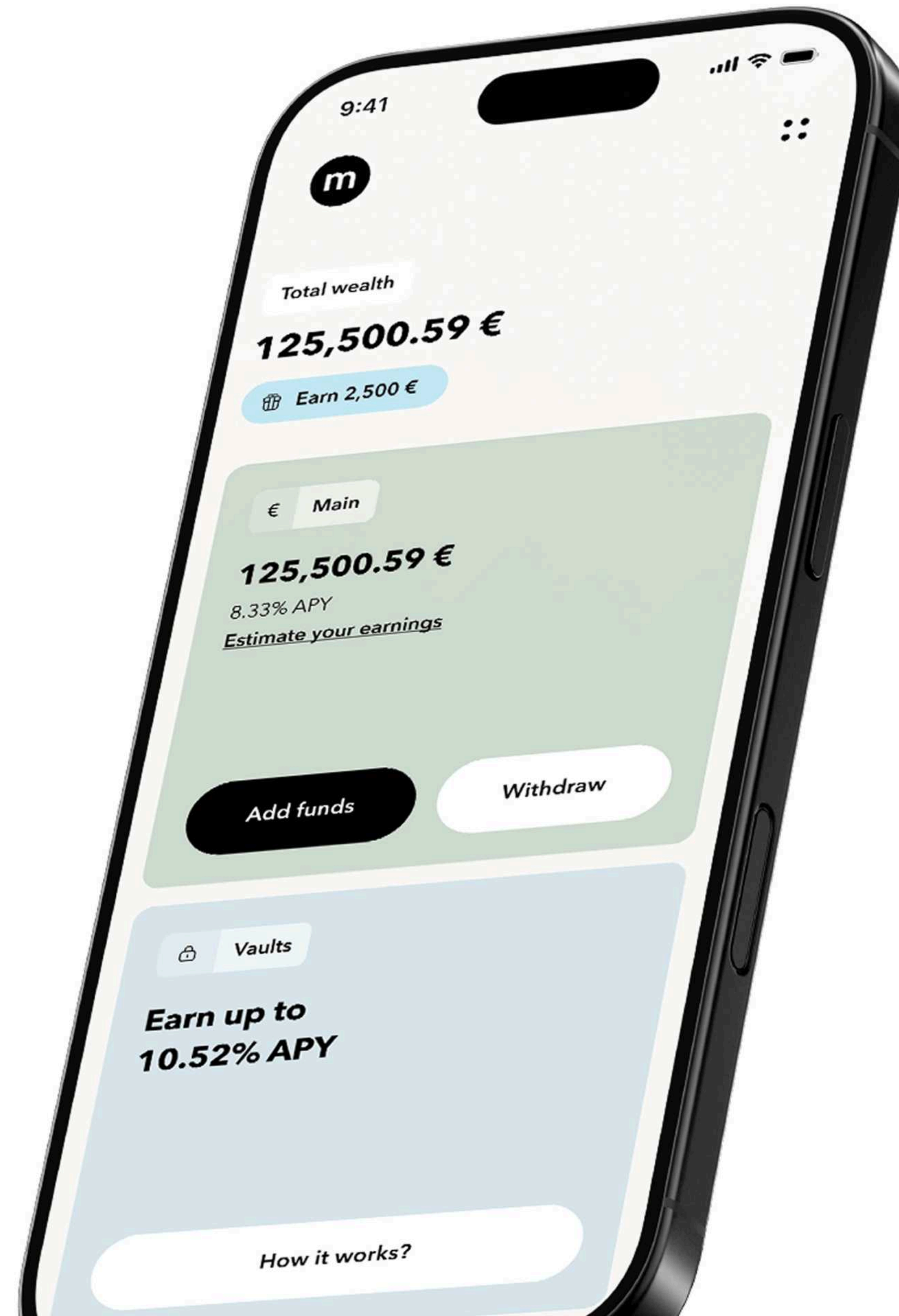
- 19 thousand investors from 31 countries
- Zero fees, free to sign up
- 4.6\* Excellent TrustPilot Review
- Excellent Rewards Program
- Currently accepting investments in EUR currency

### MAIN ACCOUNT

Up to 8.33% APY based on daily balance. Funds withdrawable in 10 business days.

### VAULTS

Up to 10.52% APY on 24-month fixed term investment iwth monthly payout options.



**EXPERIENCED & DRIVEN  
LEADERSHIP TEAM TO REALISE  
SERIOUS AMBITIONS**



**Aaro Sosaar**  
Founder & CEO  
2007



**Kashyap Shah**  
Chief Product Officer  
2022



**Sven Silver**  
Chief Financial Officer  
2007



**Kristjan Sepp**  
Chief Technology Officer  
2018



**Valter Kaleta**  
Board Member  
2012



**Christian Isaksen**  
VP of Operations  
2023



**Rowan Pereira**  
VP of Growth  
2024



**Jevgeni Belavin**  
Head of Legal & Compliance  
2020



**Irina Zozulja**  
Head of People Operations  
and Culture  
2022

**120+**  
Fintech  
professionals

**TALLINN, ESTONIA**  
Headquarter

**LONDON  
WARSAW**  
Offices

## GROUP LEGAL STRUCTURE

### Operations in the Company

Our business is managed from the headquarters in Tallinn, Estonia. All back-office and management functions are at the headquarters level.

Creditstar has multiple offices across Europe dealing with customer support and administration issues. In the future, Creditstar plans to have a local physical presence in all of its larger markets.

Creditstar employs over 120 international employees, including people native to all its target markets.

1. SA Financial Investments OÜ owns shares also in other entities not related to Creditstar. Hence not presented in the chart.
2. Creditstar Group includes some other entities, which are currently inactive. Hence not presented in the chart.
3. Share option incentives for key team members at Creditstar Group AS are being implemented
4. Creditstar Spain S.L. shares are 97.1% held by Creditstar International OÜ and 2.9% by Creditstar Group AS
5. Creditstar UK Ltd is 100% owned by Mobmo Ltd, which is fully owned by Creditstar International OÜ

#### Mr Aaro Sosaar via SA Financial Investments OÜ <sup>1</sup>



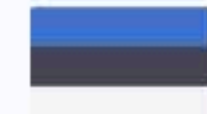





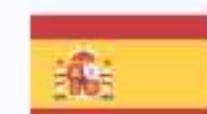

100% ownership of Creditstar Group AS

#### Creditstar Group AS <sup>2+3</sup>

100% ownership of Creditstar International OÜ

#### Creditstar International OÜ

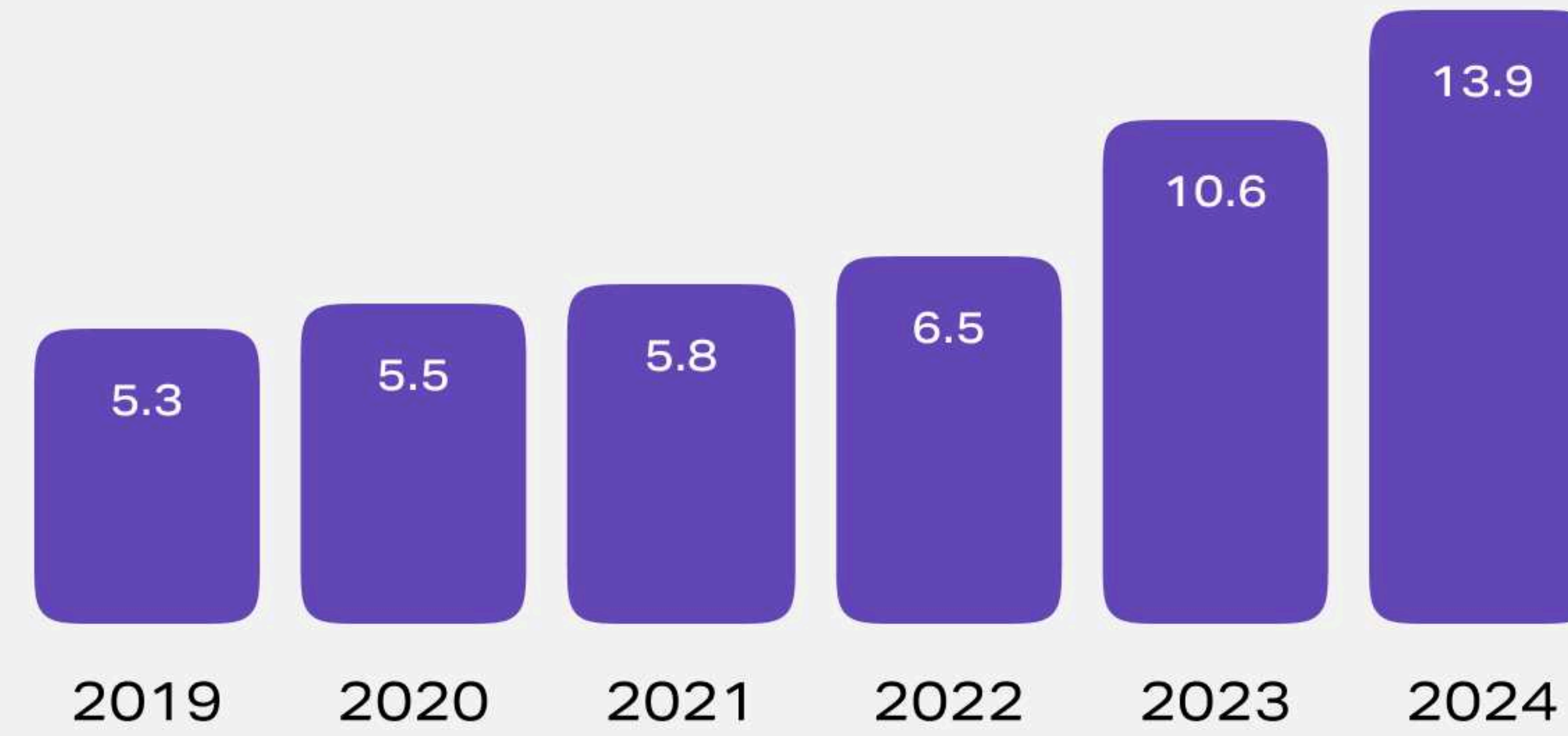
100% ownership of listed subsidiaries

 Creditstar Estonia AS	 Creditstar Finland Oy
 Monefit Estonia OÜ	 Creditstar Sweden AB
 Monefit Card OÜ	 Creditstar Poland Sp Z.O.O
 Creditstar Denmark ApS	 Creditstar Czech S.R.O
 Creditstar Spain S.L. <sup>4</sup>	 Creditstar UK Ltd <sup>5</sup>

# FINANCIAL HIGHLIGHTS

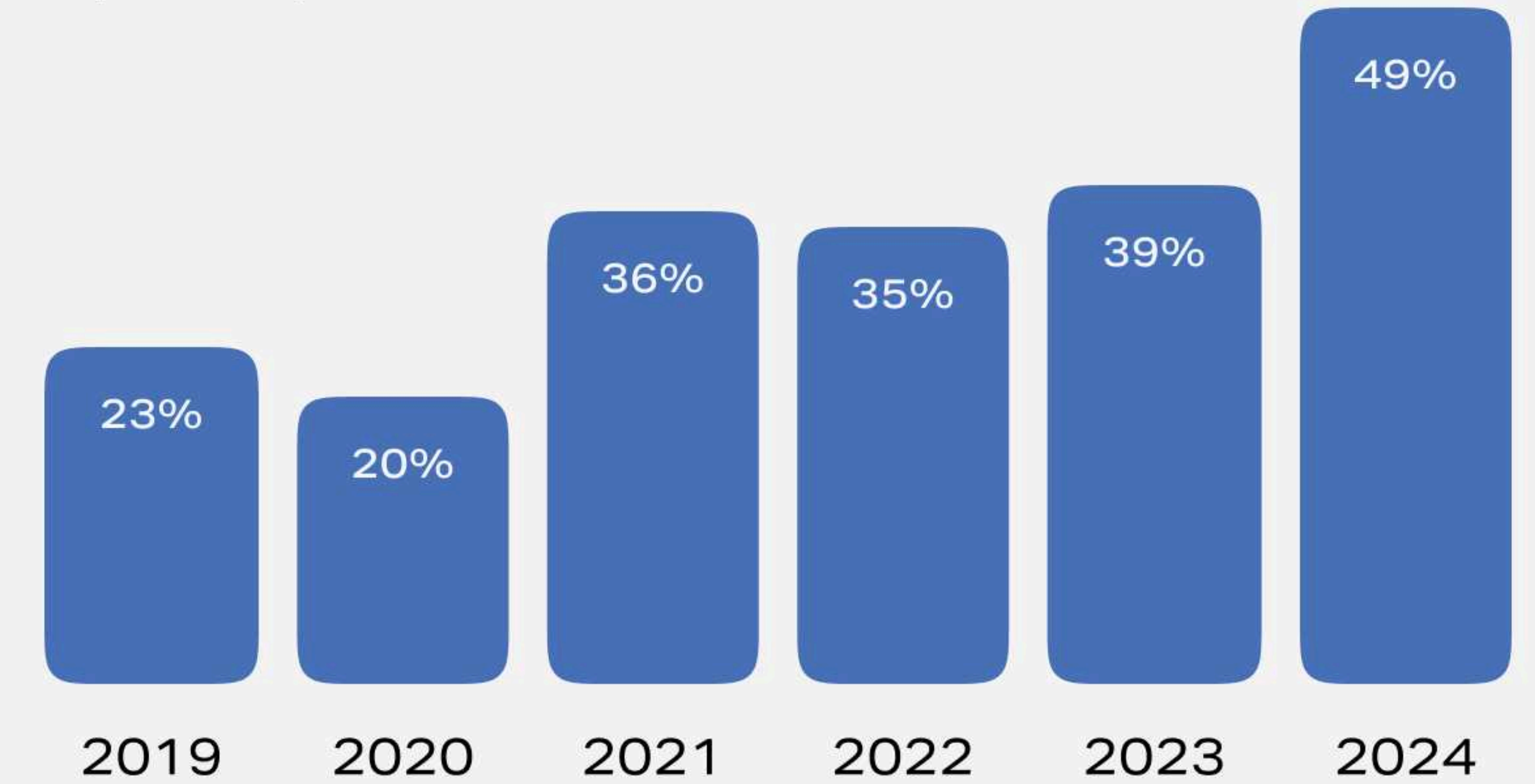
## PROFITABLE THROUGHOUT ITS HISTORY

Comprehensive profit, M EUR



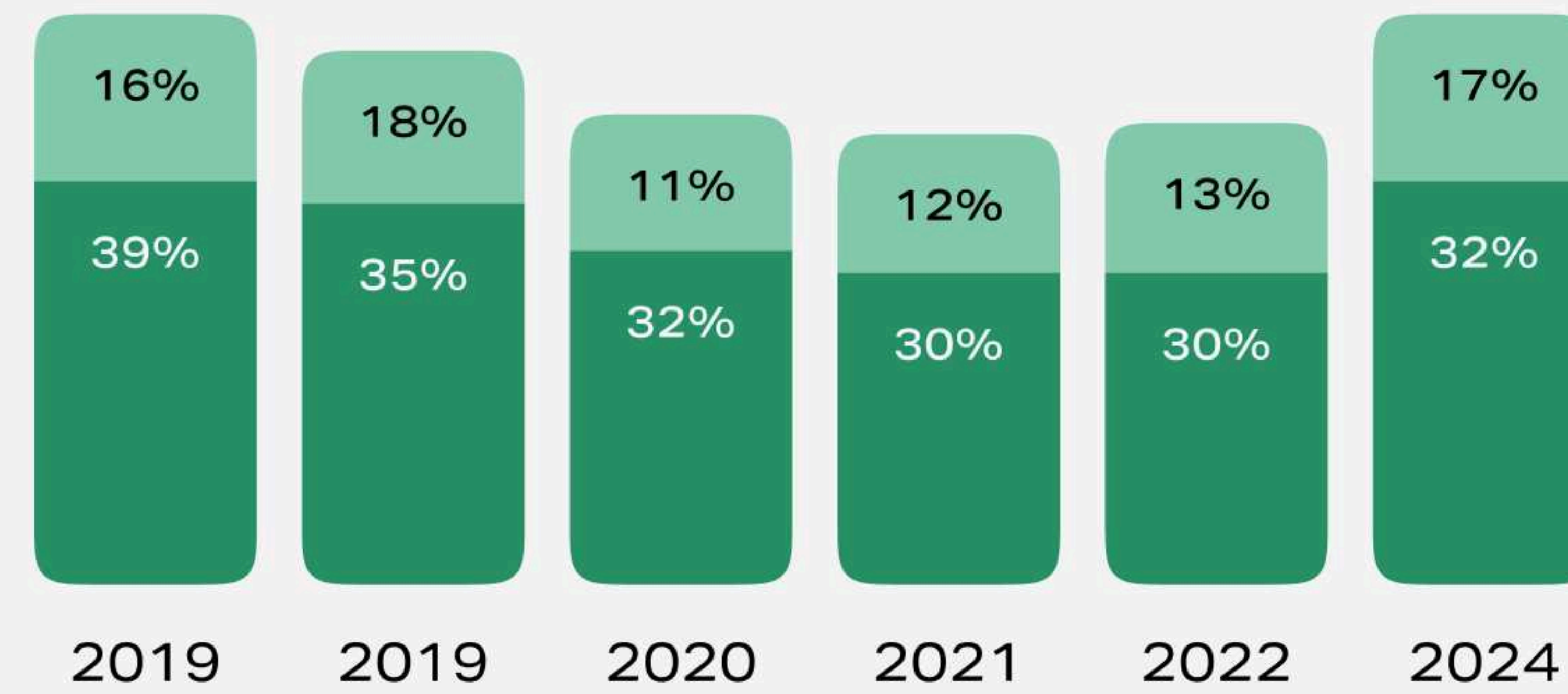
## EFFICIENT OPERATIONS

CIR, % = (operating expenses + wages and salaries) / (net interest income impairments)



## STABLE PROFITABILITY

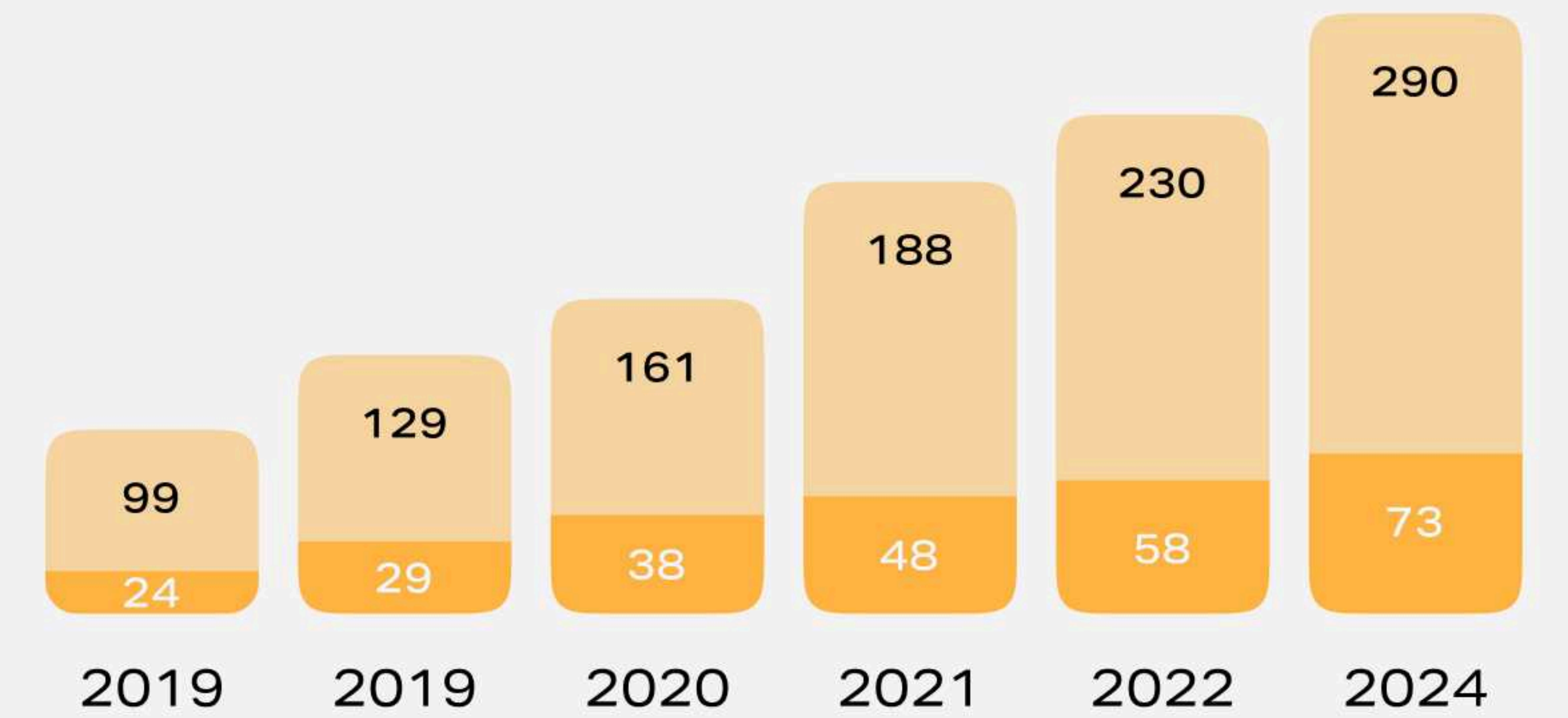
- Operating profit margin %
- Net profit margin %



## STRONG BALANCE SHEET

Equities and liabilities, M EUR

- Liabilities
- Equity





// Our company and team are well aligned to continue attracting substantial growth in the future. //





## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(TH EUR)	2020	2021	2022	2023	2024
Interest & other income	35,808	48,068	59,339	63,139	74,623
Interest expense	-13,995	-18,865	-24,323	-31,459	-36,017
<b>Net interest income</b>	<b>21,813</b>	<b>29,203</b>	<b>35,016</b>	<b>31,680</b>	<b>38,606</b>
Other income	3,971	26	21	1,374	168
Operating expenses	-8,654	-9,589	-12,068	-10,289	-11,089
Wages and salaries	-4,578	-4,497	-4,910	-3,854	-3,963
<b>Operating profit</b>	<b>12,552</b>	<b>15,143</b>	<b>18,059</b>	<b>18,911</b>	<b>23,722</b>
Depreciation	-592	-2,106	-1,539	-1,846	-1,505
Loan impairment charges <sup>1</sup>	-5,448	-7,308	-8,944	-8,480	-8,968
Corporate income tax	104	-312	-200	-319	-276
<b>Net profit</b>	<b>6,616</b>	<b>5,417</b>	<b>7,376</b>	<b>8,266</b>	<b>12,973</b>
FX translation adjustment	-1,119	416	-906	2,396	883
<b>Comprehensive profit</b>	<b>5,497</b>	<b>5,833</b>	<b>6,470</b>	<b>10,662</b>	<b>13,856</b>

<sup>1</sup> In 2020, the company allocated 1.5 million euros to an Extraordinary Situations Reserve to address potential impacts on the company's loan portfolio.

## CONSOLIDATED BALANCE SHEET

(TH EUR)	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024
Cash	1,533	5,985	364	809	6,647
Loans to customers	144,763	180,981	225,868	276,092	347,687
Other assets	11,791	11,798	9,574	11,541	8,412
<b>Total assets</b>	<b>158,086</b>	<b>198,764</b>	<b>235,806</b>	<b>288,442</b>	<b>362,746</b>
Borrowings	126,655	158,292	184,719	225,688	287,708
Payables and prepayments	2,667	2,318	3,408	4,515	2,421
<b>Total liabilities</b>	<b>129,322</b>	<b>160,610</b>	<b>188,127</b>	<b>230,203</b>	<b>290,129</b>
Issued capital	21,000	21,000	21,000	21,000	21,000
Voluntary reserve	1,806	5,656	8,256	10,098	12,279
Retained earnings	5,959	11,498	18,423	27,141	39,338
<b>Total equity</b>	<b>28,765</b>	<b>38,154</b>	<b>47,679</b>	<b>58,239</b>	<b>72,617</b>
<b>Total liabilities and equity</b>	<b>158,086</b>	<b>198,764</b>	<b>235,806</b>	<b>288,442</b>	<b>362,476</b>

## OVERVIEW OF FINANCING (CONSOLIDATED)

### Owners' equity

**€ 72.6 M**

Registered share capital € 21 M

Dividend payments limited to 20% of the annual net profit

### Private loans

**€ 56.8 M**

Maturity: different maturities, automatically extending agreements

Collateral: none

### Bonds

**€ 86.0 M**

12 outstanding bond issues

Collateral: secured with pledges on claims, bank accounts

### Credit line

**€ 1.1 M**

Creditor: a Swedish financial group

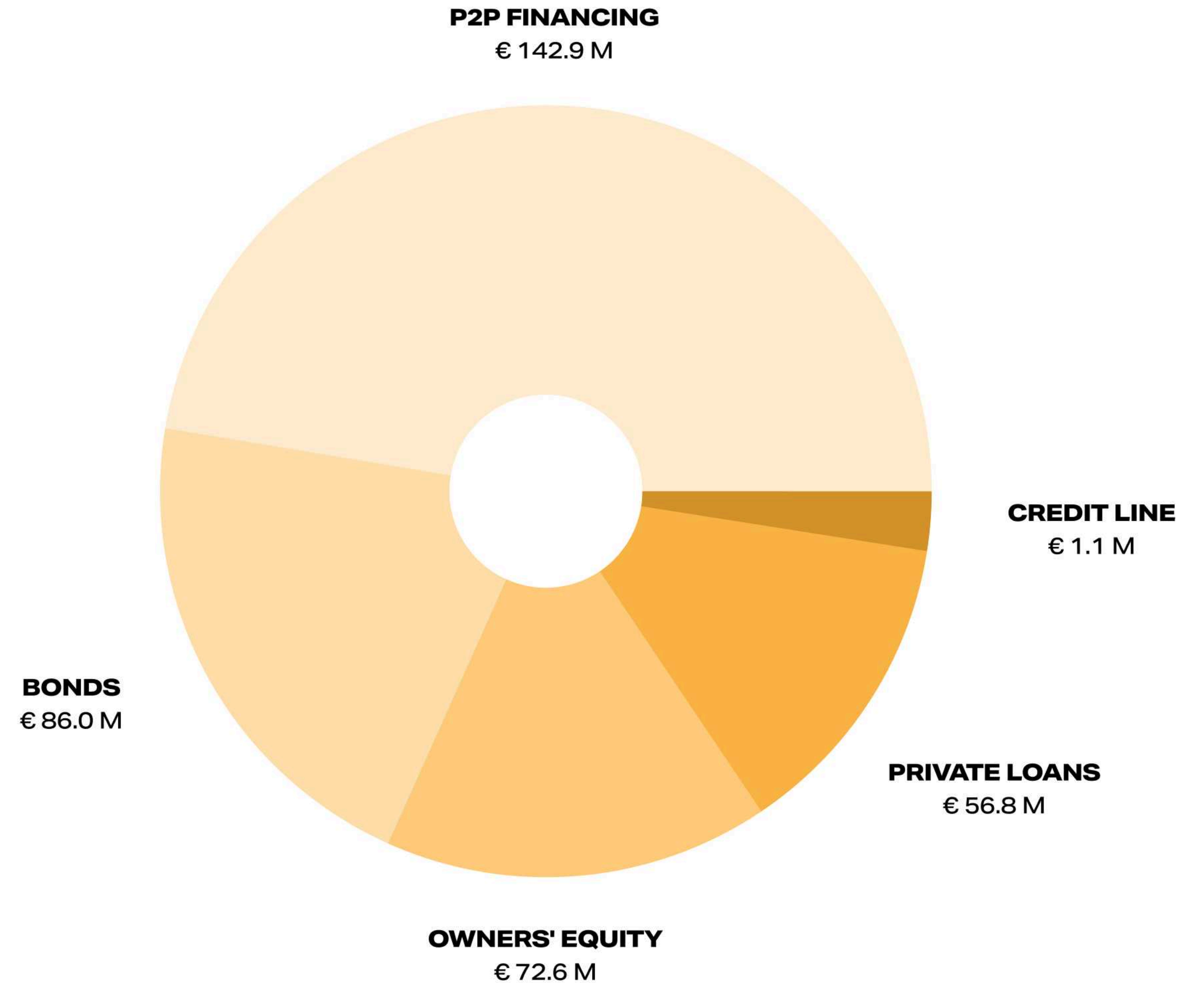
Collateral: secured with pledges on claims

### P2P financing

**€ 142.9 M**

Mintos Marketplace, Lendermarket, Monefit SmartSaver

Collateral: buy-back guarantee



## KEY RISKS INFLUENCING THE COMPANY

### Financing risk

The future growth of the Company, as well as its capability to duly serve its debt liabilities, depends on its ability to attract financing. Poor investor relationships or inability to attract new financing may limit the growth or lead to violation of its financial liabilities.

If the maturity date of a bullet debt falls into a period of unfavourable market conditions, the costs of refinancing, if available at all, may be significantly higher and result in the weakening of the Company's financial position.

Failure to meet covenants of any financing agreement could trigger an early repayment request of the respective loan and other financing agreements through cross-default clauses.

### Interest rate risk

The Company has financed a significant share of its activities with different credit facilities. All credit agreements are with fixed interest rates. However, short term credit agreements mean that they need to be regularly refinanced. Any increase in general corporate interest rates in the market will potentially lead to higher financial costs for the Company.

### Default risk of clients

The Company might face temporary or permanent financial distress, liquidity problems or inability to duly serve its financial obligations if a significant number of clients default on their loans. Historically the level of defaulting loans has been low with good recovery rates. Fines and penalties have covered the provisions.

### Operational risk

Losses stemming from inadequate or failed internal processes, procedures, policies, people and systems.

### Dependency on cash-flows from subsidiaries

The Company is a holding company conducting its operations through its subsidiaries. The Company itself does not own significant assets other than investments in the subsidiaries. Therefore, to meet its obligations arising from the bonds, the Company is dependent on the receipt of dividends and interest payments or payments from share capital decrease from its subsidiaries.

### Risk of foreign and business expansion

The Company plans to expand its operations to new markets and business segments. This includes numerous risks, most importantly exposure to new countries' economies and legal environments, additional currency risk, and increased operational risks.

The Company needs to adopt and enforce all its internal routines and procedures in a new branch/field operating in a new country/segment.

### Dependency on information technology systems

The Company has developed and uses a variety of custom-made information technology systems to carry out its business operations and provide services to its clients. Failures or significant disruptions to the Company's information technology systems could prevent it from conducting its operations.

### Financial reporting risk

Risks arise from the potential reporting errors and unproven reliability of the financial statements.

Creditstar Group's auditor from 2020 is KPMG.

### Macro-economic risk

A significant economic downturn may increase the level of non-performing loans and decrease the value of the loan collaterals. An adverse change in economic conditions might also affect Company's ability to refinance its debt liabilities.

### Foreign exchange risk

The Company operates internationally and is thereby exposed to fluctuations in exchange rates due to the collection of loan instalments in various currencies. Adverse foreign exchange rate fluctuations against the Euro could have a material adverse effect on the Company's financial standing.



# THANK YOU!

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about the company and the bond issues:

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