

The Solva logo is a red rounded rectangle with the word "solva" in white lowercase letters. The background of the slide is a blurred photograph of a woman in a blue shirt and grey apron smiling in a factory setting.

solva

| Solva
| Company presentation

November 2024

Solva - key highlights

Solva is the leading consumer and SME lender in Kazakhstan

USD 477 mln

Loans originated

USD 10 mln

Monthly loan
issuance

3.7 mln

User applications
processed

7 min

Time-to-decision
for new clients



59/100*

S&P Global

B- / Stable



2023 Fintech Company of the Year 2023
in Kazakhstan

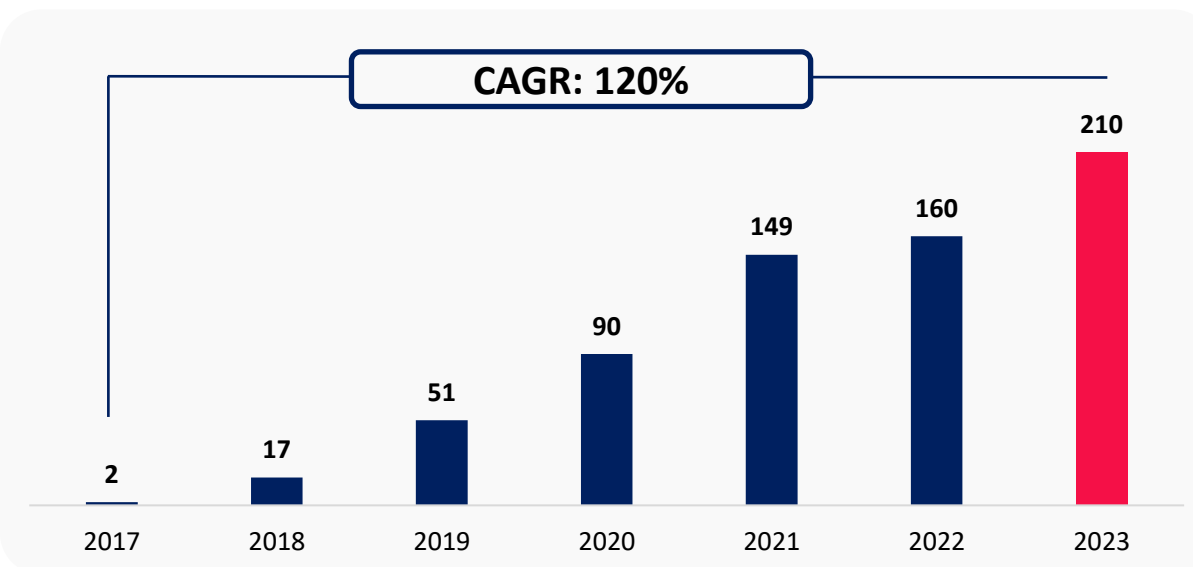


Leader of the Industry Award for 2022
and 2021

What makes us different

- Highly dynamic company and innovative player in the market, which clients like;
- Privately-owned company with strong governance;
- Scale up prospects with the banking license and fundamentals of the market;
- Advanced ESG Policy with a solid track record on gender finance with all reporting standards in place;
- Strong green commitment and promising perspectives, although requiring support from multilateral partners.

Solva loan portfolio evolution, USD mln



* Fitch ESG rating. The highest rating across FIs / NBFIs globally is 71/100

Solva's portfolio at a glance

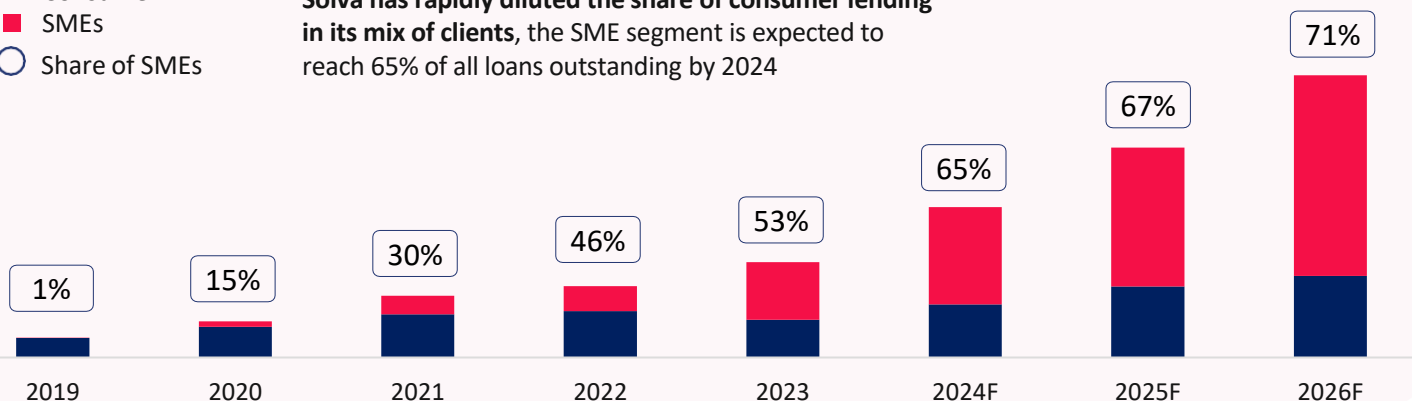
The share of SMEs is expected to gradually increase

Overview of Solva's overall loan portfolio

Gross loan portfolio

- Consumer
- SMEs
- Share of SMEs

Solva has rapidly diluted the share of consumer lending in its mix of clients, the SME segment is expected to reach 65% of all loans outstanding by 2024

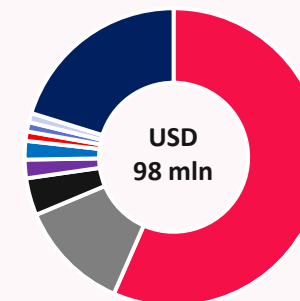


Consumer lending

By use of proceeds

- ▶ **Consumption** represents c.56% of the consumer loans portfolio
- ▶ **Housing, healthcare, education** is c.18%
- ▶ Up to 7% of consumer loans are **for the benefit of a SME**¹

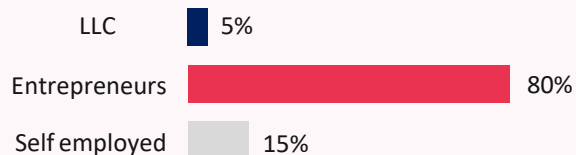
- Consumption (56%)
- Housing (12%)
- Healthcare (4%)
- Education (2%)
- Large Purchases (2%)
- Transportation (1%)
- Events (1%)
- Everyday Needs (1%)
- Tourism (1%)
- Other (20%)



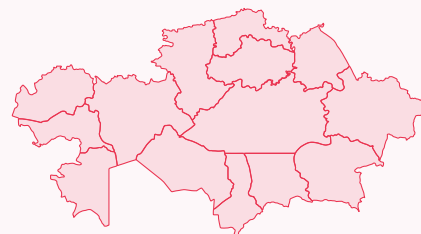
SME lending

By client type

46% of Solva's SME clients have been running their business for **10+ years**



By geography



27%

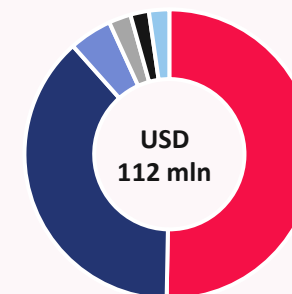
in cities

73%

In rural areas

By industry

- Trade (51%)
- Services (38%)
- Agriculture (5%)
- Transport (2%)
- Production (2%)
- Construction (2%)



24/7 online product offering combined with strong branch network in Kazakhstan

Solva has a network of branches across Kazakhstan a necessary coverage to expand lending activities to SMEs

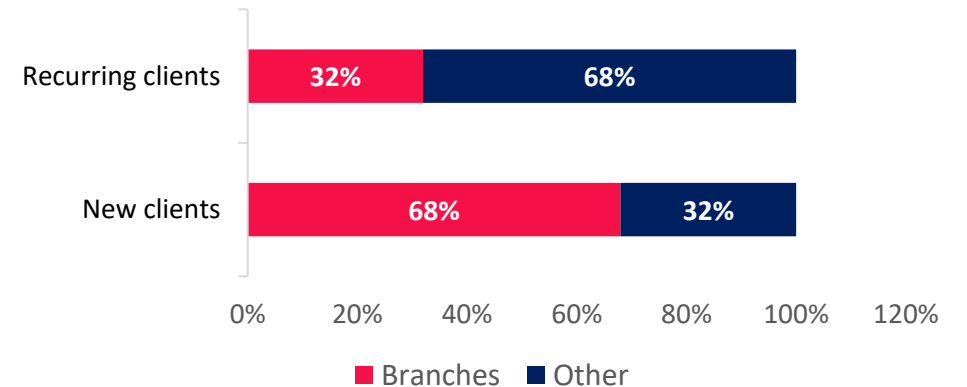
Breakdown of Solva branches by region



Key statistics on Solva's branches

352 Average amount of active clients per branch
129 Number of Branches

Breakdown of client acquisition channels



Solva is fully transforming into a licensed digital bank

Transformation into a Bank will allow to strengthen market position



Wider product range



Increase funding base



Participate in the payment system



Cheaper funding



Better market image and higher client quality

The bank transformation will allow the expansion of Solva's products across SMEs and consumer lending

SMEs



Loan portfolio rebalancing objectives

- ▶ Extend product offering by providing best-in-class revolving credit facility
Diversify acquisition channels (app acquisitions merchant BNPL Naimi.kz/OLX integration regional expansion)
- ▶ Boost USP (simplify online application process add non-credit features to the product improve UI)
- ▶ Expand Self-employed client segment (offer product with higher margin to balance high COR)

Consumer



- ▶ Tap into daily spending segment of bank customers and PDL customers with Solva Lite credit card
- ▶ Implement organic client acquisition and growth model: from Solva Lite (daily spending small purchases PDL/Kaspi Red refin) to Solva consumer (Big purchases renovations celebrations bank loans refin)
- ▶ Diversify acquisition channels (app acquisitions credit agents merchant BNPL x-sell via SME clients)

Strategy

Develop basic business accounts functionality and boost current accounts balances once we get a banking license

Develop digital-focused financial products - boost transaction volumes cross-sell client acquisition

Market share growth

↑ **8.1%**
From 3.5%

in self-employed & sole-traders finance segment within a year

↑ **3.5%**
From 1.5%

in unsecured consumer finance segment within a year

2023–2025 strategy – banking license & expansion into MENA region

2017–2020

Consumer loans

- ▶ Proprietary AI & Data science technology implemented into credit management
- ▶ Achieved profitability within 2 years from launch
- ▶ Strong footprint and leading position in Kazakhstan

2021–2022

SME loans credit cards & mobile banking

- ▶ Proprietary AI & Data science technology implemented into credit management for SME
- ▶ Strong footprint and leading position in Kazakhstan

2022–2025

Banking license new products & geographies

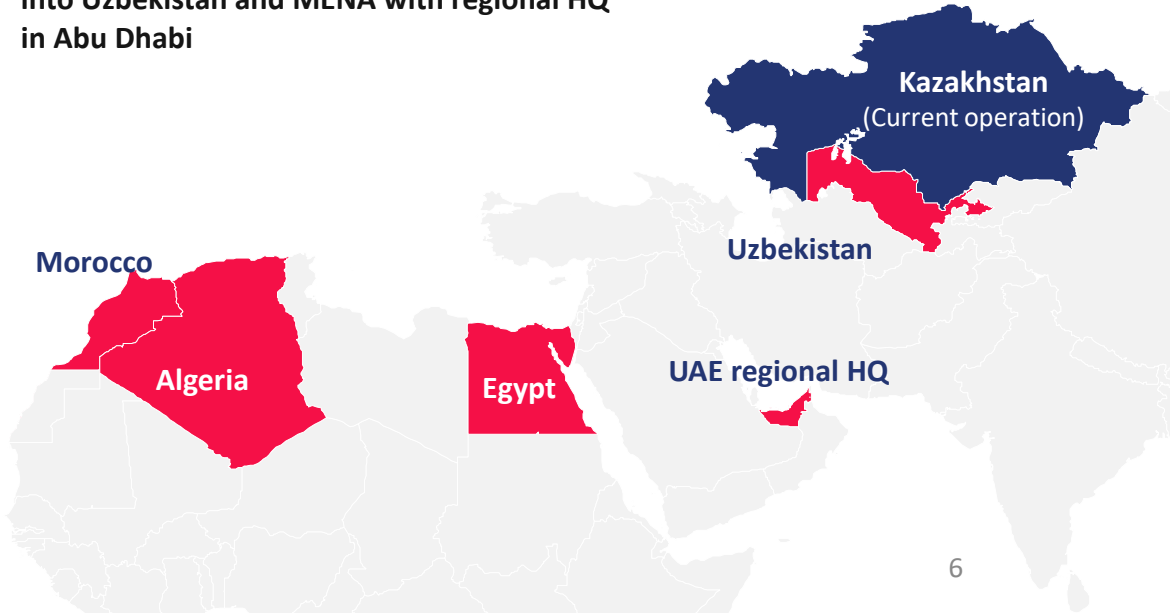
- ▶ Banking license bringing deposit base transactional banking and new revenue streams
- ▶ Further development of SME products. “Business-to-personal” accounts
- ▶ **Laying infrastructure for further expansion into Uzbekistan and MENA with regional HQ in Abu Dhabi**

2025+

20m clients

- ▶ Further expansion into MENA countries with focus on SMEs
- ▶ Targeting to engage 20m clients across MENA within the next 3-5 years

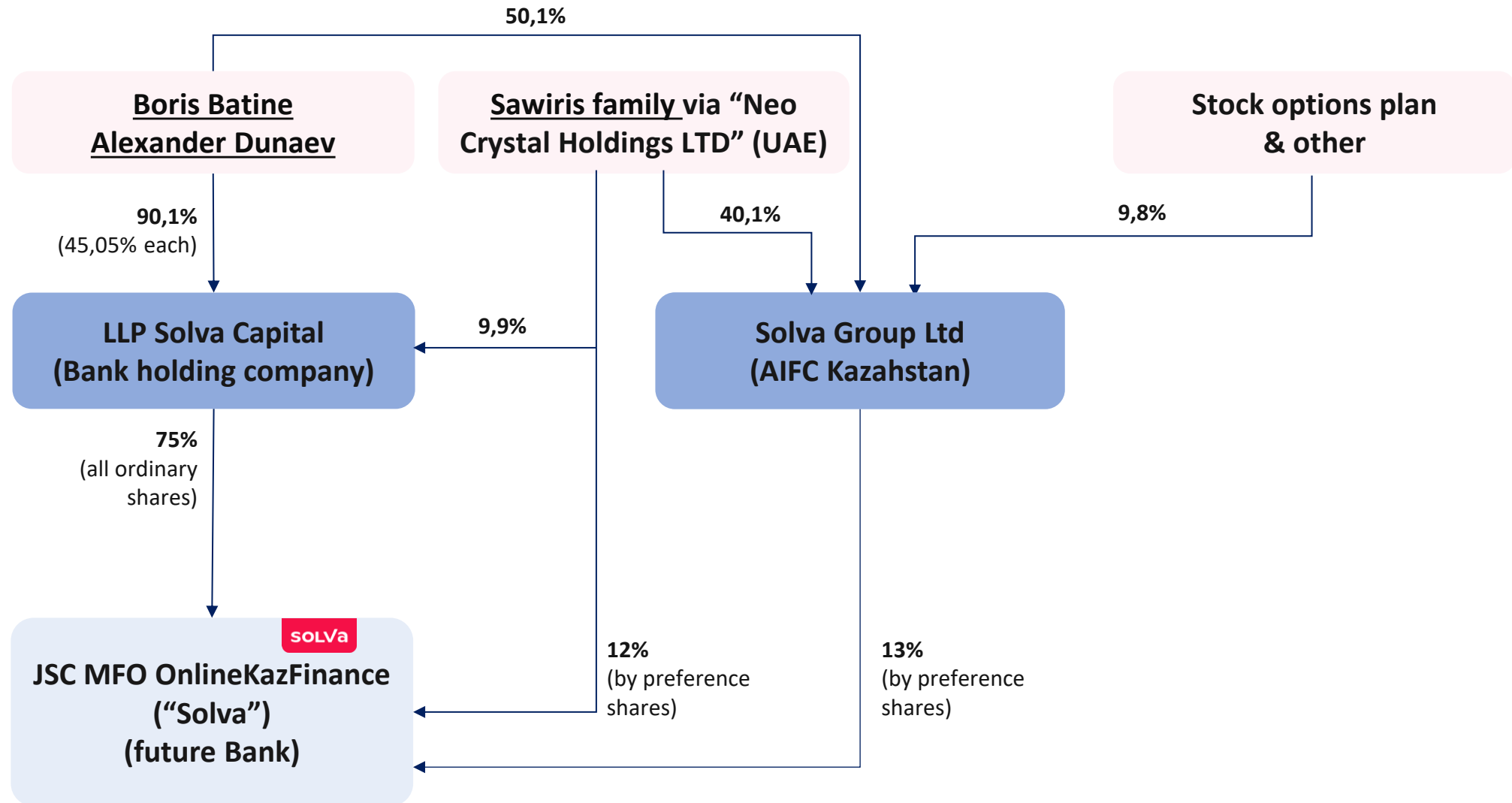
Currently looking at M&A and JV opportunities in Uzbekistan and Egypt in partnership with local banks and NBFIs



Corporate structure and governance



Solva Group full corporate structure



Solva - successful case of foreign direct investment into Kazakhstani financial sector

In December 2023, Solva became the first Kazakhstani company **during past 10 years** which attracted foreign direct investment into the financial sector of the country



The deal was led by Zoser Capital Partners, private equity firm representing the **Sawiris family**, one of the wealthiest families in Egypt and prominent investors

Deal media coverage:

The logo for Finextra, featuring the word "Finextra" in a blue, sans-serif font.

"Kazakhstani fintech Solva eyes future as SME-focused bank following \$20m investment"

The logo for Fintech Futures, featuring the words "FINTECH" and "FUTURES" in a purple, uppercase, sans-serif font, stacked vertically.

"Solva secures \$20m investment from the Sawiris family in partnership with ZCP"

The logo for Financial IT, featuring the words "Financial IT" in a blue, sans-serif font, with "Innovations in FinTech" in a smaller, blue, sans-serif font below it.

"The capital injection will allow Solva to further scale digital financial products for millions of micro, small, and medium enterprises and boost job creation in Central Asia"

Deal facts:

- ▶ Closing of the deal took around 12 months, amount invested – 20 mln USD
- ▶ Comprehensive Due Diligence was performed with respect to Solva's business, lead by international audit and law firms:



Banking & Fintech professionals in the management team



Aida Imasheva

General Director, Solva

- 15+ years of work experience in largest banks in Kazakhstan.
- Held senior positions in Home Credit Bank Kazakhstan, ATF Bank and Qazkom Bank
- Executive MBA from Swiss School of Business and Management in Geneva, Graduated from Al-Farabi Kazakh National University.



Konstantin Barabanov

Solva Group CEO

- 15+ years of professional experience in finance in CIS and the UK.
- Held senior positions in Deloitte, ex-head of IFRS reporting and financial analysis at Bashneft.
- MS degree in Economics from the Russian State University for the Humanities.
- Pursued MBA at the London Business School in 2015.



Sergey Klimov

Chief Technology Officer

- 25+ years of experience in the field of information technology.
- Held managerial positions in the field of IT within financial companies.
- Graduated from Moscow State University of Economics, Statistics, and Informatics.
- Pursued MBA from Sberbank Corporate University.



Anton Shilin

Chief Financial Officer

- With over 17 years of experience in major industrial companies.
- Holds MSc from the Finance University under the Government of the Russian Federation.
- Certified Public Accountant (CPA).



Andrii Grab

Chief Risk Officer

- With over 14 years of experience in international banks, spanning various countries in the CIS region and China.
- Holds BSc and MSc from Lviv Polytechnic National University.



Mikhail Yakovlev

Chief Marketing Officer

- Over 12 years of experience in leading IT companies.
- Holds BSc degree from the Higher School of Economics and MSc from Moscow State University.

Corporate governance

We have already converted into JSC and significantly improved our corporate governance having created additional internal committees and independent audit and control function restructured client protection department and finalized Board of Directors composition

Independent directors:



Serik Akhanov
Non-Executive Director

- ▶ 30+ year executive experience in finance
- ▶ Ex-Member of Supervisory Board in largest banks and companies in Kazakhstan
- ▶ Honorary Chairman of the Council of the Association of Financiers in Kazakhstan



Assem Bolatzhan
Non-Executive Director

- ▶ 15+ years of professional experience in banking and IT industries
- ▶ Member of the Board of Directors of the Damu Fund and founder of "Technowomen" - a community of progressive women in technology industries
- ▶ Master's degree in Wiener Universitaet

Solva "OnlineKazFinance" Board composition

	Audit	Social impact compensation and ethics	Strategy
Serimzhan Dossumov (Chairman of the Board)	✓	✓	✓
NEDs:			
Serik Akhanov (Non-Executive Director)	Chair	✓	✓
Assem Bolatzhan (Non-Executive Director)	✓	Chair	Chair



Valentin Morozov
Independent member of BoD of Solva Group LTD

- ▶ 15+ years of professional experience in managerial roles in banking and management consulting
- ▶ Ex-CEO and Chairman of Eurasian Bank in Kazakhstan. Held sinor positions at McKinsey & Company and Arthur Andersen.
- ▶ MBA from New York University, Stanford University, London Business School

Products and market overview



We offer tailored financial products for SMEs and consumers

Consumer loans

Credit card for everyday expenses
Loans up to \$10 000 for a period from 3 months to 5 years



SME loan (individual entrepreneurs)

Up to \$14 000
For up to 5 years



SME loan (to LLP)

Credit Line
Loan up to \$25 000 for a period from 3-12 months



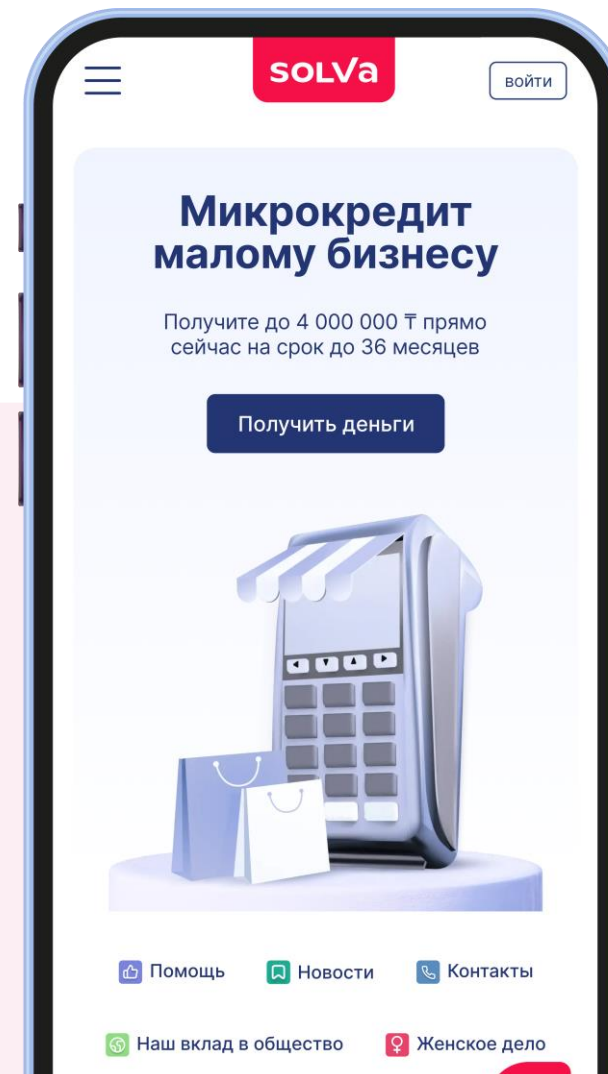
SME loan (self-employed)

For up to 5 years



Factoring business

Up to \$45 000
For up to 150 days



Solva's technological advantages seamless client service and better terms versus Kazakh peers

SMEs lending

- ▶ Solva is among a limited number of players on the SME market
- ▶ Sophisticated risk assessment models used to account for lower quality data

SOLVa



APR¹

37-45%

40 - 45%

24-30%

Loan size (USD eq)

Up to 45k

Up to 130k

Up to 65k

Term

up to 60 months

3 to 84 months

6 to 60 months

Consumer lending

- ▶ We offer alternative to traditional banks by providing real-time service
- ▶ Solva targets much broader audience due to accumulated scoring data for over 4 mln people in KZ

SOLVa



29 - 45%

up to 49.9%

22-56%

Up to 10k

Up to 2.2k

Up to 11k

up to 60 months

1 to 48 months

6 to 60 months

An all-in-one mobile application...

Helps to increase retention rate, NPS and product cross-sell, while attracting new customers

Major communication channel with the client

+19K

New active users,
monthly average

MAU¹
400K

At the end of
2024



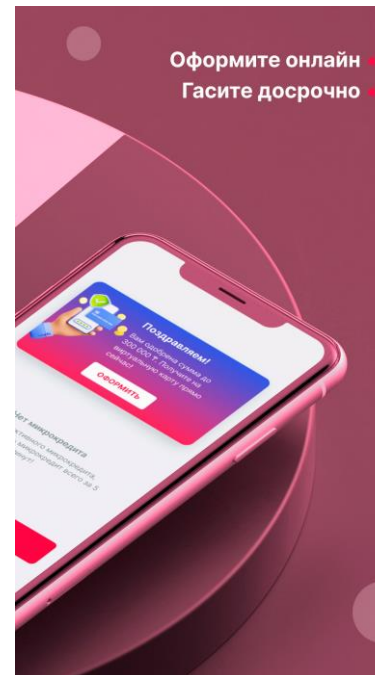
24/7
online Client
support



Application in 3
minutes



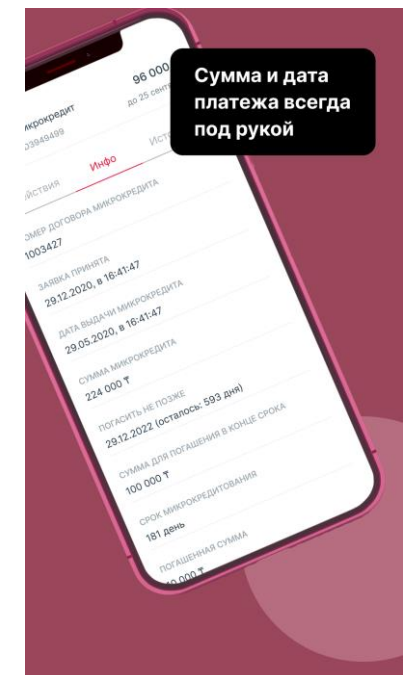
Loans up to USD 10k



Easy and commission
free money transfers



Secure process



Hybrid IT architecture leverages the standard best-in class tools

With the proprietary technologies to maintain fast and transparent IT processes

Team	Processes	Technology
<ul style="list-style-type: none">• Technical Excellence• Cross functional• Motivated	<ul style="list-style-type: none">• Large Scale Scrum (LeSS)• DevSecOps• Test automation	<ul style="list-style-type: none">• Open Source• Microservice Architecture• Data oriented

Strong team of IT specialists with proven ability to execute

100+ Dedicated team of IT specialists **Only 2** weeks from idea to delivery

The image displays a collection of logos for various IT tools and services, arranged in a grid. The logos include Selenium, Nomad, GitHub, Chef, Terraform, Consul, nexus repository pro, docker, Vault, Prometheus, Jenkins, Grafana, Flutter, kibana, ZABBIX, sonarqube, and TESTPAD.

Risk Management



At the core of risk management is a comprehensive underwriting process

built on conventional credit bureau data and alternative data sources

Application



- Personal information from application
- Internal databases
- External sources

Credit scoring



- Hard checks (Black lists, unemployment, terrorist, etc.)
- Internal credit history check
- Legal compliance check
- External checks (FCB* + additional sources)
- Income, Debt-to-income checks for consumer applications
- Business verification and financial analysis for SME product
- Verification (3-5% of total applications for personal loans and 10-15% for SME)

Loan issuance



- KYC approval
- Disbursement to the bank account

Data used in decision making requested from multiple sources and processed in real time:



Beeline™
KZ

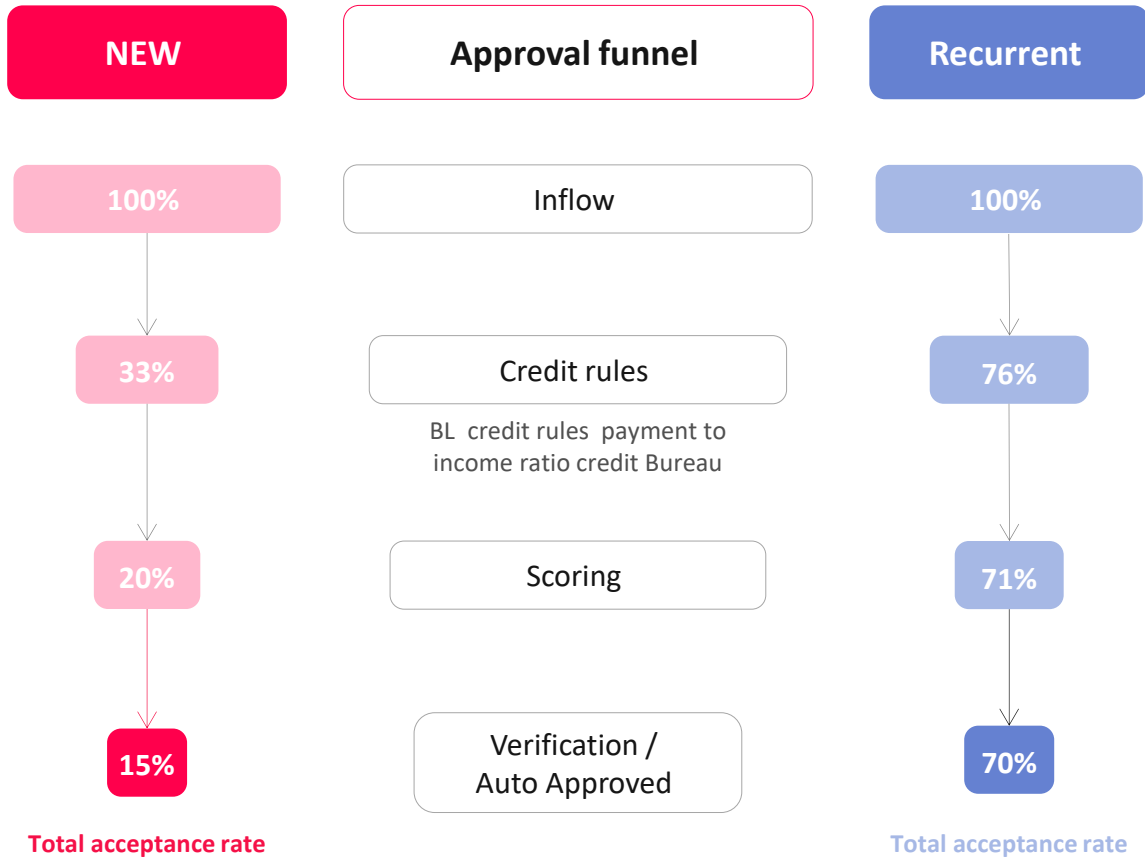


DataLab

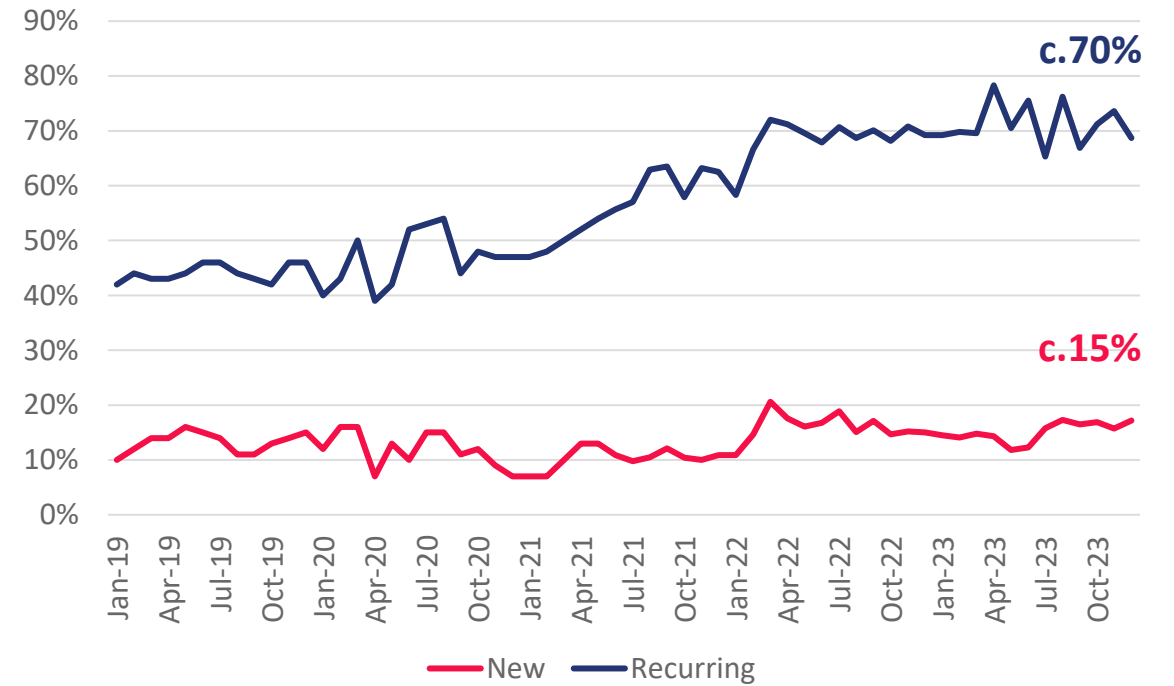


ИИΦОСΦЕРА

Approval Funnel



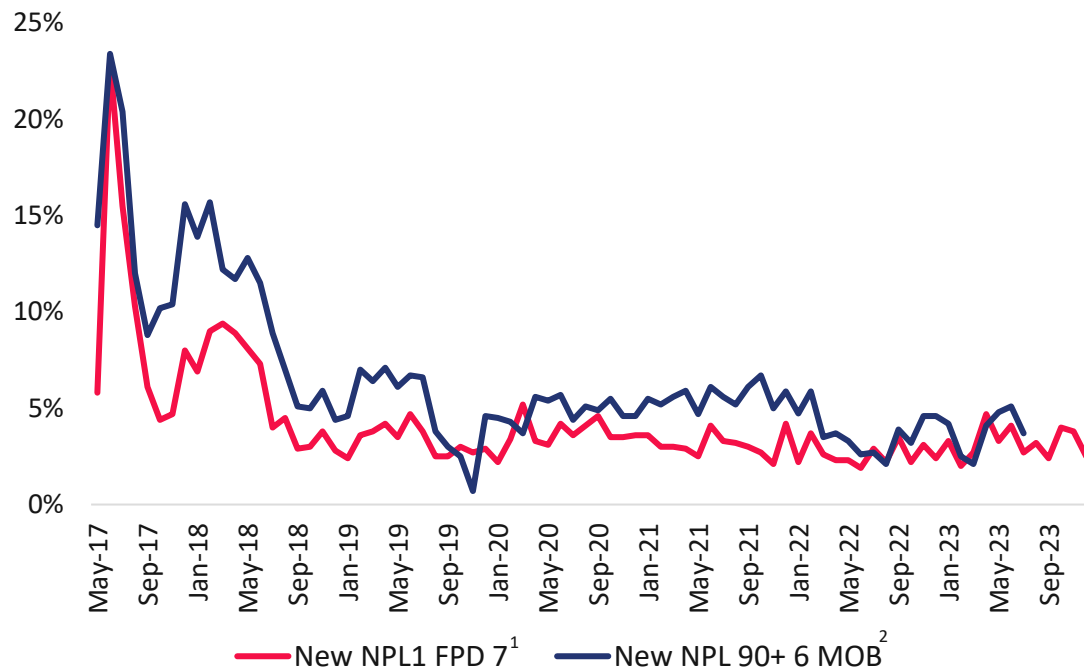
Approval rates



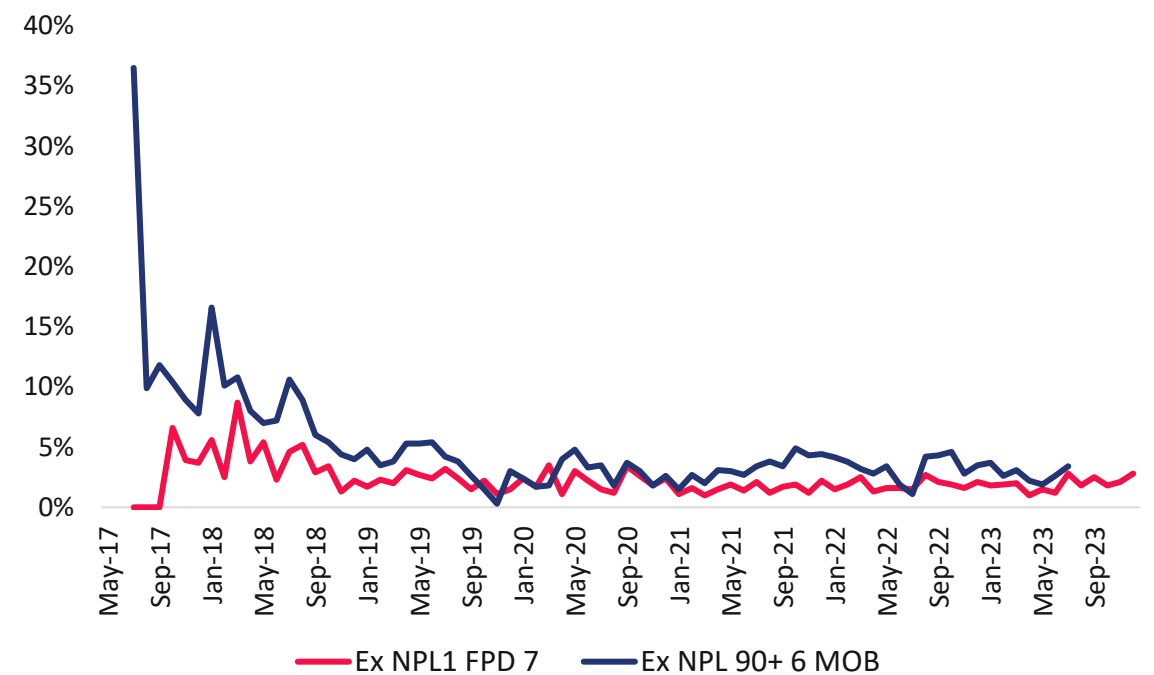
Scaling the business while improving portfolio quality

Despite its strong growth Solva has managed to **continuously reduce its share of NPLs** by a thorough loan application process. **The increasing share of recurring clients** also supported the reduction in NPLs.

Portfolio quality by vintage (new clients)



Portfolio quality by vintage (recurring clients)



Balance sheet NPL 90+ Is 6,9% as of the end of 2023 (% of principal)

Well established credit rules result in bank-quality portfolio

Initial screening:

- ▶ Retail clients: age (> 21 years old) employment status resident of the Republic of Kazakhstan
- ▶ Entrepreneurs: age (> 21 years old) resident the Republic of Kazakhstan existing income-generating business

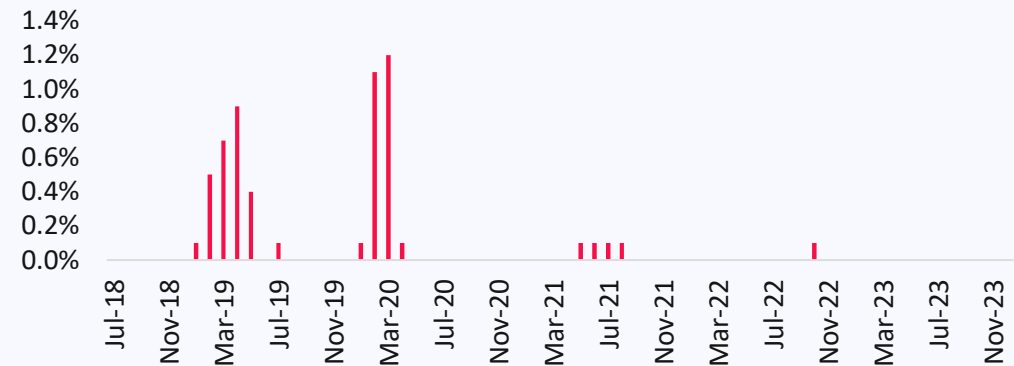
Credit & Legal check:

- ▶ Shall not appear on blacklists & terrorist lists (compliance & antifraud)
- ▶ Positive credit history from both external and internal databases
- ▶ Compliant with regulatory ratios
- ▶ High score according to self-developed scorecard
- ▶ Available credit limit

Inputs to the payability check include:

- ▶ Official monthly income
- ▶ Confirmation of additional income
- ▶ Amount of social benefits received
- ▶ Pension amount received (if present)
- ▶ For SMEs - documents confirming the income: financial statement accounts balance confirmation

Close to zero clients without credit history



Stable high share of bank clients



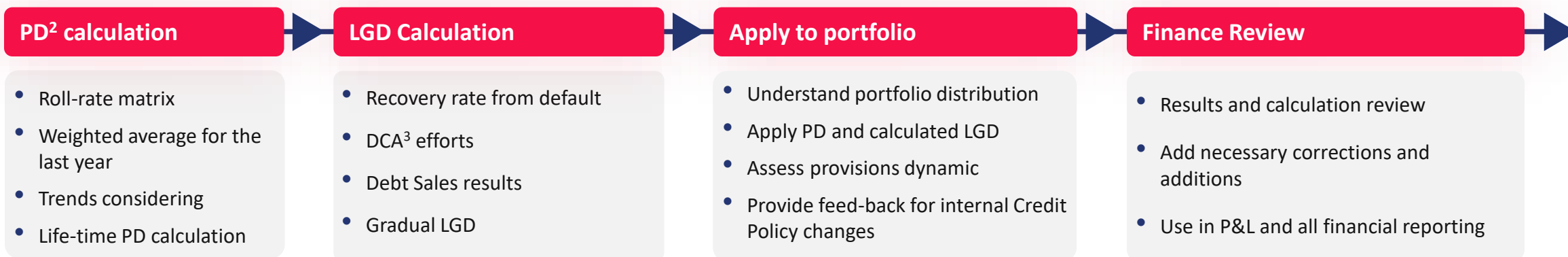
Provisioning

A sophisticated provisioning process, aligned on IFRS9, Basel II and the national banking regulation

What makes us different

- Automated process with deep analysis and feedbacks
- The methodology is being constantly analyzed by Regulator and auditors and updated accordingly
- Decreasing LGD¹ due to the improvement of the recovery rates and higher portfolio secondary prices

Overview of the provisioning process



Key pillars for provisioning standards

IFRS 9



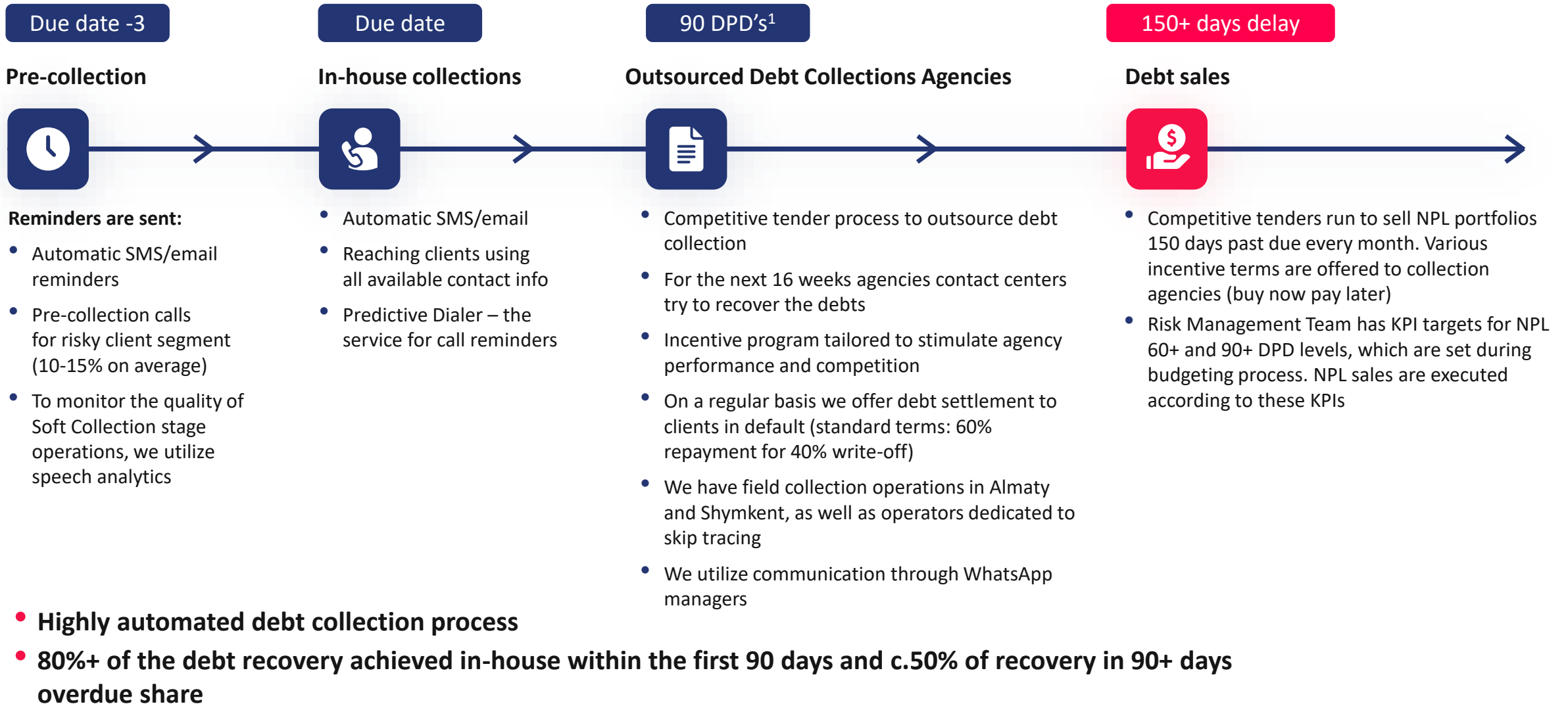
Basel II



Kazakh banking regulation

(to be formally implemented following the obtention of the banking licence)

Established automated collection process



Solva's positive impact



Solva Sustainability Principles



Following responsible lending principles

- We are always guided by the principles of **transparency and reliability**: we provide complete understandable and reliable information about all loan conditions before signing an agreement.
- We are **careful in our marketing communications** and do not offer to take a microcredit if it does not correspond to the real financial capabilities of the client.
- We apply a **client-oriented approach**: we help to settle overdue debts of clients on an individual basis through our internal Ombudsman office.
- In SME segment **c.70% of clients represent women-led enterprises**.



Creating equal opportunities

- We are dynamically developing employer **with care for its employees**.
- We actively support the principles of **gender equality and equal opportunities** for development and leadership of women. Our Company employs **53% of women and 47% of men**.



Caring for the planet

- We are a **carbon neutral** company.
- We launched a pilot product for entrepreneurs in the SME segment – **“Green Finance for Business”**. Also we plan to expand and improve green finance products.
- We have launched **separate waste collection** in the office and our employees adhere to the rules of **careful and environmentally friendly attitude** to resources.
- We included factors related to the **client’s sectorial environmental impact** into our credit application methodology.



Supporting the community

- We launched the platform **“Women in Business”** - community of female entrepreneurs in Kazakhstan.
- We conduct regular seminars **on financial literacy** in different regions of Kazakhstan both in urban and rural areas.
- We regularly run different **awards among our clients** to support them with both material prizes and professional knowledge in various fields.
- We regularly participate in **charitable and social events** and initiatives.



* Fitch ESG rating. The highest rating across FIs / NBFIs globally is 71/100

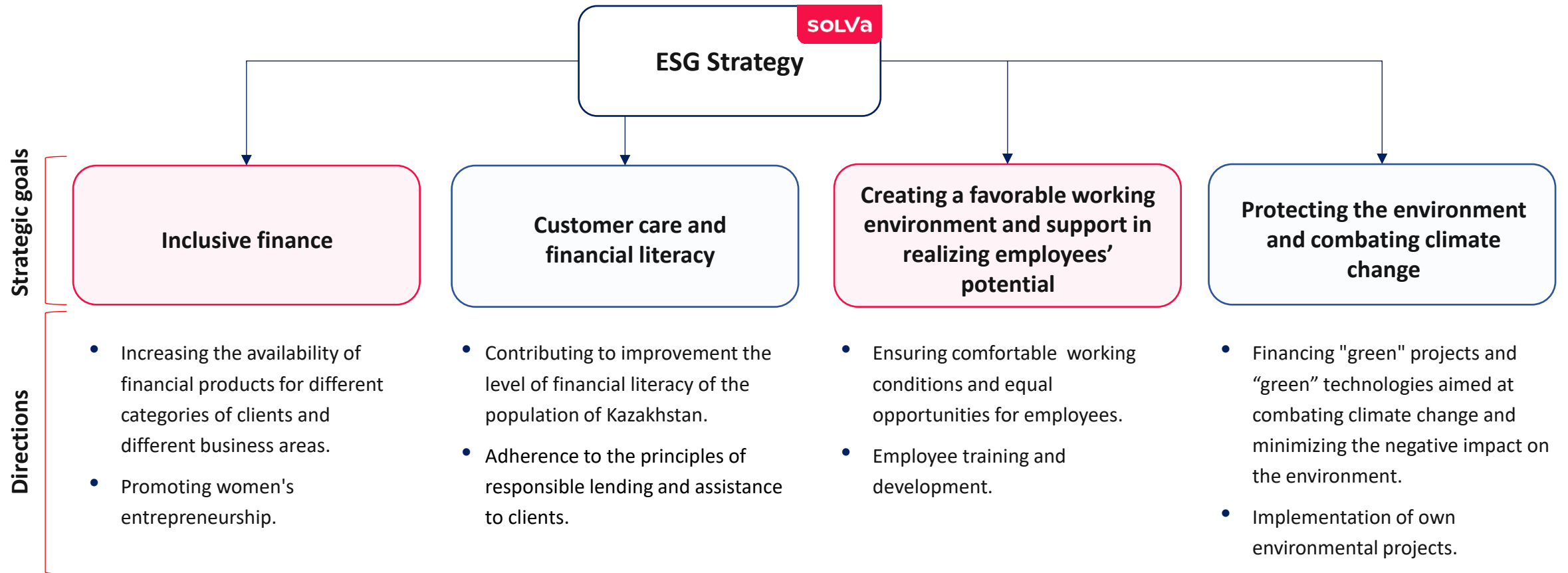
Sustainability strategy

In 2023 we have developed Solva ESG Strategy and the Sustainability Policy.*

This Strategy reflects the most important sustainability strategic goals, directions and tasks for us.

In order to achieve them we plan to direct our maximum efforts.

ESG Strategy and Sustainability Policy has been approved by the Board of Directors of Solva.



*Our Sustainability Policy and ESG Strategy are published on the Company's official website.

Responsible lending



CERISE+SPTF

Solva has become a **committed financial institution** to **CERISE+SPTF Client Protection Pathway**.

Client Protection Pathway is an initiative to accelerate client protection implementation in the financial service industry.

Solva has reviewed the CERISE+SPTF Client Protection Standards and we commit to using them to improve our practices over time.

Solva reaffirms our commitment to excellence in client protection and to keeping the clients **at the core of our business**.

OUR CORE PRINCIPLES:

Transparency in all levels of communication

Respect for clients rights and ethics

Regular interaction and collecting feedback

Fair impartial thorough approach for working with every appeal

Assisting clients in **settlement** of overdue debts

Ensuring the **protection and confidentiality** of personal data

Anti-Fraud measures

Solva's social and economic impact

In November 2023 Solva released the results of SME customer survey

- **SME Portfolio Growth:** Increased SME share in the loan portfolio to **60%** over **3 years**.
- **Job Creation Impact:** Research in 2022 resulted in **26 000 new jobs in 2 years**, with an additional **21 000 jobs created in 2023**, emphasizing the use of loan funds for job creation.
- **Employment Dynamics:** SME clients hired an average of **3.4 employees** in 2023, reflecting a **17% increase**.
- **Financial Impact per Loan:** Every **KZT 1 mln** of funding in 2023 is expected to yield a **KZT 6 mln** increase in SME revenue over one year.
- **Revenue Growth Projection:** Anticipated revenue growth for Solva's clients in 2023 is approximately **USD 372 mln**.
- **Client Loyalty:** Over **84%** of clients expressed intent to return to Solva for a microloan.

4.5

Average amount of employees per company

66%

Clients' experience increase in revenue after the first month of receiving Solva loan

20%

Clients hired new employees using Solva's loan on average 3 people

10%

SME clients would not be able to maintain their business without financing from Solva

96%

Of clients responded that Solva's loan had helped develop their business

84%

Clients would apply to a loan from Solva again

Support for Women entrepreneurs

70%

Clients from the
SME sector –
women entrepreneurs

50 000

Women entrepreneurs
received **funding** from Solva

14.1k

New jobs created by women entrepreneurs over the past year,
thanks to a microloan received from Solva

Solva became the first Kazakh company to join the global gender capital allocation initiative 2XGlobal



2XGlobal is a **global organization** which mission is to bring together the entire spectrum of financial market players to advance a **gender-responsive approach** to investing and build sustainable, inclusive financial systems.

"Women in Business" is a multifunctional platform that provides for free:

- Financial Literacy Training Programs for women entrepreneurs.
- Access to mentor programs.
- Other educational programs useful for business activities.
- Community of like-minded people and exchange of experience and knowledge.
- Expert articles and helpful tips.

Already **12 free offline financial literacy training** were conducted, in which took part **more than 900** women entrepreneurs.



Solva received the
2023 PLUS Award
in the **"Best ESG
Initiative in the
financial sector"**
category

Gender bonds

In the summer of 2023, Solva carried out **the first corporate issue of ESG gender bonds** in the history of the Republic of Kazakhstan in the amount of KZT 20 bln.

20 bln

KZT amounted to the issue of **ESG-gender bonds** by Solva

More than 14k

Women entrepreneurs will be able to obtain financing for their business projects through the **issuance of gender bonds**

90%

Buyers of gender bonds issued by Solva - **retail investors**



Solva was awarded the Cbonds Awards 2023 in the category **“Best Primary Deal of ESG Bond in Kazakhstan.”**



Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards in the category **“High Yield Debt Deal of the Year”**



Client stories

70% of Solva's SME portfolio consists of women-led businesses



Ulzhalgas Agatayeva

Cleaning supplies for car washes

- Decided to open its own business to produce cleaning supplies
- Used Solva's loan to purchase components from China to compete with traditional European products
- Initially operated in a small town, now opening online shop and targeting bigger cities



Tillakul Karsybayeva

Bed linen factory

- Raised 6 children and decided to open its own business focused on traditional Kazakh linen
- Used Solva's loan to acquire the first sewing machine
- Currently operate 3 machines and 12 employees
- Sell products across the whole country



Narbuvi Tagayeva

Family farmhold

- Serial entrepreneur for 20 years
- Ventured into agriculture and initially lost KZT 3m due to lack of respective experience
- Decided to try again and used Solva's loan to acquire land and equipment
- Currently own 3 ha of land, 28 horses and 30 cattle



Natalia Ulchenko

Poultry farm

- Natalia's son suggested to start the business and presented the first incubator for 300 eggs
- Natalia developed the business and took Solva's loan to expand
- Currently operate 1,000+ eggs incubator and several barns
- Planning to expand into other products, like poultry meat

Funding profile

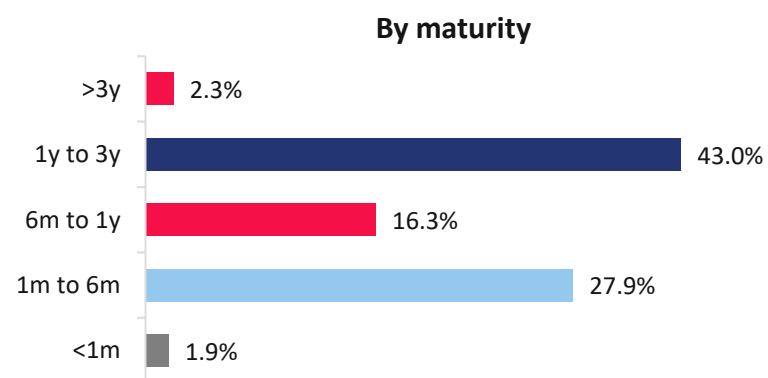


Debt funding structure

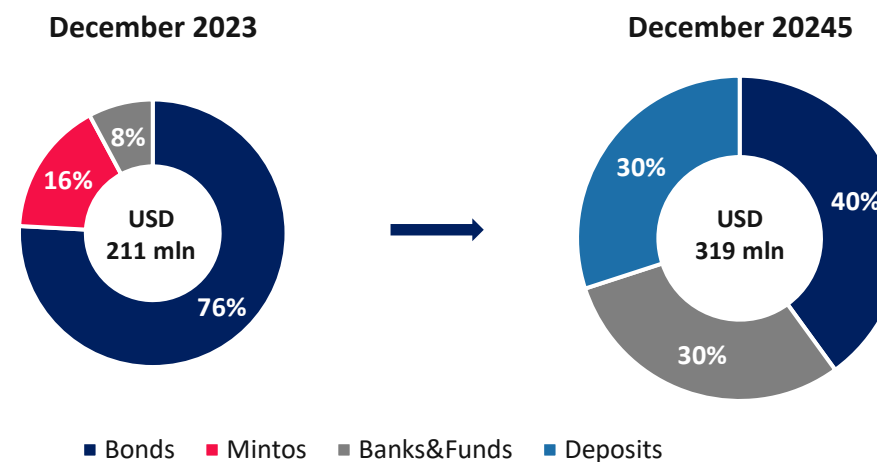
Funding Update

- **Decreasing the share of Mintos funding** – since 2023 repaid EUR 17m out of EUR 49m
- Refinancing with local bonds to decrease cost of funding and free-up collateral
- **Funding from 4 international impact funds – Blue Orchard, Incofin, Enabling Qapital, ResponsAbility**
- **First corporate ESG bond** in Kazakhstan / 20 bln KZT
- In 2023 Solva has already **redeemed three bond issuances** in March and June for the total amount of USD 25m equiv. In total Solva has successfully redeemed five bond issuances. In 2022 two bond issuances totaling 4 billion tenge and USD 7 million were redeemed
- In 2023 Solva **received awards** in the categories of "**Best ESG Bond Deal in Kazakhstan**" and "**Leading Retail Bond Issuer in the Republic of Kazakhstan.**"
- **New hedging counterparties and instruments**
 - Forwards and synthetic swaps with Eurasian Bank BCC and Jusan Bank
 - Direct set-up with US-based MFX with US state guarantee
 - Synthetic REPO hedge

Current debt portfolio (2023)



Debt portfolio evolution by 2025



Bond issuance insights

Ticker	Volume	Coupon rate	Start date	Bond redemption	Maturity
Denominated in KZT					
MFOK.0324	7,000,000,000	18.00%	18.03.2021	18.03.2024	3 years
MFOKb2	10,000,000,000	18.00%	09.11.2021	09.11.2024	3 years
MFOKb3	3,000,000,000	20.00%	22.09.2022	22.09.2023	1 year
MFOKb10	3,000,000,000	21.00%	20.04.2023	20.04.2024	1 year
MFOKb11	20,000,000,000	22.60%	02.06.2023	02.06.2025	2 years
MFOKb12	1,500,000,000	21.00%	24.08.2023	24.08.2024	1 year
MFOKb13	1,500,000,000	21.00%	12.06.2023	12.06.2024	1 year
MFOKb14	1,500,000,000	21.00%	20.09.2023	20.09.2024	1 year
MFOKb15	3,000,000,000	21.00%	20.09.2023	20.09.2024	1 year
Denominated in USD					
MFOKb4	15,000,000	10.00%	17.06.2022	17.06.2023	1 year
MFOKb7	10,000,000	10.00%	06.09.2022	06.09.2023	1 year
MFOKb8	20,000,000	10.00%	03.03.2023	03.03.2024	1 year
MFOKb9	20,000,000	10.00%	17.03.2023	17.03.2024	1 year
IDCOpp1	5,000,000	14.50%	16.06.2023	16.06.2025	2 years

Rewards



Best Primary Offering Deal
of ESG Bonds in Kazakhstan



High Yield Debt Deal of the Year



The Leading Retail Bond Issuer
in the Republic of Kazakhstan

ESG bond placement insights

ISIN	KZ2C00009769
Credit Rating	B- (S&P)
Coupon rate	22.6%
Duration	2 years (02.06.2023-02.06.2025)
Volume	KZT 20 000 000 000
Listing	Kazakhstan Stock Exchange, Almaty, Kazakhstan
Bookrunners	«Freedom Finance» JSC, «BCC Invest» JSC
Note	Addressing social, particularly gender-related, issues through the funding of individuals – women, as well as micro, small, and medium-sized enterprises



Thank You

