



INVESTOR PRESENTATION

DECEMBER 2019

www.getbucks.com

Table of contents

Investor Presentation 2019

1. GetBucks at a glance
2. Financial Wellness
3. Gearing for growth
4. The South African market
5. GetBucks key metrics

GetBucks at a glance



Enabling and empowering.

GetBucks is a digital financial services platform, providing a range of lending and insurance products to the South African consumer, with a strategic focus on simplicity and ease of use.

GetBucks South Africa includes the South African lending business, GetBucks Eswatini, GetBucks Namibia and Getsure South Africa, a registered Financial Services Provider (FSP).

There is a large unbanked and under-banked population in South Africa which does not use formal banks or semiformal microfinance institutions. This presents an opportunity for us to offer an innovative range of high-quality, affordable financial products and services.

Through our lending solutions we see ourselves as providers of interim finance and over-draft solutions for the under-banked and those looking to access and pay for goods and services.

● GBSA customers

120 000

● Loans granted to date

750 287

● Outstanding loan book as of 31/12/2019

R110 142 121

● Default rate

17%

We have used 2019 to reshape the portfolio



As GetBucks in South Africa, we have spent 2019, positioning the portfolio and the business to be able to absorb any downturn in consumer fortune, as well as to be able to make the most of the opportunity that normally emerges in these periods – bearing in mind that **real consumer demand does not diminish while supply contracts**. What becomes more important is the ability to accurately and pragmatically make sound risk decisions.



- 01 Affordability criteria**
Tightened our affordability criteria and process, including aligning sales incentives to the quality of the originated portfolio. There is exposure more to bank transactional data in the decision process as well as factoring some of the more relevant short-term characteristics.
- 02 New loan process**
Launched our new loan process which automates affordability calculations directly off the bank statement and uses our bespoke AI models to assess and determine risk.
- 03 Credit scoring**
Enhanced the credit scoring models to be more relevant to the current market reality. We have also raised the credit bureau cut-off scores that act as the initial entry point validation.
- 04 Performing channels**
Reduced our exposure to poorly performing channels of business.
- 05 NPL portfolio**
Disposed of a large portion of our NPL portfolio which was a drag on both performance and collection levels and a detractor of focus on the reality of running the business.
- 06 Rebuilding management**
An experienced management team with a strong lending background and vision for an exceptional brand implemented in Q4 2018.
- 07 Shareholder change**
Finclusion 100% shareholder of GetBucks SA since January 2020.

Digital scoring capabilities

Turning data into measurable and scalable financial and risk tools.

Enabling businesses to run faster, streamline and overcome regulatory, financial, and fraud challenges.

Powered by



Sales Lab

Scrutinization of clients' personal data to optimise leads and define quality and well as which clients are more likely qualify and convert into a sale.



Score Lab

Supervised machine learning to make predictions within seconds. Using financial and psychometric data allows faster more accurate decision making.



Offer Lab

Transactional behaviour modelling creates opportunity to up-sell and identify where improvements can be made on spending habits.



Lender Lab

Reduce risk, eliminate human error, improve turnaround time and improve over all customer experience.



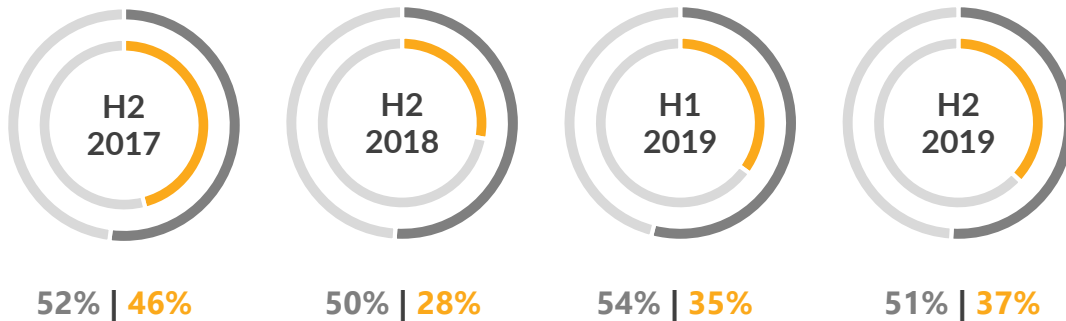
Fraud Lab

Identify organized groups of fraudsters, synthetic identities, stolen identities, compromised networks and hijacked devices.

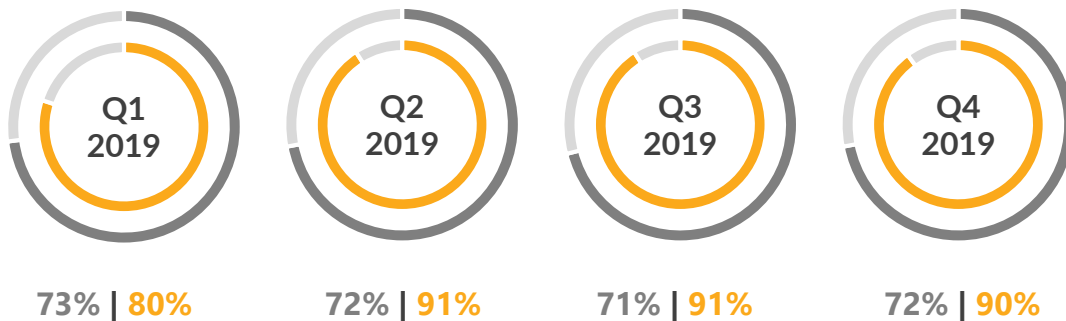
The impact of these changes is clearly visible

Approval rates over time

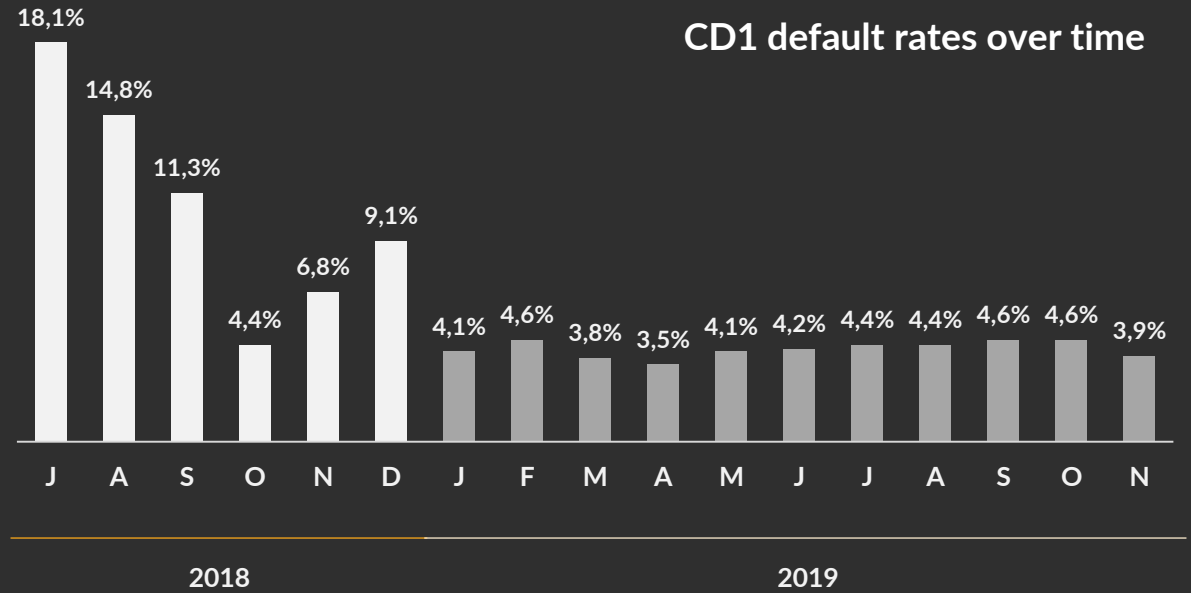
○ GBSA ○ Industry



Collection rates over time



CD1 default rates over time



In addition, we have begun the development of a product with self-contained cash flow support to customers with a lower borrowing cost than they could obtain from a traditional pay-day lender. Our online focus will also shift towards a broader financial training and awareness platform, ensuring that customers understand the credit purchasing decision they are making and the implications thereof.

Financial wellness



Financial Education & Wellness

GetBucks is a responsible lender that not only assists people when they need a little extra financial help, but also believes in educating people to make financially sound decisions.



Free Credit Report

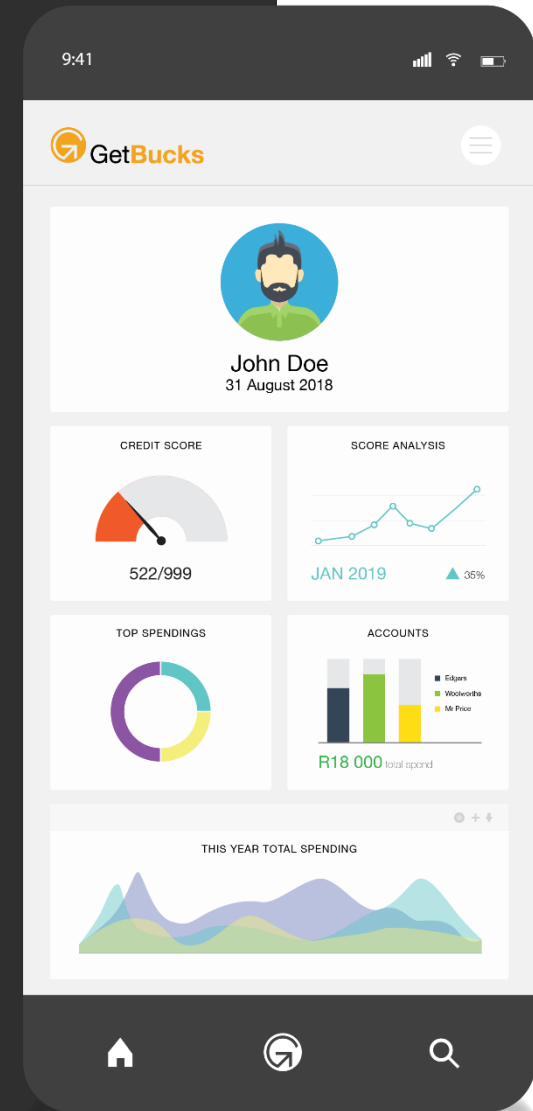
- As a value add to our clients, we offer a free monthly credit report for them to get feedback on credit scores, financial history and spending habits
- Not only is it important for clients to know their financial standing, but GetBucks tries to assist clients with minor changes that will improve their financial status.

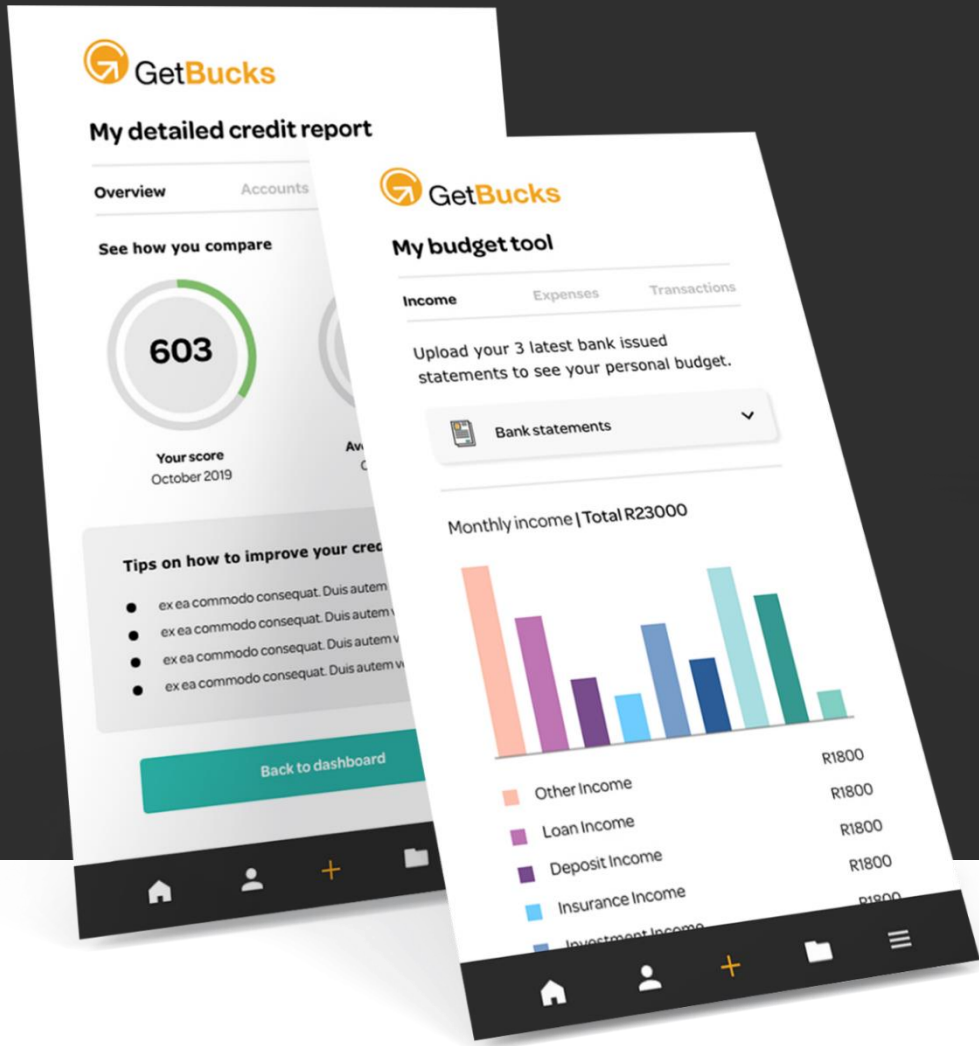


GetBucks Finance Guide

- Available to download from the website or on request, GetBucks clients get access to a quick and easy to understand guide on finance firsts, as well as a simple budget to assist in budget management and planning.

Full view of current and historical personal credit data | Accessibility to your credit profile allows deeper feedback on movement of credit score | Aid financial understanding and education based on spending habits | Help to financially rehabilitate blacklisted clients through our partners





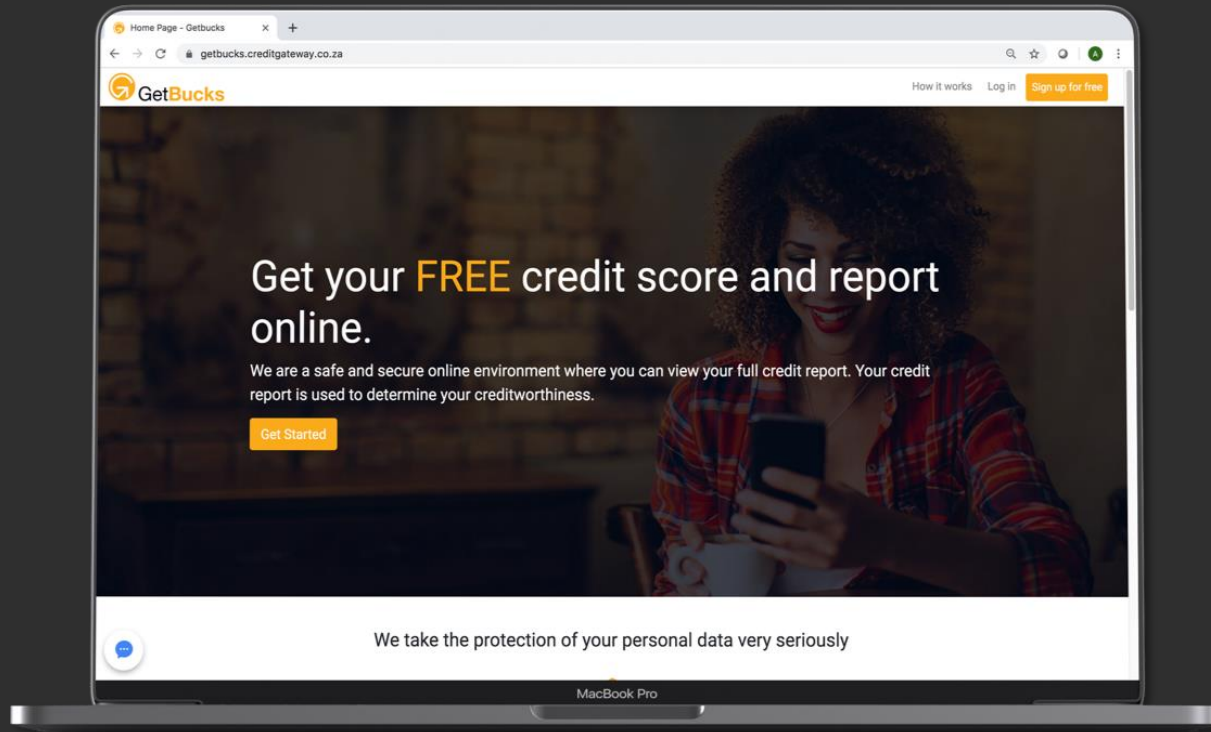
Budgeting tool

Customers have the right to their own valuable data.

- Using artificial intelligence and proprietary technology, GetBucks has developed an easy to use budgeting tool that allows customers access to their personal financial information.
- The budgeting tool simplifies and displays the customers income, expenses and transactions to see where they can make improvements and assist the client on a journey to financial wellness.

Credit Rehabilitation

GetBucks has established a debt rehabilitation product that assists clients with over indebtedness, black listings, judgement removals and help getting out of debt review. Through debt restructuring, GetBucks helps overindebted clients get the financial stability they need to get back on their feet.



How it works



Sign Up

Sign up on the Platform to reveal your free Credit Score.



Credit Report

It all starts with your Credit Report. See your Credit Report and Scores from three different Credit Bureaus on your own personalised dashboard.



Recommendations

See recommended financial products based on the outcome of your credit report to help you with your overall financial health. You can apply for these products straight from your Dashboard.



Room for Improvement

Learn what affects your credit score and what you can do to improve your credit status.

Gearing for growth



Gearing for growth

Three pillar business strategy utilising our capabilities and experience with a build once, deploy multiple times solution set.

Grow Sales



- Partner with leading other financial services and technology providers to enable their new customer propositions
- Enablement through the launch of the online-store and finance solutions for brick-and-mortar and on-line retailers
- Scale the insurance product offering to deepen the customer relationship
- Grow top-end payroll client base

Improve and maintain quality



- Strengthen non-traditional data sources and increase reliance on AI models to grow sales without compromising risk
- Run best of breed collections outsource model - champion/challenger on contingency basis only
- Identify timings for book sales to optimise or accelerate potential returns
- Ensure provisions remain realistic but pragmatic

Deliver meaningful experiences

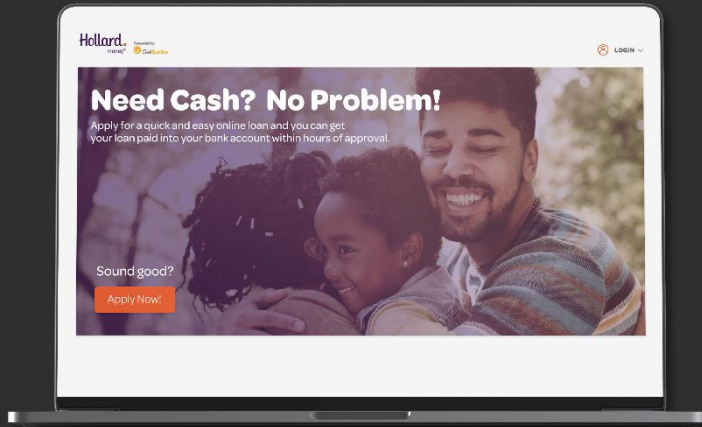


- Expand scoring techniques to include psychometric score offerings to enable entry into the less traditional credit market
- Innovative wallet and payment technologies will also enhance the sales and collections fulcrum
- Treating customers as individuals and tailoring solutions to their need and personal risk profiles
- Ensuring that our customer experience retains the values of dignity and respect at its core



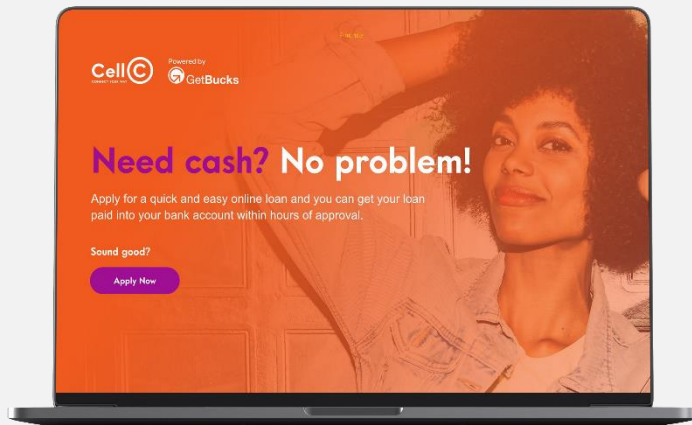
Empowering our people to deliver a superior customer experience underpinned by dignity and respect

Growth through partnerships



Hollard Money on-line finance solution, powered by GetBucks

- Initially short-term loans up to 6 months with plans to expand as performance is evidenced, paid for on an origination basis (2% to 3.5% per origination)
- **GetBucks risk models and balance sheet at launch**, Hollard have signalled an intent to fund after 6 months at a rate of 10% to 15% per annum
- Also access to retail store for all Hollard customers
- **>2m Hollard customers** driven through a white-labelled on-line solution
- Also opportunity to discuss Hollard staff payroll



Cell C on-line finance solution, powered by GetBucks

- Cell C on-line finance solution, powered by GetBucks
- Initially short-term loans up to 6 months with plans to expand as performance is evidenced, paid for on an origination basis (2% to 3.5% per origination)
- **GetBucks risk models and balance sheet at launch**
- Also access to retail store for all Cell C customers
- **>1.5m Cell C customers** driven through a white-labelled on-line and mobile solution
- Pre-cursor to device financing for contract and post-paid device agreements



Growth through partnerships

Enabling mobile financing with innovative collection support.



- Together with our partner Pay-joy developing a model to support the ability to provide mobile device finance to market previously seen as too high a credit risk.
- Pay-joy is a mobile application that enables the credit provider to apply a soft-lock to the device in the event of non-payment of the instalment.
- Consumer can see incoming messages but cannot access any applications except those pre-determined by the credit provider (which would include banking and emergency services as an example).
- Pilot will be live through our on-line store in Q1 2019 with discussions underway with a range of MNO's in South Africa to support their pre-paid and post-paid product lines.
- Discussions are already underway with device providers across Africa to allow us to further expand the opportunity and control the customers digital experience.



- Financing for all Pep mobile transactions in South Africa with the potential to expand into Africa
- Pep sell approximately 10m handsets each year at an average price-point of R 1 500 with a desire to expand phone range and transition customers to entry-level smart phone market
- Partnership allows Pep to sell a higher quality product at a higher RRP
- Even a conservative assumption of 10% of Pep's annual mobile turnover results in annual loan sales of ZAR 2.5bn
- GetBucks risk models and balance sheet at launch.

Affordable medical cover

Because we care for the well being of your employees
We want to help bridge the gap for those that do not have access to medical cover.



GetBucks have partnered with Oyi, a company that provides **simple and affordable cover** for **unexpected medical expenses**.

Benefits to the employee:

- **Instant access**
To funds for unexpected medical expenses
- **Pay-as-you-go**
Employees only pay for what they have spent
- **Pre-authorisation**
Is not required
- **Pay for any family member**
At no additional cost
- **Full control**
To spend at any doctor, pharmacy or specialist in South Africa



Delivering growth through retail enablement

Working with selected retail partners to deliver an online retail financing and shopping destination

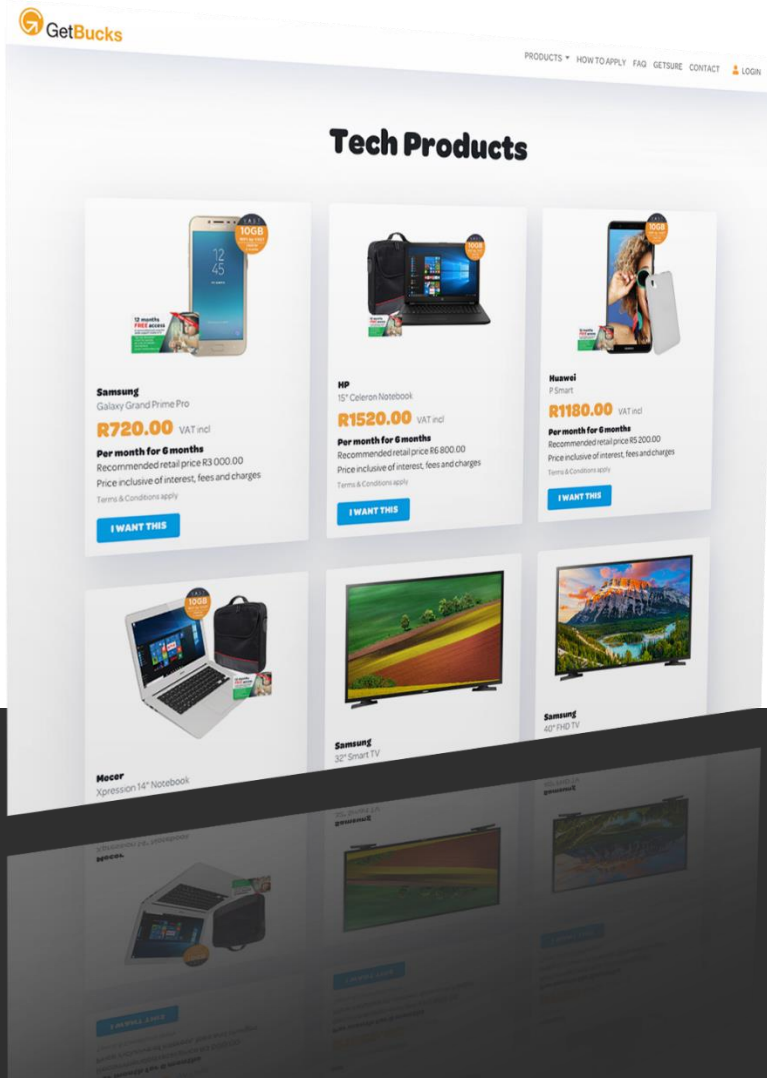
- First online retail store launched in South Africa in January 2019 – providing access to a range of retail technology products along with the associated finance
 - Access to retail margin as well as credit return
 - Market leading logistics partner to support last-mile delivery
- First month of operation have attracted attention and support
 - Marketing investment from leading suppliers
 - Expansion of store range
 - Launching of in-store finance solutions for HP and Samsung in SA in Q2 2019
 - Holistic financial service provision to Huawei – in-store and online
 - Request to provide financing options directly on retailers sites driving additional traffic



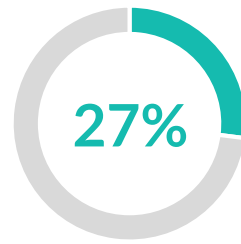
Intention to spin-off into stand-alone retail store brand

Plan to expand into rest of the common monetary area and then into the rest of Africa with opportunities to explore in Australia

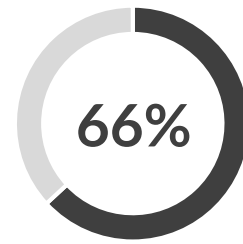
Availability to partners in all markets



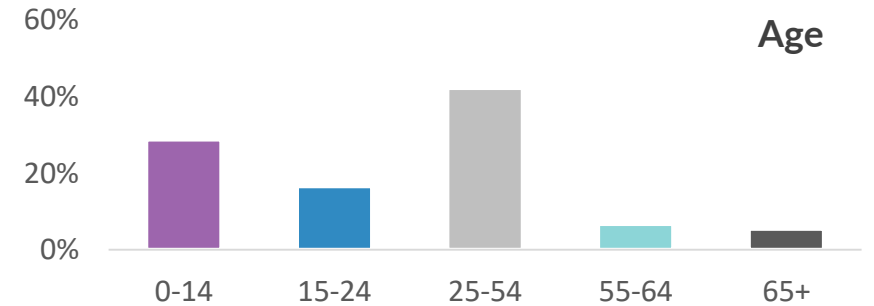
A look at the South African Population



Unemployed



Urban population



Population 2019:

58 892 763



Female

50.74%



Male

49.26%



SA's smartphone* penetration



*As at September 2018



32,615,165

Internet users: June 2019

GDP - composition, by end use:

		(2017 est.)
Household consumption	59.4%	Investment in inventories -0.1%
Government consumption	20.9%	Exports of goods and services 29.8%
Investment in fixed capital	18.7%	Imports of goods and services -28.4%

State of the South African Consumer

Lending: Originations

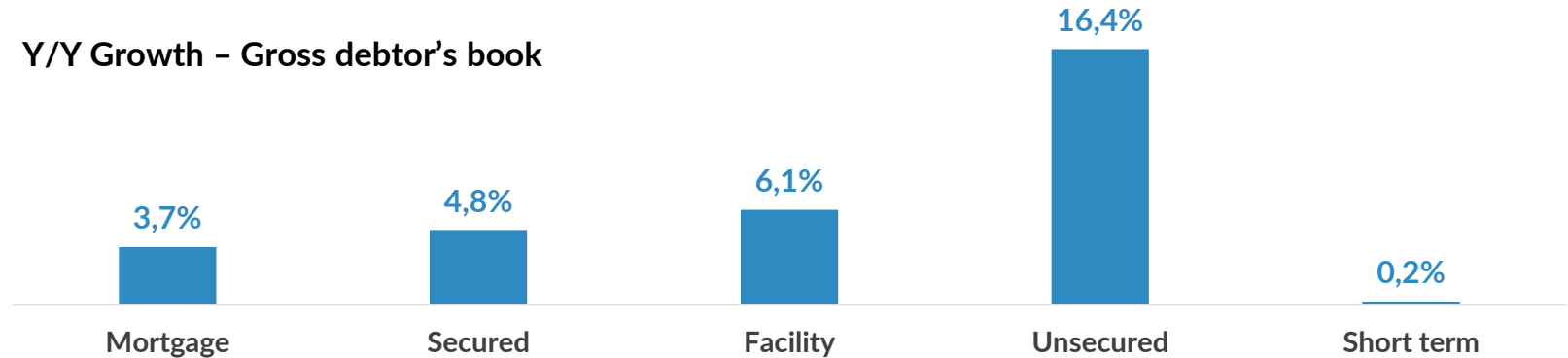
In Q1 2019

R127bn

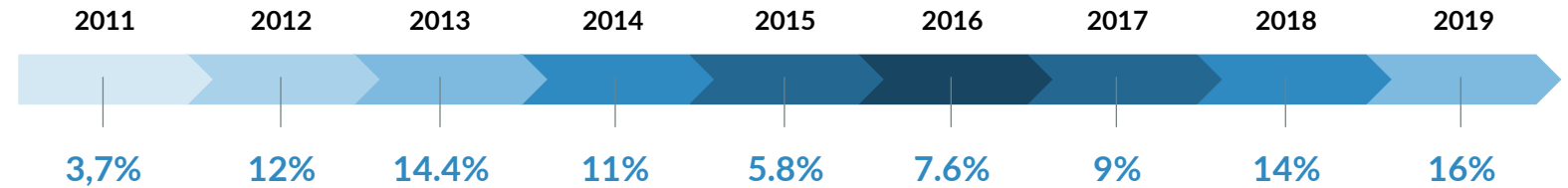
credit was advanced into the market

While overall growth in the mortgage and vehicle debtor's books were relatively in line with previous years there was a 16.4% increase in unsecured loans. Short-term lending continues to play a critical role in the provision of a financing product for unexpected life events, especially in the formal credit market where overdraft penetration is less than 16%.

Y/Y Growth – Gross debtor's book



% Of unsecured advances > 5 years



Unsecured lending continues to repeat the trends seen in the last rapid expansion phase of 2012 to 2014. In 2019, 16% of all unsecured disbursements have been on terms of over 5 years (average of c. 78 months).

State of the South African Consumer

Lending: Originations

Over the past 24 months there has been a:

44% Increase in loan sizes longer than 5 years



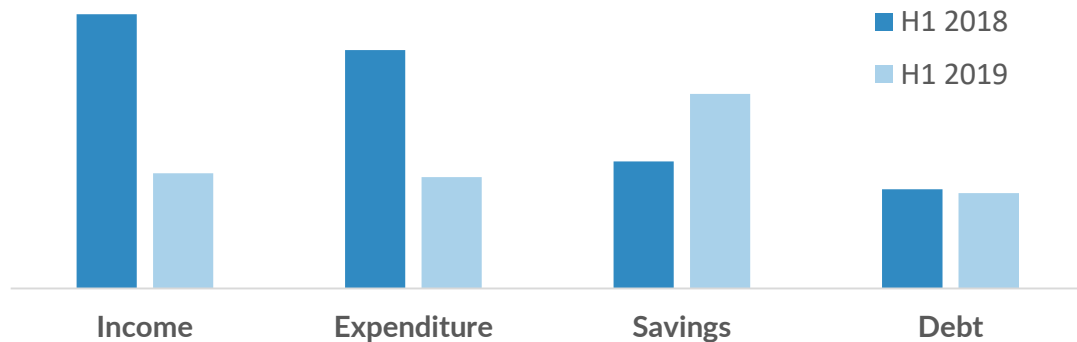
43.5% Increase in average instalment size



8.8% Increase of average income for unsecured borrowers



Consumer vulnerability index



The recent results show a sharp deterioration in income and expenditure vulnerability

17%

Average loan sizes and repayments increase

Driven by higher income borrowers 17%

15%

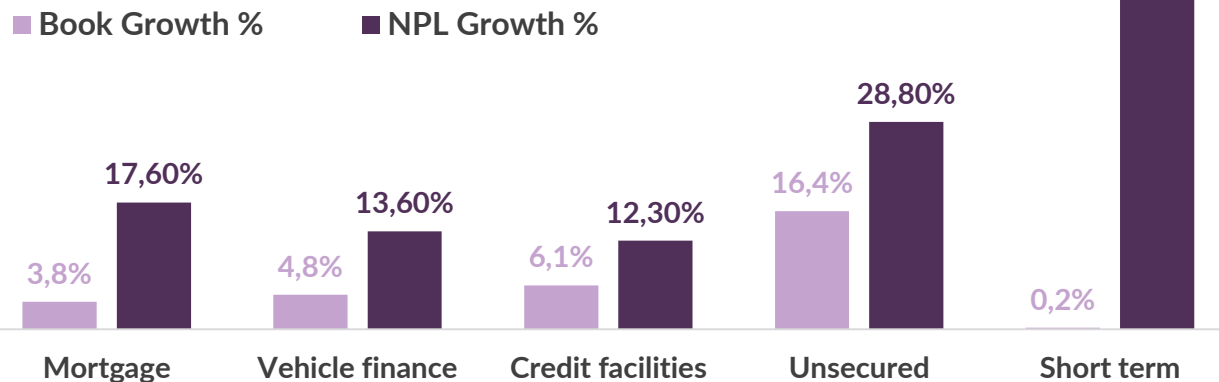
Average income increase

State of the South African Consumer

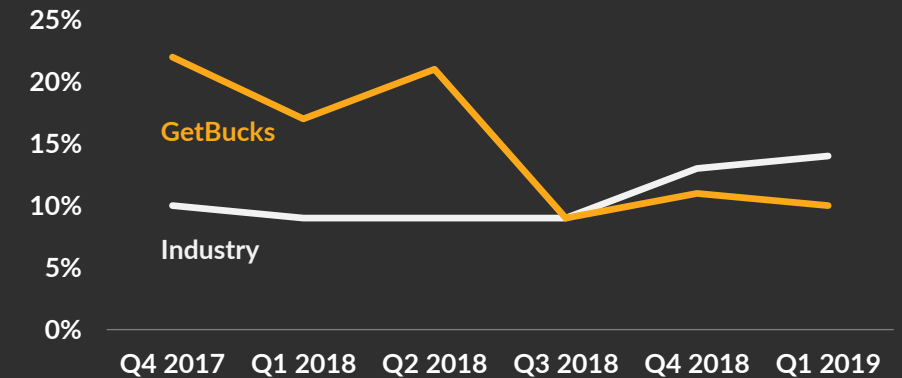
Lending: Performance

Relative performance is an interesting thing. The high level of advances over the last 6 months has the potential to mask any deterioration in the underlying portfolios.

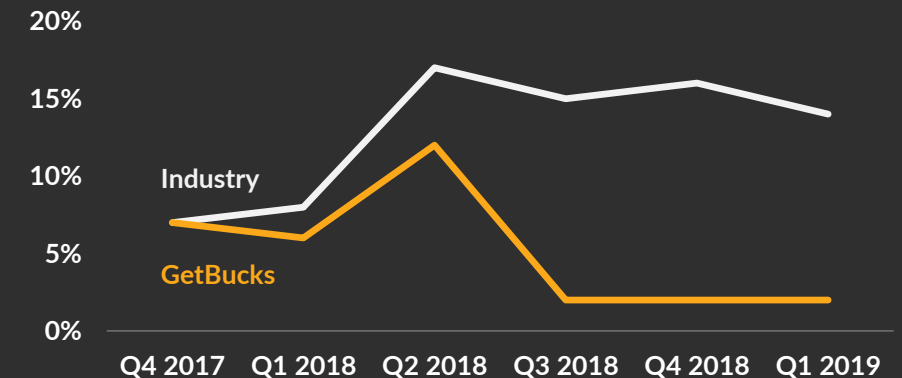
Growth in Portfolio vs NPL



Bad rate per month – Short term loans



Bad rate per month – One month loans



Despite the difficult trading market, our South African business continues to deliver strong credit quality results, bucking the trends seen in the broader market

State of the South African Consumer

Lending: Performance

Over the past 12 months,
the rand value of unsecured loans in an
NPL state has increased by

R7.5bn

The first 12-month cycle to show an
absolute increase since Q1 2013 to
Q1 2014.

Customers two months in arrears
on at least one account:

11.8%  12.4%

2017

2019

 200k Consumers

Consumers having at least one account at
NPL stage (3 months or more in arrears):

21.7%  23.5%

2018

2019

 500k Consumers

All of this points to a continued downward trend in the state of consumer health and a likely rebalancing of the consumer lending market in South Africa over the next 12 to 18 months.



We believe that our rehabilitation product offering and strategic intent to get closer to assisting our customers in managing their cash-flow can empower and enable them to take back control of their financial wellbeing.

The South African market is prepared for digital disruption

Innovation in only one component of the value chain will ultimately fail

Challenges of access

Physical access

Inconvenient or impossible



- Branch infrastructures offer complex processes and bureaucracy
- Limited voluntary savings results in need for easy access and quick decisions

Financial access

Too expensive



- Data-poor markets, often without mature credit bureaus, drive increased credit risk
- High cost of funding stems misalignment of risk of the market vs actual, demonstrated behaviour

Emotional access

Too complex and not trusted



- Historical oversupply and commoditisation of the lending market
- Adoption becomes troublesome due to a lack of financial and digital literacy

Overcoming the challenges

Disruptive partner model

Powered by our proprietary data science and AI technologies

Structural cost advantage





Our technology and operating model makes the delivery of lending solutions more affordable and efficient

Simple, transparent propositions

Centered on aligning customer needs with solutions

Solving financial access through leading credit risk management

Innovative digital credit products are underpinned by advanced data analytics and use of alternative data

Alternative data usage 	Advances modelling 	Behavioural economics 	Test, Adapt, Refine 
<ul style="list-style-type: none">● Leverage big-data technologies and industry insights to create new attributes from alternative data suppliers● Generate unique credit insights from raw bureau data● Leverage the inherent value in transactional information (including bank statement data)	<ul style="list-style-type: none">● The following advanced techniques are used to deliver best in class models:<ul style="list-style-type: none">• Deep learning• Random forest● Our solutions allow for rapid deployment of advanced models with reduced operational risk	<ul style="list-style-type: none">● Product feature designed to influence customer behaviour Examples include:<ul style="list-style-type: none">• Personal loan Cash-flow support to reduce the need for consumers to access expensive, unregulated informal credit• Mobile device finance With first to market soft-lock technology to manage payment behaviour	<ul style="list-style-type: none">● Prudent test and learn approach to ensure model validation prior to scale● Vintage-based views of actual performance versus expectations enable faster modification of credit strategies● Integrated provisioning modelling allows for virtual portfolio assessments and immediate view of IFRS9 impacts

Building unique customer experiences



Transparency

Transparency equals trust

Whether it is pricing, credit eligibility, or business performance, transparency is a top priority at GetBucks. Through transparency we aim to build a trusting relationship with our clients, empowering them to make sound financial decisions.



Simplicity

Quick and easy online process

We eliminate any unnecessary steps, offering a seamless experience any time, anywhere



Empowerment

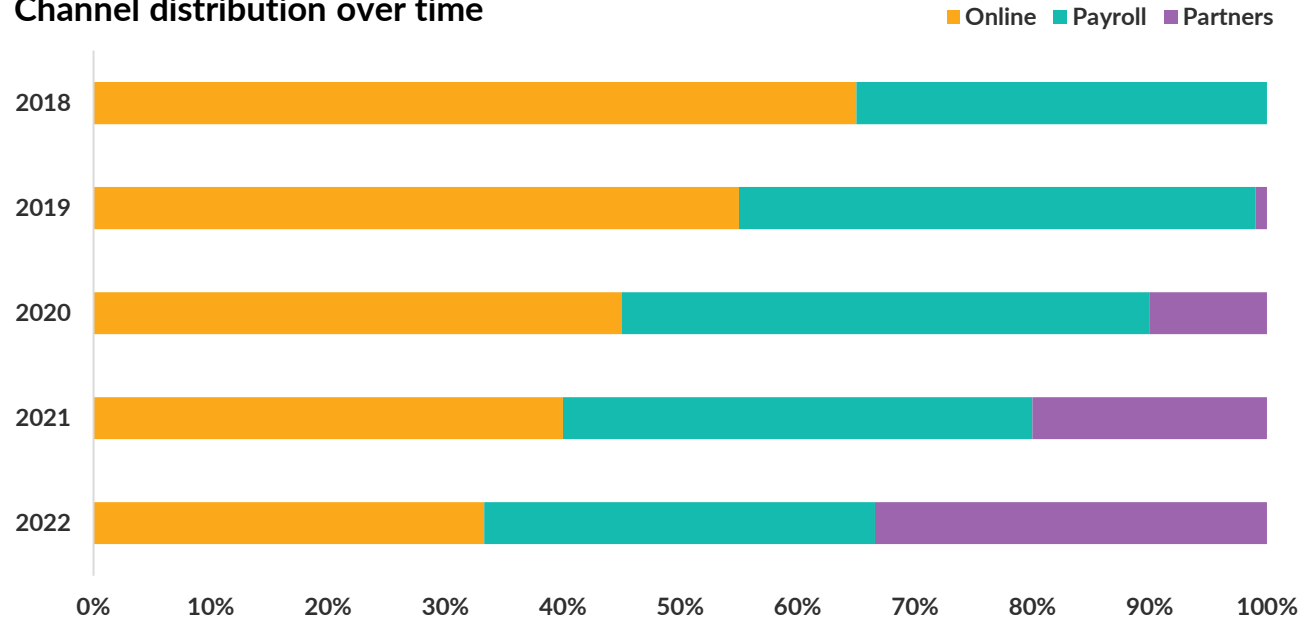
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GetBucks key metrics



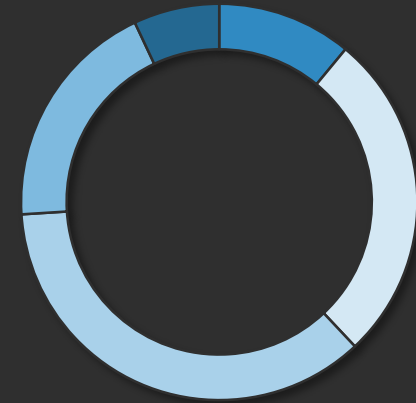
Demographics

Channel distribution over time



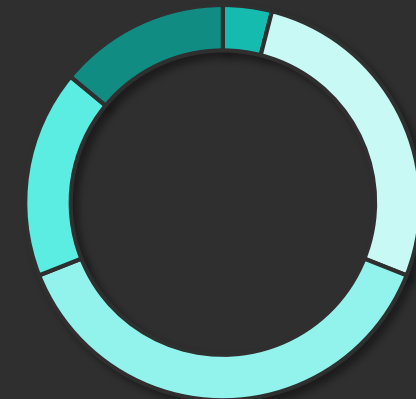
Average loan size

Payroll	Online	Combined
R15 591	R5594	R10 593



Age distribution – Advances H2 2019

- <=25
- <=35
- <=45
- <=55
- >55

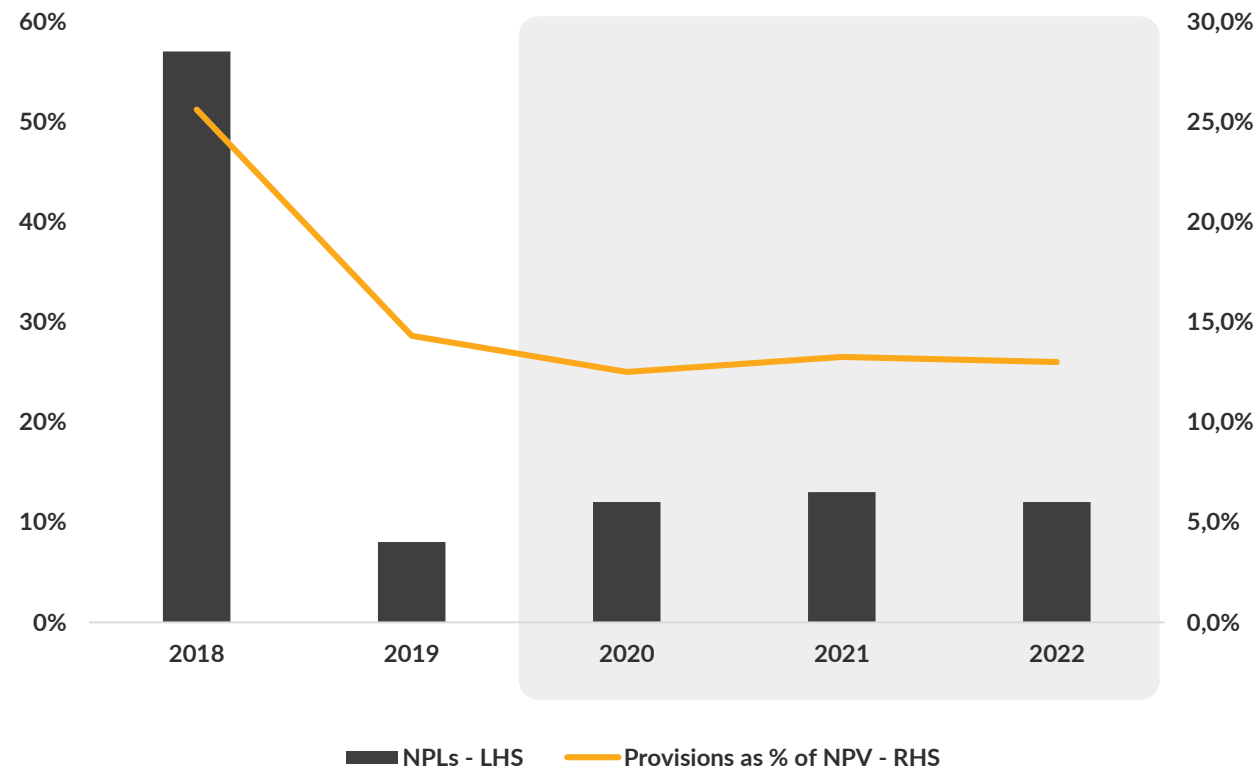


Income distribution – Advances H2 2019

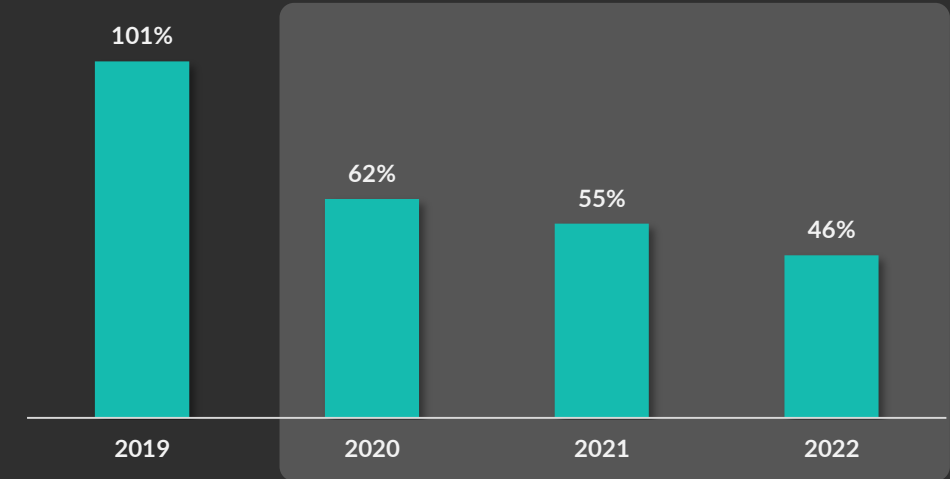
- <=7500
- <=12500
- <=20000
- <=25000
- >25000

Key Ratios

Provisions and NPL's over time



Cost to income ratio

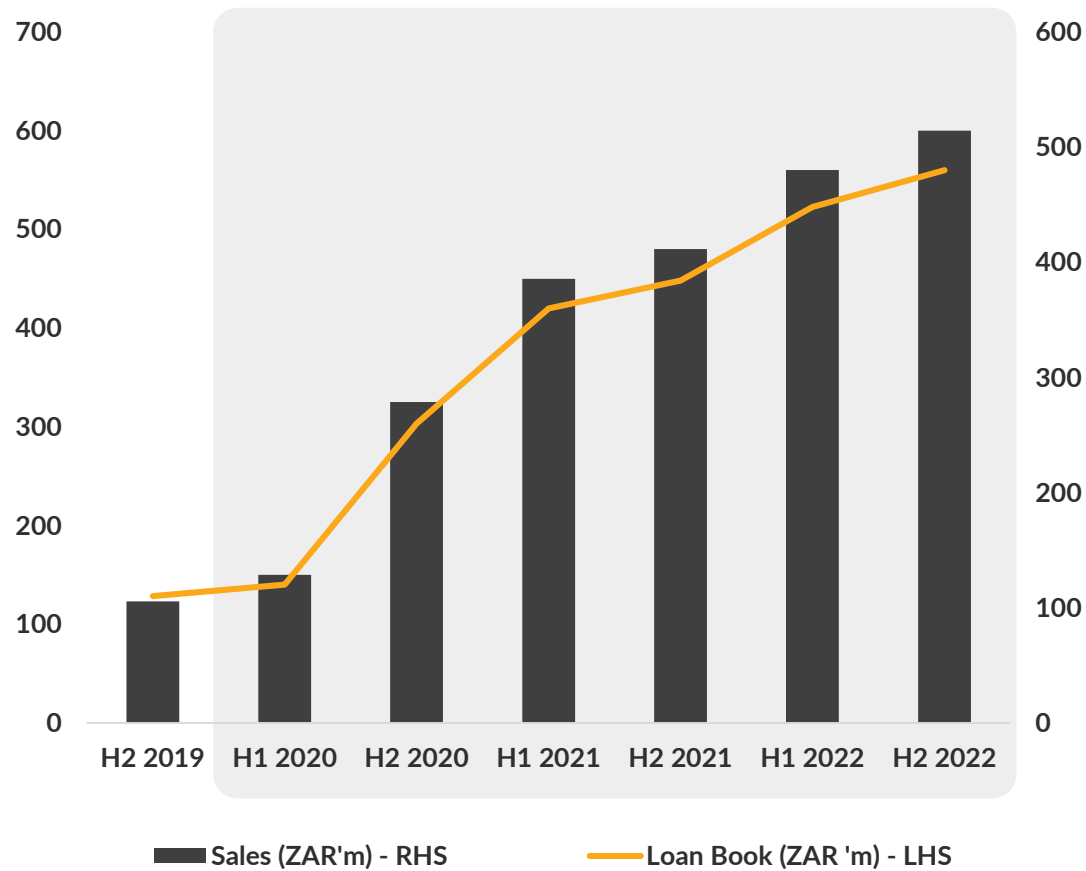


Opex breakdown 2019

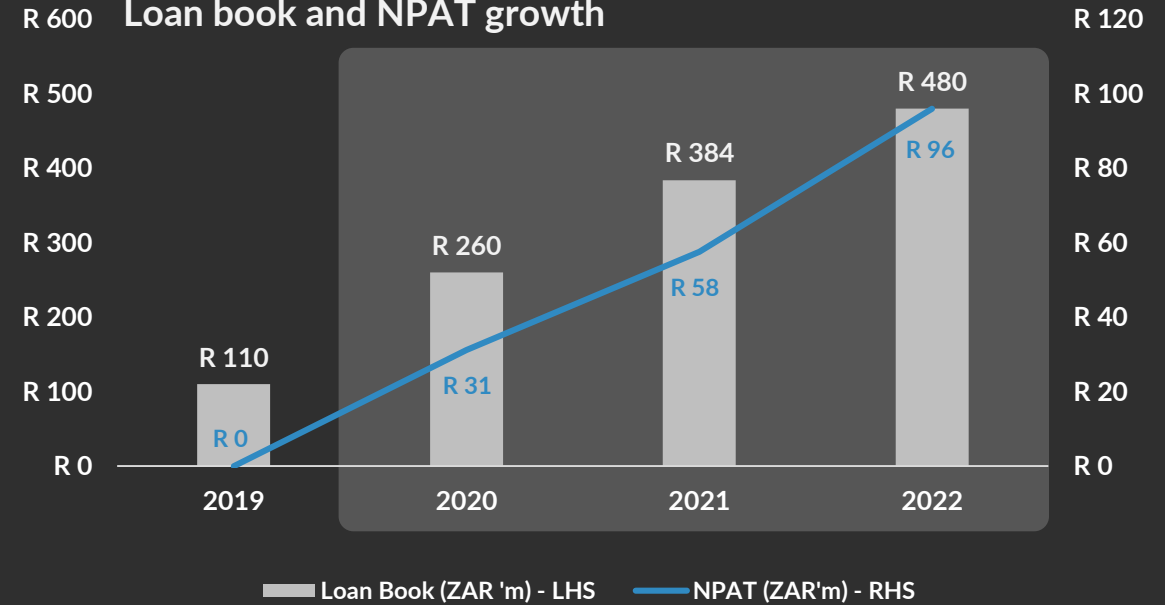


Profit and revenue metrics

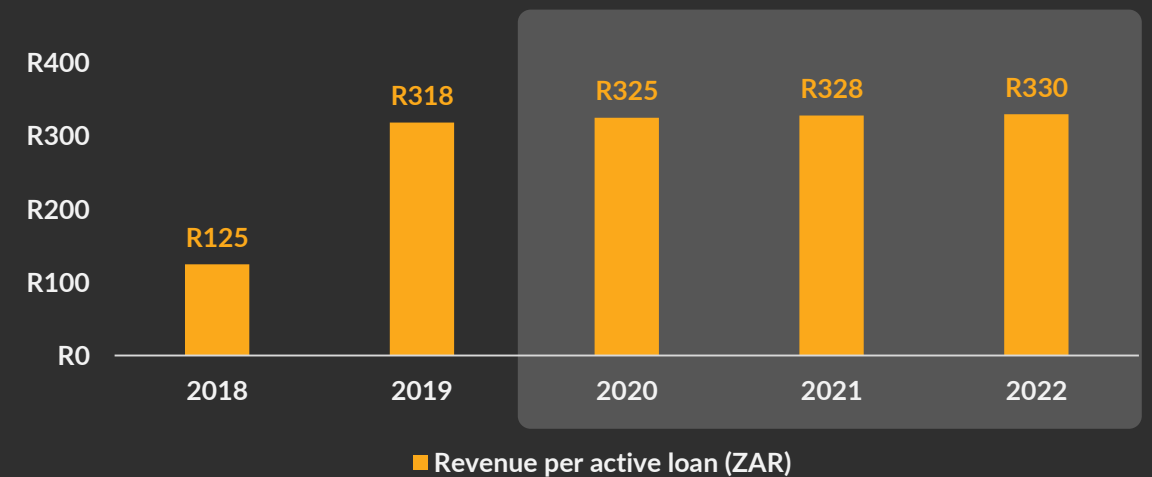
Sales and book growth



Loan book and NPAT growth




Revenue per active loan (ZAR)




Meet the team

GetBucks board of directors




Mark Young
CEO

BAYPORT OLD MUTUAL




Riaan Paul
Director

FREYSSINET EY Building a better working world



Dean Crocker
CFO

Merchantec capital IFR FUTURES RESEARCH



Jaco Coetzee
COO

Virginia active

GetBucks management team



Gustaf Wessels
Group CIO



Quintin Dry
Operations Executive



Astrid Meyer
Head of Marketing & Distribution



Geoffrey Ferrier
Insurance Business Development Manager



Zandile Dlamini
CEO Eswatini



Charmaine Diegaardt
Operations Executive, Namibia



Claire Morton
Human Capital Executive

GetBucks South Africa

Thank you

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