

**autofino.lt**



# Introduction

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## Product description:

Long-term second-hand car leasing service for individuals and small companies with an option to buy the vehicle at any point

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## Competitive advantage:

Efficient cost basis and focus on customer service

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## Customer value proposition:

Leasing services for underserved customers with excellent customer care at competitive market price

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## Investor value proposition:

High-yield investment opportunity secured by shareholder capital with minimized risk through vigorous credit risk management, conservative vehicle valuation model and lean operations

# Portfolio

**705k EUR**

Size of active portfolio

**3500 EUR**

Average contract

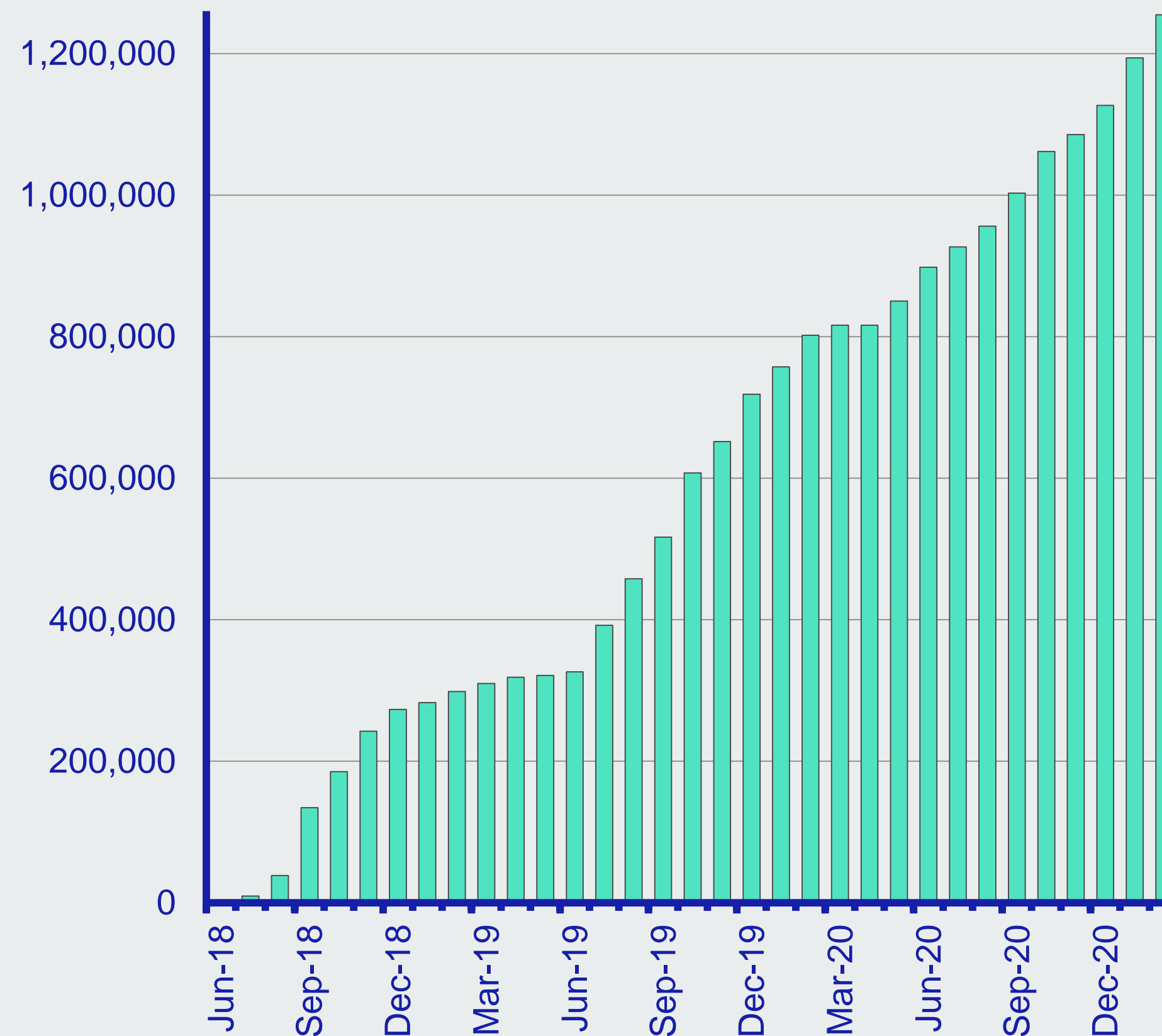
**41 months**

Weighted maturity

**45%**

Weighted annual lending rate

Gross issuance, EUR



**Portfolio defaults to date:**

5.6% of total issuance

**Active portfolio by arrears:**

Current 80%

15-30 days 3%

31-60 days 7%

61-90 days 5%

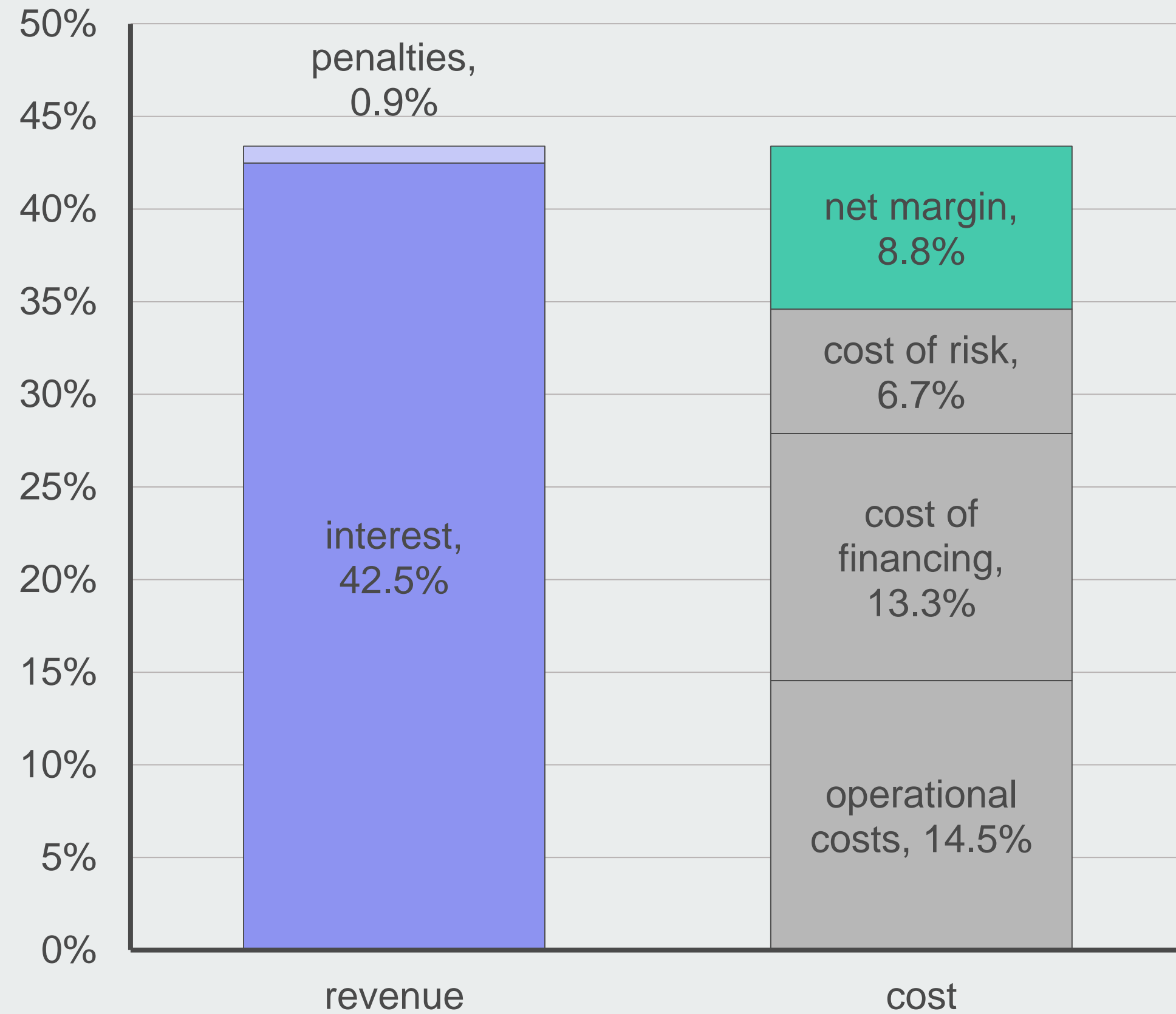
90+ 5%

# Product specification

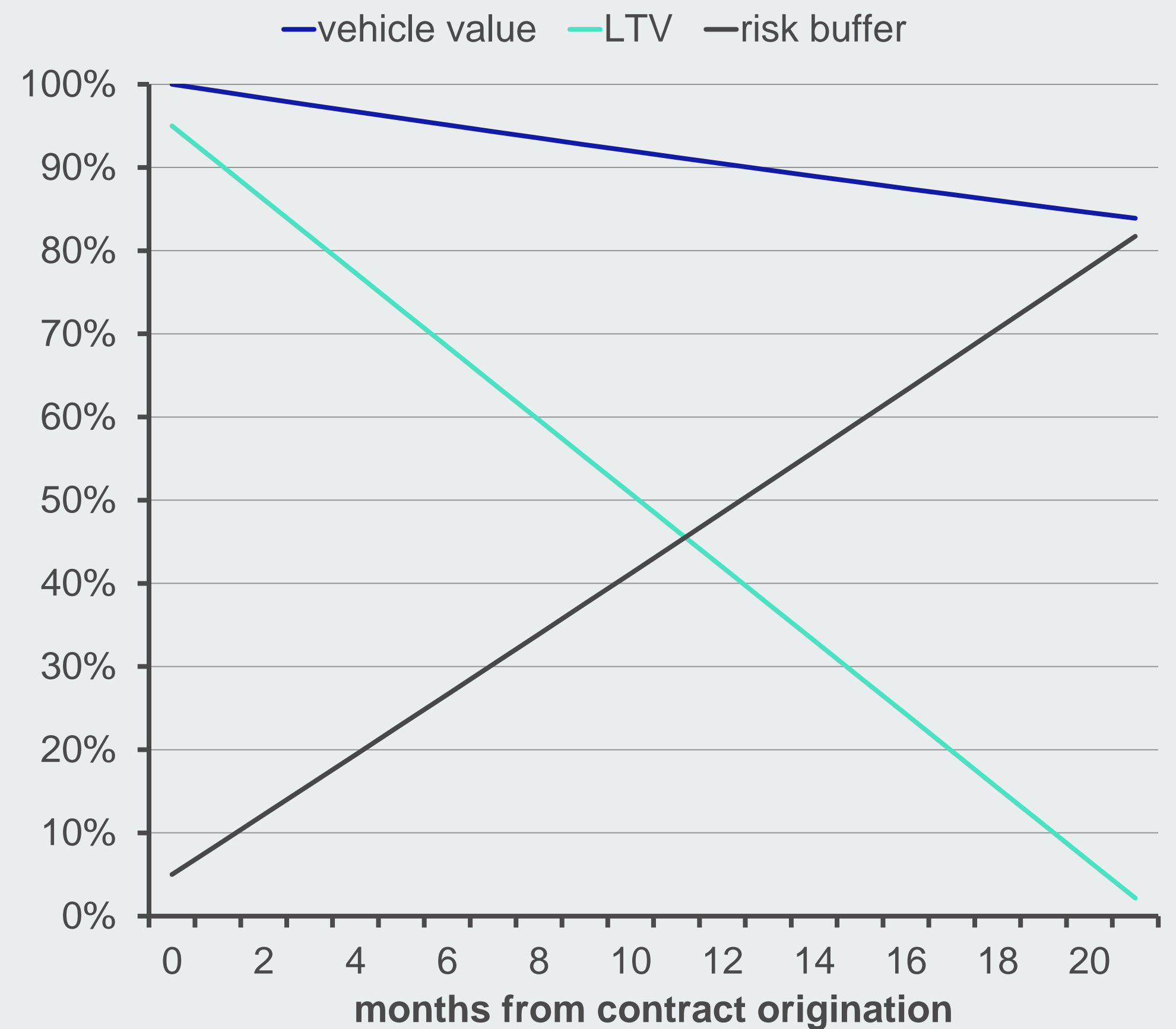
- Leasing contract values from 1.000 to 10.000 EUR
- Term: 1-6 years
- Interest rate: 30%-60%
- 30% balloon payment at maturity
- Right to buy the vehicle at any point
- 50% of the cars are leased with short-term warranty, provided by the seller
- Clients can choose from our own car fleet, our selected partners or independent sellers
- GPS monitoring is installed for higher risk clients (10% of the contracts)
- Up to 50% down payment can be required (30% of the contracts)

# Understanding the business model

## How we earn? (FY2020)



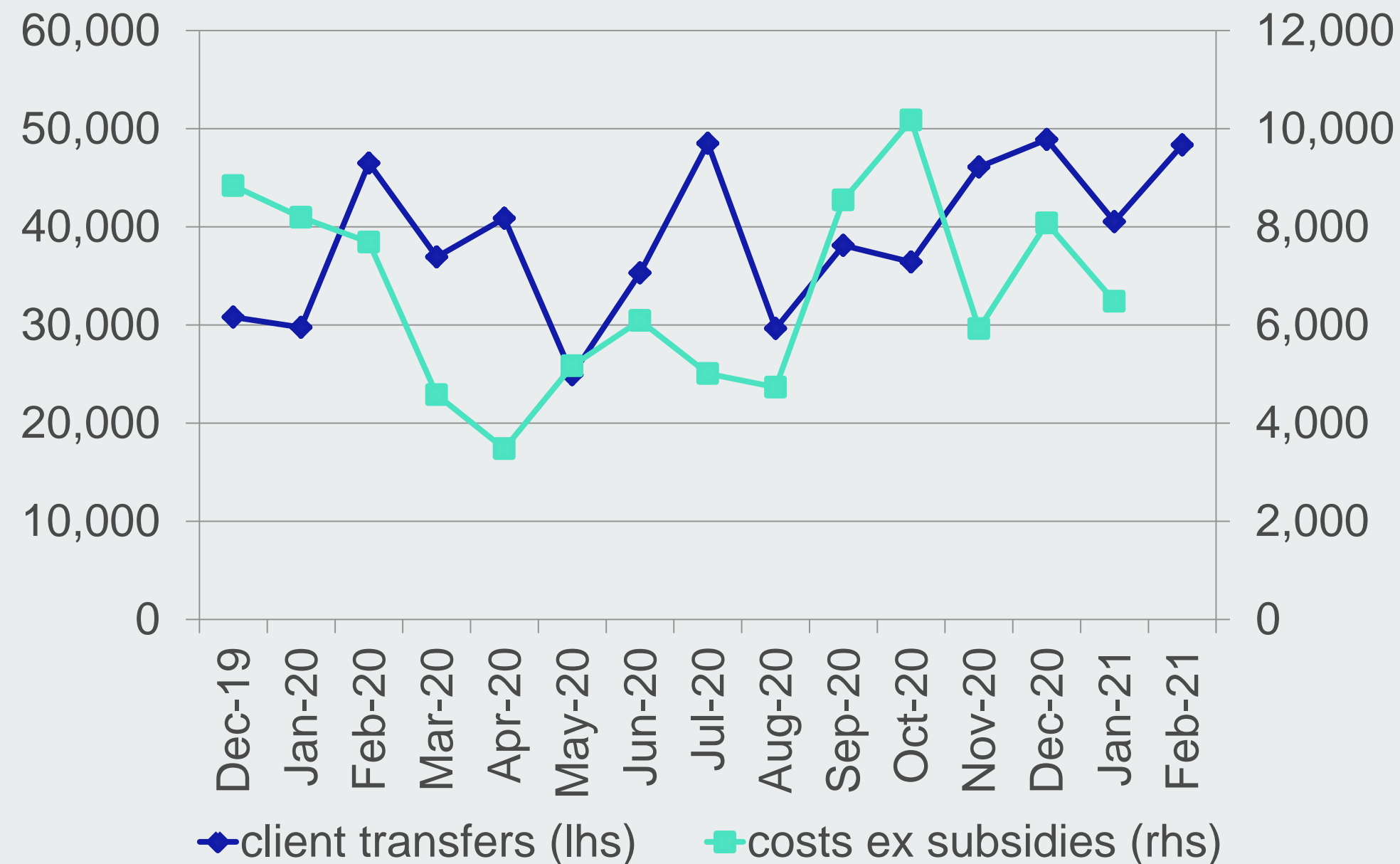
## What risk we take?



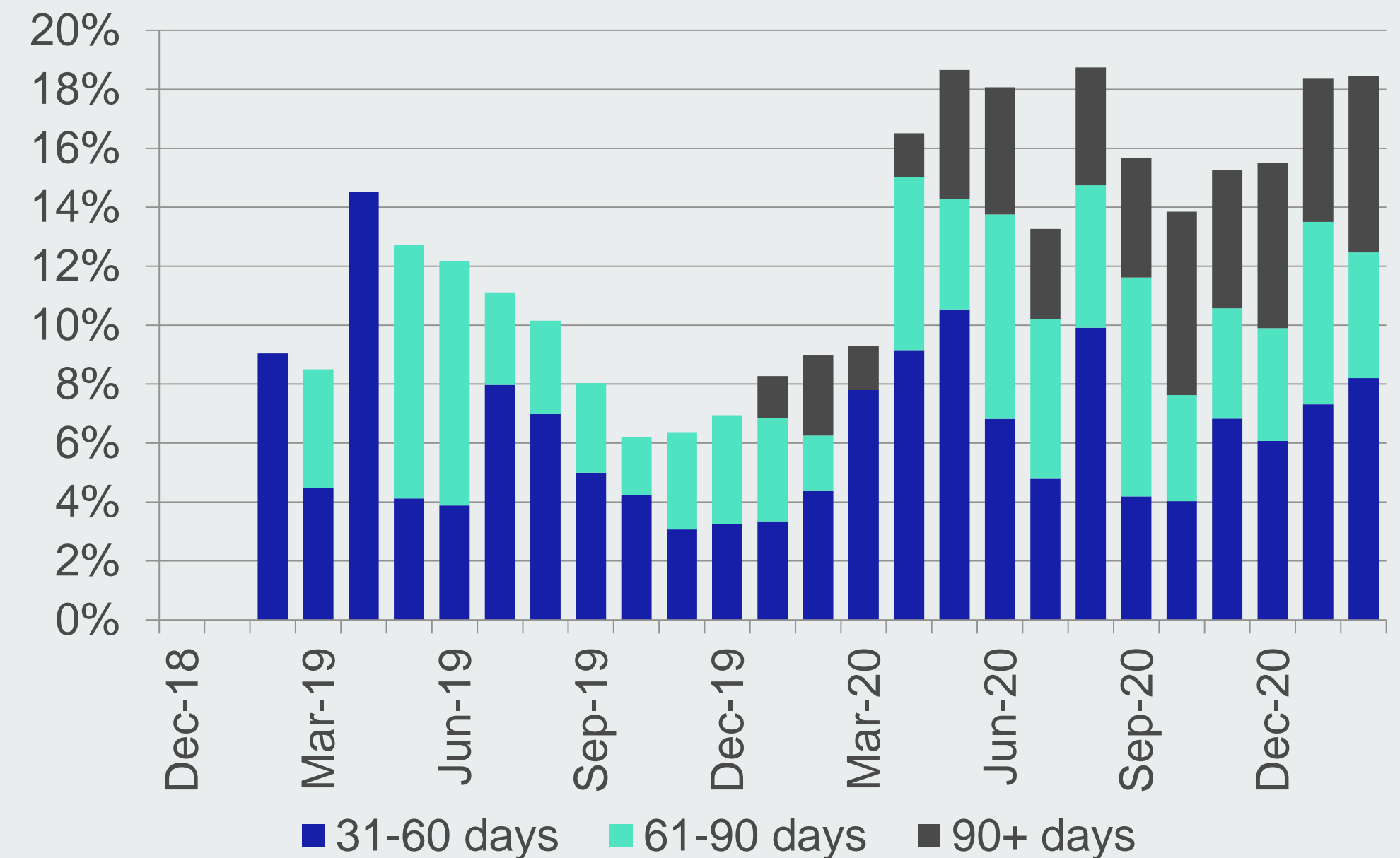
# COVID19 experience

- Client transfers remained stable
- The company has demonstrated strong cost-cutting capacity
- Good clients were provided flexibility around their payment schedules

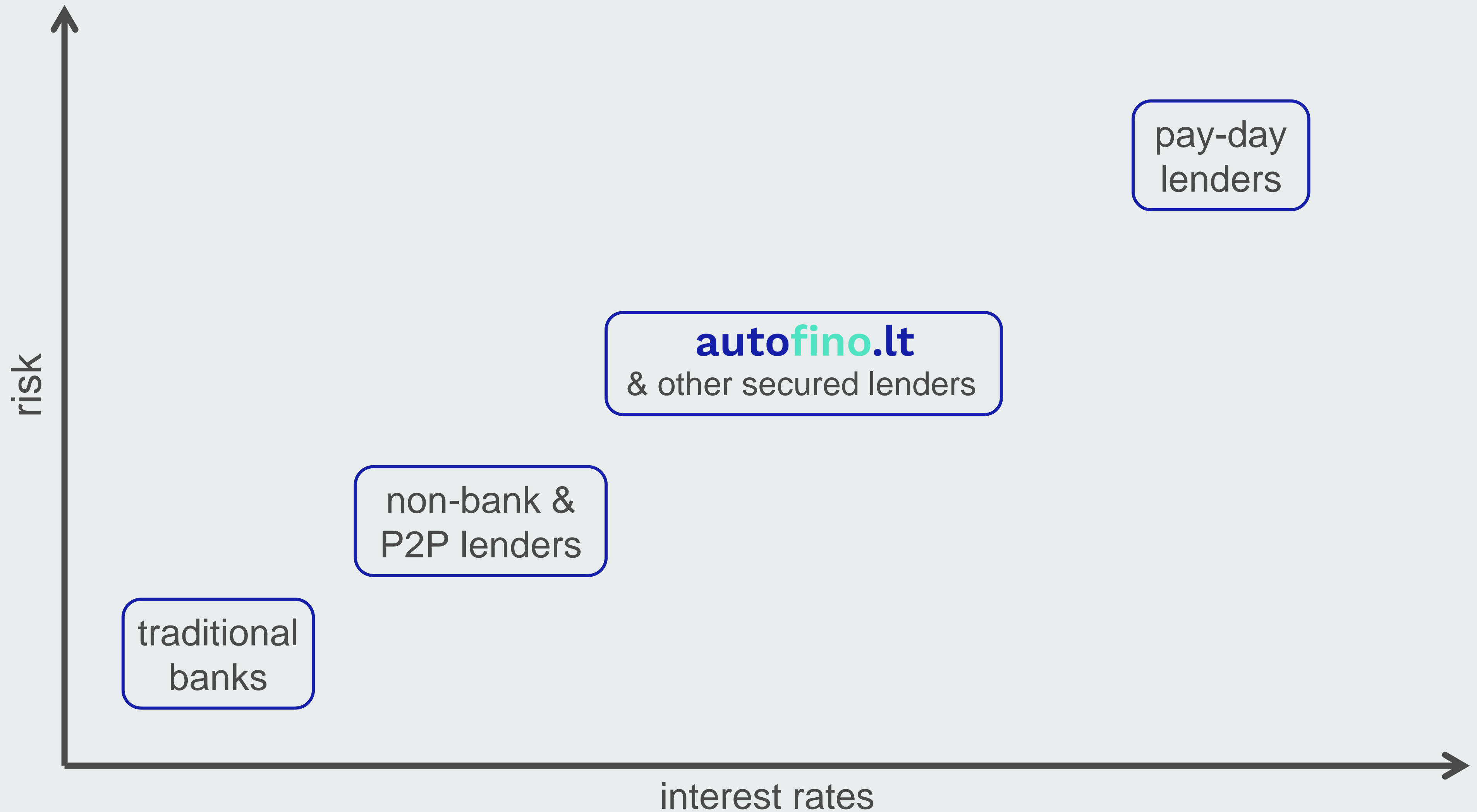
Collected payments vs costs, EUR



Delinquent contracts, % of active portfolio



# Market segmentation



# Clients

- The company is targeting clients with restricted access to traditional financing
- Secured nature of the contract enables to finance higher risk customers

| Target group                     | Reason for restricted access  |
|----------------------------------|---|
| People earning abroad            | They earn high wages, however debt collection from them is complicated as they keep their money abroad  |
| Sole-proprietorships             | Often they work in cash-dominated industries (e.g. hairdressers, construction workers). Their income is volatile, not socially insured and more difficult to verify   |
| People with underreported income | They tend to have a minimum base salary and earn additional income as expense allowance, travel money or sometimes unaccounted cash in order to reduce the tax bill. Typically rejected due to insufficient debt-to-income ratio. |
| Small business                   | High quality collateral, usually real estate is required for small enterprises to receive funding   |
| People with bad credit history   | Last decade saw an explosion of consumer credit and pay day lending. As a result, there are a lot of borrowers that lost access to lenders due to damaged credit history  |



# Strategy

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Achieve steady growth through new partnerships and increasing marketing budget

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Maintain lean operations and client acquisition with very efficient cost base

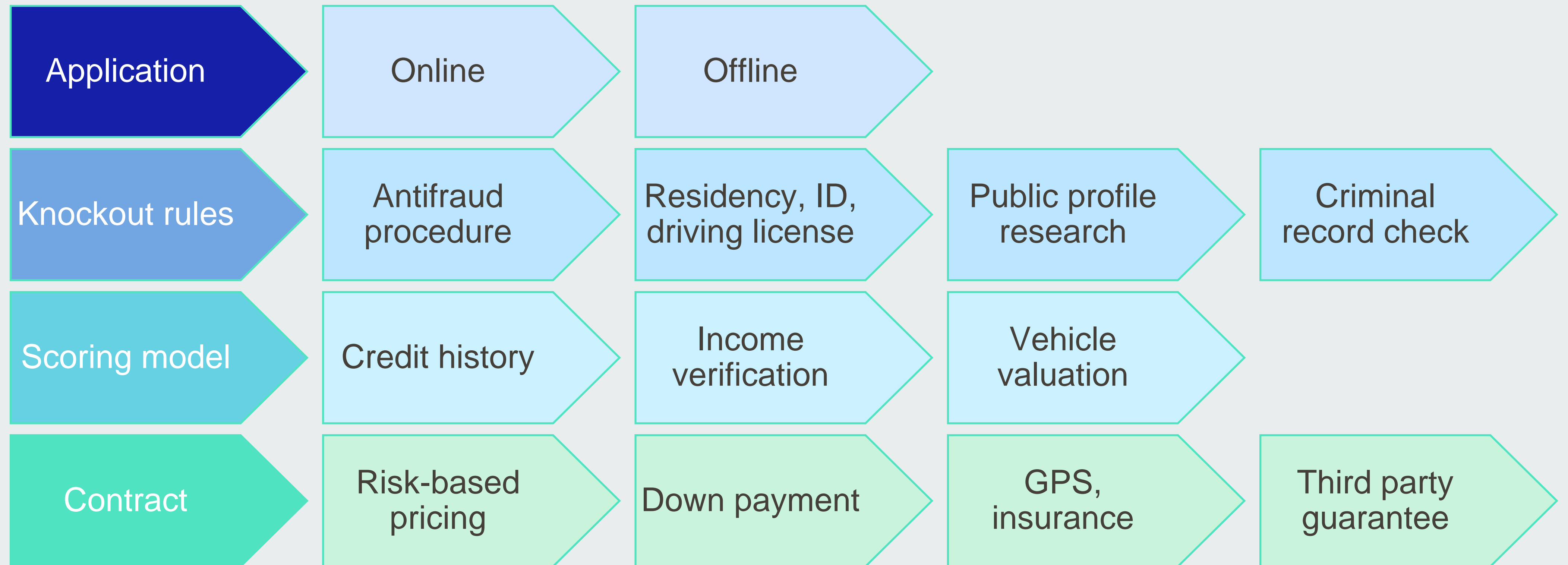
- 15% of loan issuance

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Based in Vilnius with certified partners in Kaunas, Klaipėda, Kėdainiai, Kretinga; planned partnership expansion to other cities

# Contract issuance process



# Recovery process

## In-house soft and middle debt collection

- Automated payment reminders (e-mails, SMS)
- Personal debt collection and leasing restructuring
- Registered mail letters

## Outsourced debt collection

- Repossession
- Bailiff execution (promissory notes)
- Legal collection



# IT infrastructure

Automated processes to minimize labor costs and human error

- Contract preparation
- Credit risk profile reports
- E-mail, SMS reminders (implemented) and robot calls (in process)
- Received payment management
- Portfolio performance reports
- Invoice generation
- Web content management system

# Financials

**213k EUR**

Capital

**490k EUR**

Debt

**29%**

Equity-to-asset ratio

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## Assets, EUR

Lease portfolio: 735,000  
Cash: 30,000

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## Liabilities, EUR

Debt: 490,000  
Other: 61,000

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Equity: 120,000  
Net income: 93,000

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# Team



**Rokas Ignotas**

*Co-founder & CEO*

Before starting autofino.lt, Rokas has spent 8 years in global macro hedge fund industry in Monaco, Malta and London as an analyst and a trader, with a focus on data-driven investment and risk management strategy



**Arūnas Gečiauskas**

*Co-founder*

A serial entrepreneur and an angel investor, Arūnas is the founder of very successful pinecagroup.com among other ventures and has an expertise in e-commerce, manufacturing & energy business.

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Contact

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