



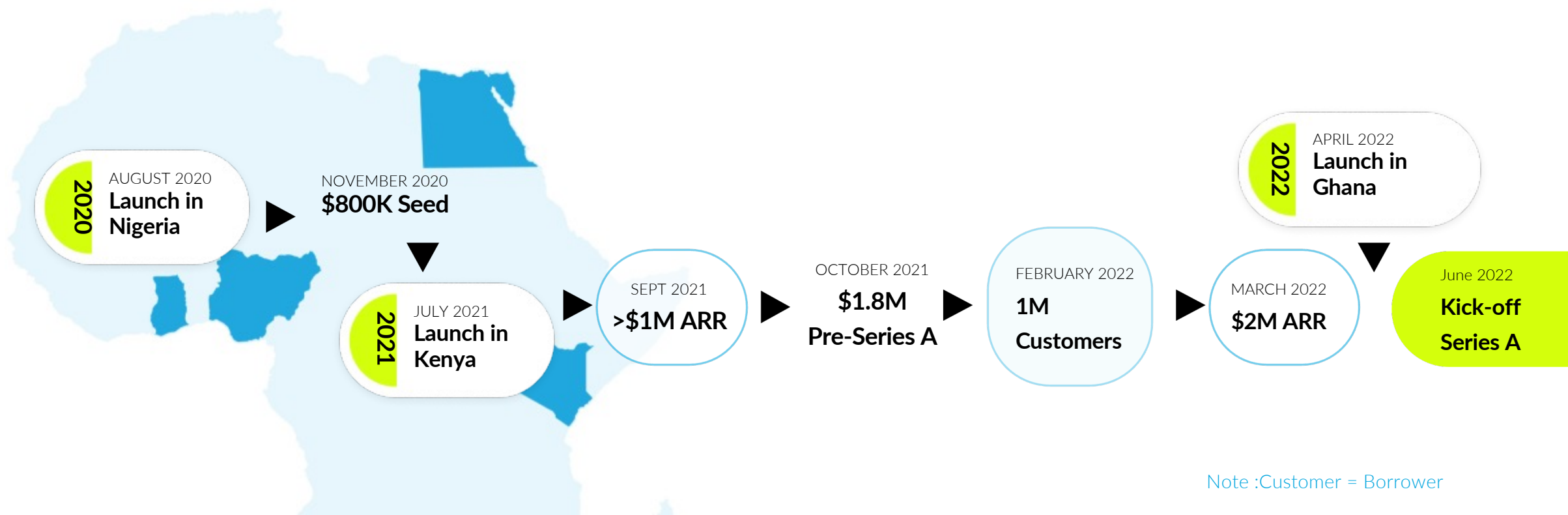
Building Africa's leading **ethical** credit manager.

INVESTOR DECK / AUGUST 2022



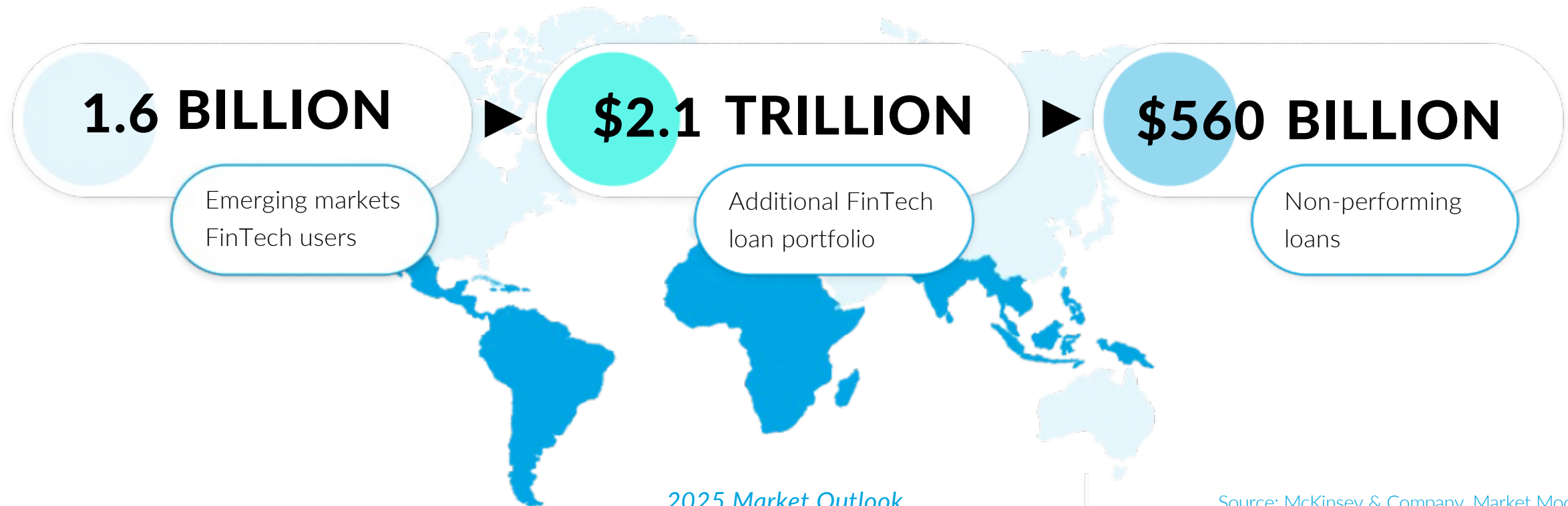
COMPANY SNAPSHOT

BFREE has revolutionized credit collection for consumer loans in Africa through its ethical, automated and data-driven approach



CONTEXT

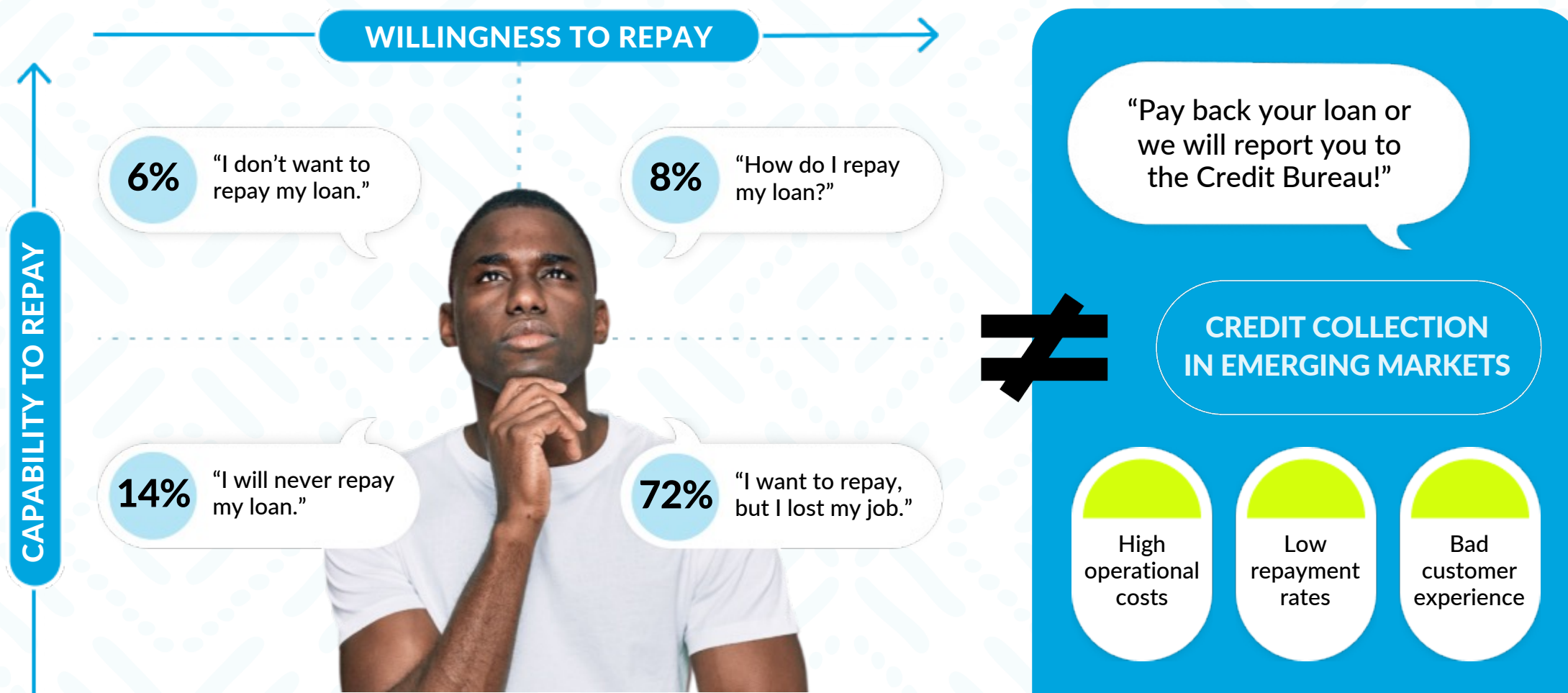
Consumer lending has exploded in recent years and will continue to grow exponentially in emerging markets



Source: McKinsey & Company, Market Model

THE PROBLEM

Credit collection mainly consists of expensive and inefficient standardized call center communication



THE SOLUTION

BFREE leverages best in class automation technologies and Machine Learning to offer customized repayment solutions



*Data sources in roadmap

THE IMPACT

We collect up to
70% more than our
competition with
10% the staff of
our competition,
while keeping

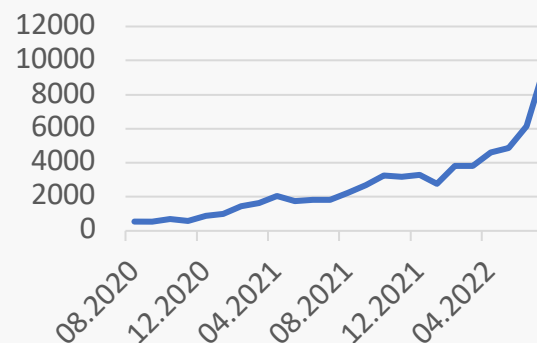
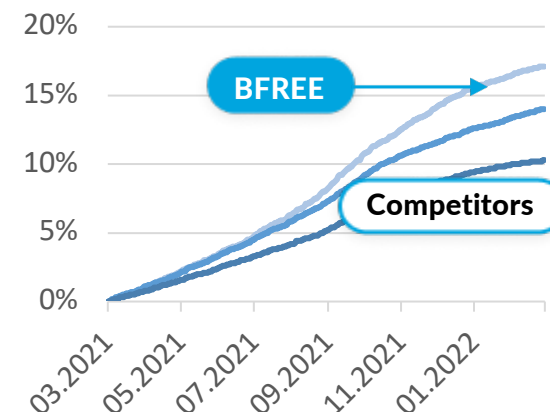
95%

of customers
very happy



EFFICIENT

Comparative collections performance of BFREE vs. BPOs on a 120-1000 days past due portfolio for key account client over 1 year

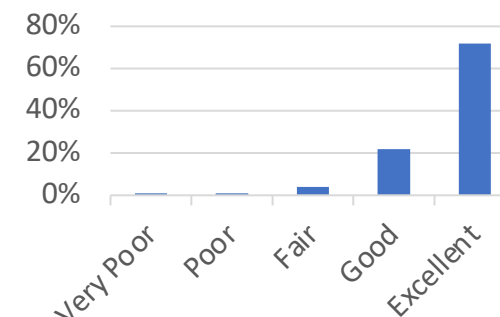


SCALABLE

Ratio of number of loans assigned to BFREE per collection agent vs. legacy (around 1000)

USER-FRIENDLY

Customer Feedback:
"How was your experience
with BFREE during your
loan repayment process?"



We currently run an asset light commission model and are now exploring a margin strong debt purchasing model

CURRENT BUSINESS MODEL

Asset light



Lender owns debt on own Balance Sheet

~10% commission fee



BFREE collects Lender's debt for a commission fee

BUSINESS MODEL EVOLUTION

Margin strong



Lender sells debt to BFREE







Debt Sale Agreement



BFREE collects debt and receives 100% of repayments

TRACTION

BFREE has proven product-market fit and is scaling

	DEC 2020	DEC 2021	JUN 2022	Last 12 months
ARR 	\$228K	\$1.5M	\$2.1M	 353%
CUSTOMERS 	44K	824K	1.6M	 317%
CLIENTS SERVED 	4	27	35	 250%

\$121M Loan portfolio assigned

\$14.9M Amount collected*

*approx. since June 2021

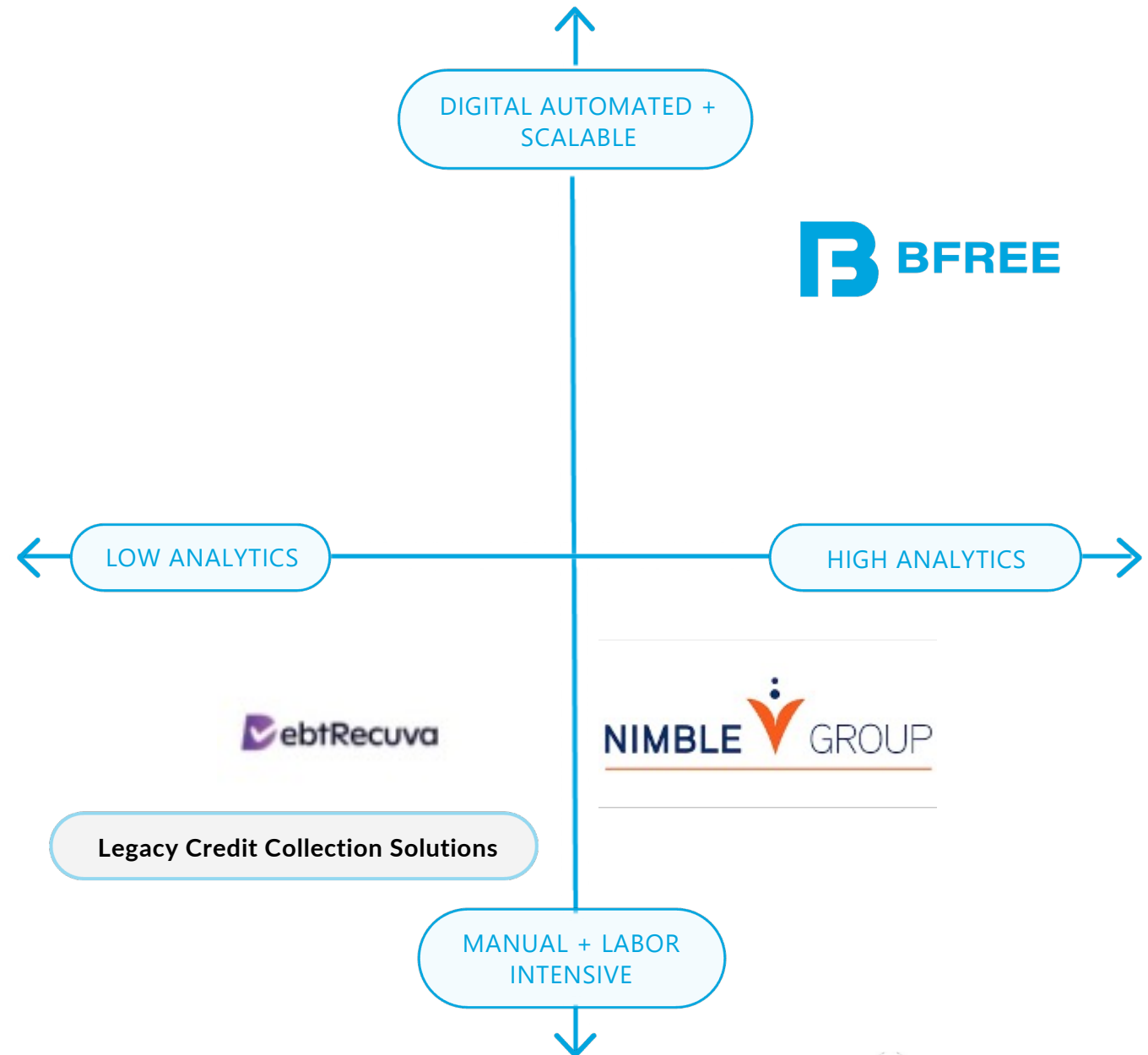
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COMPETITION

Competition in Africa mainly consists of legacy debt collection players and Nimble Group

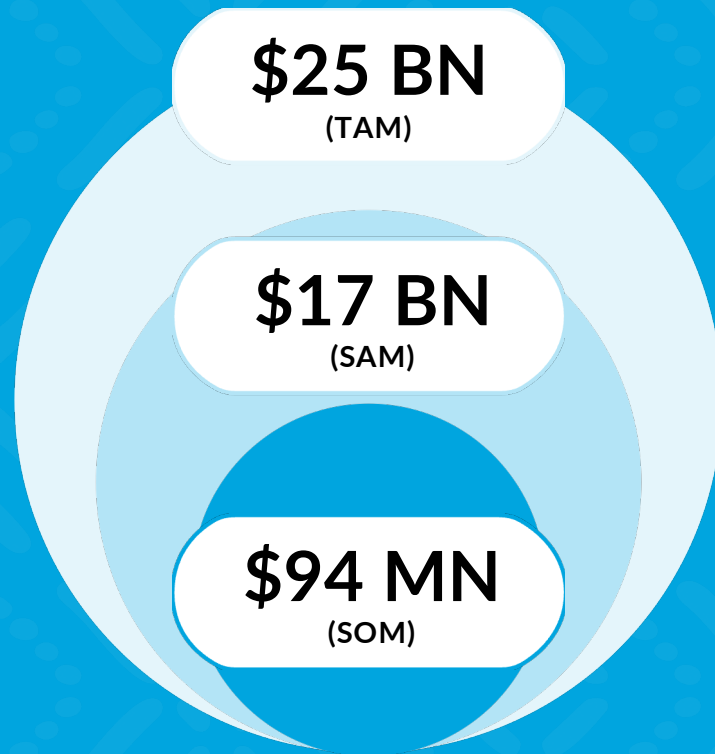
Positioning BFREE well to disrupt the
debt management space

- We are digital first and automated
- Our unparalleled analytics capabilities allow us to value portfolios accurately
- We are currently the most innovative player in Africa



THE MARKET

Debt buying is a multibillion dollar opportunity across different emerging markets, including African countries



MARKET ESTIMATES 2025

EM OUTLOOK (2022)

- 1 Slower growth following COVID-19 recovery
- 2 Rise in interest rates & borrowing costs
- 3 Predicted increase in non-performing loans

BFREE benefits from a “crisis proof” business model

THE TEAM

BFREE has a strong expertise and network in tech and lending - we have data-driven DNA in everything we do



Founder/CEO
Julian Flosbach



RAUTENBERG
& COMPANY



Founder/COO
Chuks Enyi



Founder/VP Product
Moses Nmor



CTO
Konrad Pawlus



SALESmanago
Co-Founder; Exit >€100 M



Head of Finance
Avis O'Voss



Chief of Staff
Joana Borges



McKinsey
& Company



Head of People
Candice de Goede



Expansion
Mo Al-Salafi



africon
bridging potentials

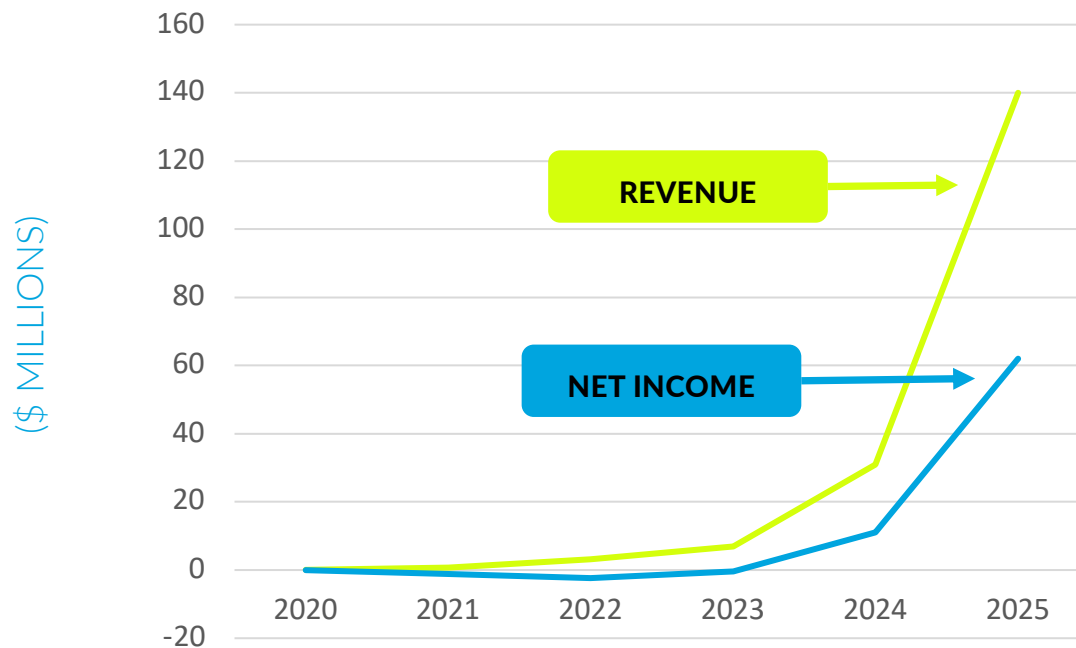


Head of Data and
Financial Products
Yohan Théatre



FINANCIALS

BFREE is on track to become the leading digital credit manager in Africa & beyond



2025

REVENUE



\$140M

AUM
(notional)



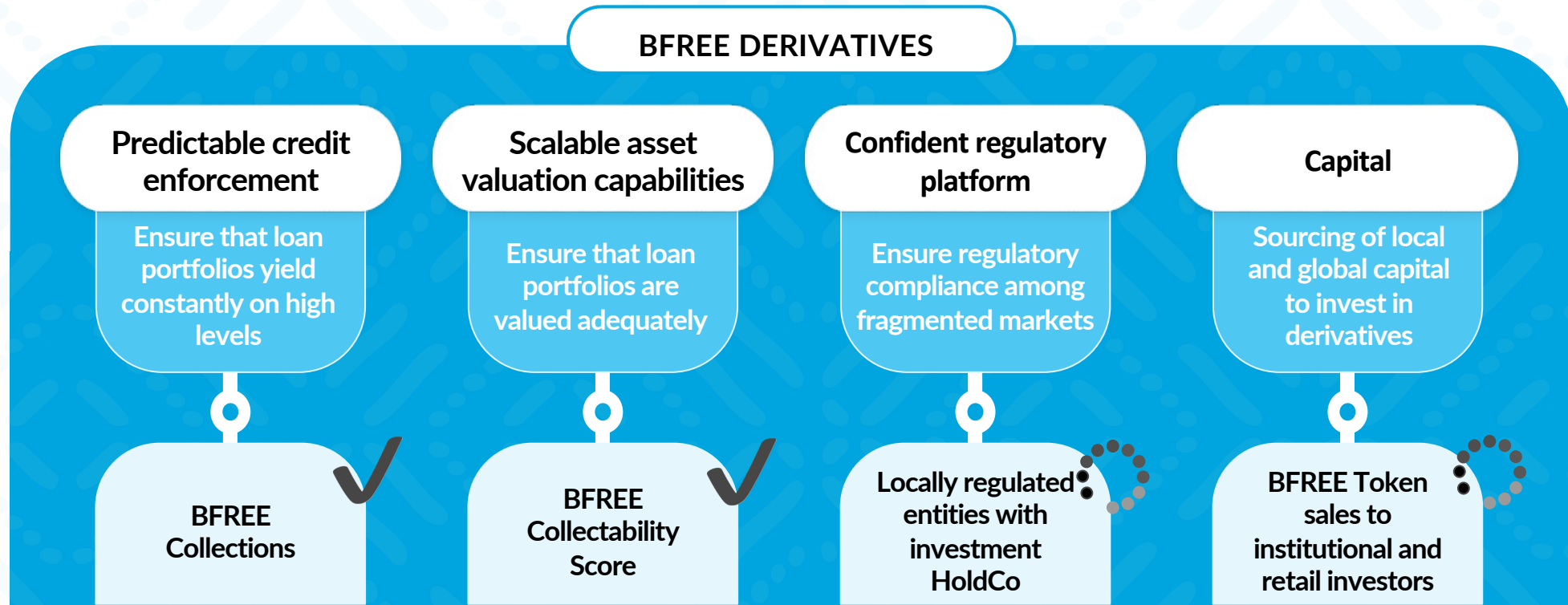
\$1.4B

CUSTOMERS



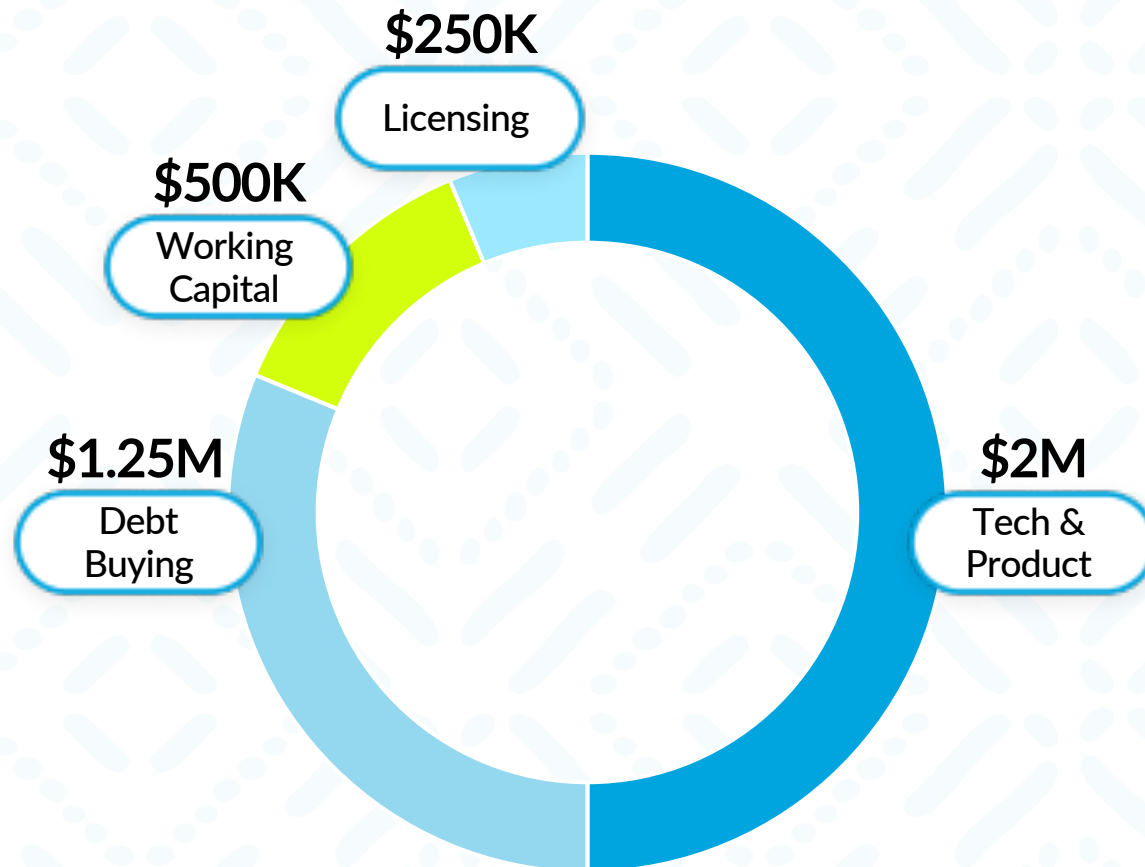
38M

BFREE is uniquely positioned to be a pioneer for consumer credit derivatives in Emerging Markets



THE ASK

We are now raising \$4M in equity to build out our product offering in preparation of a Series A in Q3 2023



USE OF FUNDS

- 1 Scaling of Debt Buying
- 2 Launch of SaaS platform
- 3 Improvement of existing collections product
- 4 Working Capital fulfillment
- 5 Receive Finance Company license in Nigeria

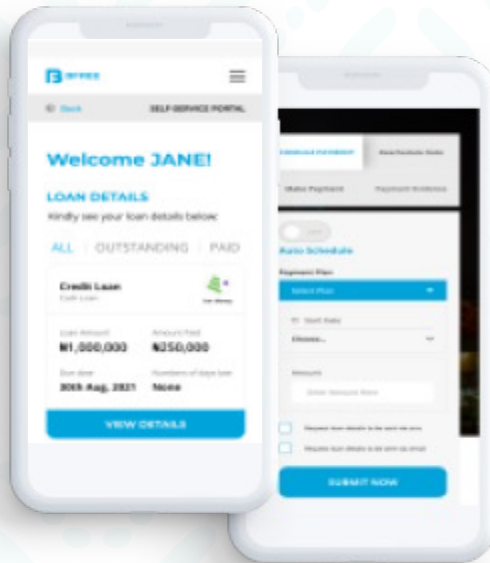
APPENDIX

PRODUCT

BFREE's core offering is an omnichannel and automated credit collection platform

BFREE SELF-SERVICE PLATFORM

Customers can fully self-administer their loan repayment cycle on our webview-based self-service platform



AI COLLECTION

With our AI collection we deploy inbound and outbound chat- and callbots that either convert customers on the self-service platform or directly negotiate repayment plans with customers





HUMAN COLLECTION

Customers with special needs or customers that do not convert on our automation solution can be approached with our human contact center



BFREE's core offering is an omnichannel and automated credit collection platform

	CURRENT UNIT ECONOMICS		FUTURE UNIT ECONOMICS	
WHEN WE COLLECT	100.0 USD		100.0 USD	
 BFREE REVENUE	10.4 USD	10.4 %	10.4 USD	10.4 %
Telecommunication costs	-2.5 USD	24.4%	-2.7 USD	28.9%
Collection Agents costs	-4.0 USD	38.6%	-0.5 USD	4.1%
 GROSS PROFIT	3.8 USD	36.9%	7.2 USD	69.1%
Marketing & Sales	-0.0 USD	0.1%	-0.5 USD	3.3%

OPEX, Depreciation etc.



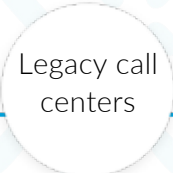





































Increase automated collections from ~65% to ~90%

Automations of collections decreases hybrid collections, which carries commissions for collection agents.

Thereby, increasing Gross Profit margin significantly.






THE COMPETITION

BFREE has a competitive advantage through its holistic service approach that covers cutting-edge collections and secondary debt market products

								
Operating Countries	Nigeria, Kenya, Ghana, Going Global	Global	Global	India	India	India, expanding in SEA	India	India, Vietnam, Indonesia, Philippines
Funding to date		N/A	N/A	\$227M	\$61M	\$29M	N/A	\$13M
Secondary Debt market Products								
Digital ML supported collections								
Digital collections								
Human collections								

KEY METRICS

We have built solid foundations for a sustainable business model

	<u>GREAT</u>	<u>GOOD</u>	<u>DANGER</u>
 GROWTH	3x (~10% MoM) 12.8%	2.5x (~8% MoM)	Under 2x (~6% MoM)
 GROSS MARGINS	70%	50% 37%	Under 20%
 NET DOLLAR RETENTION	140% 258%	120%	Under 100%
 CAC PAYBACK	6-12 mths 1 mth	12-18 mths	Over 24 mths
 BURN MULTIPLES	1 or less 0.9x	1.0 - 1.5	Over 2

THE STRATEGIC ROADMAP

BFREE is uniquely positioned to leverage its existing products and core competencies to become a Full Debt Lifecycle Manager

	Pre-default	Early-stage default	Late-stage default	Recovery
Full service offering	Securitization (Asset-Backed-Tokens)	Software-as-a-Service (SaaS)	Collection-as-a-Service (CaaS)	Asset/Debt Buying (AB)
Days-past-due (DPD)	<0	1-90	91-360	>360
Step 1 (Service Provider)			Build collection software & process, valuation capacity Collection-as-a-Service	
Step 2 (Default Debt Manager)		Leverage software from CaaS	Fully deployed and scaling	Leverage CaaS and valuation capacity
Step 3 (Full Debt Lifecycle Manager)	Leverage CaaS, data from SaaS/CaaS, legal structure from AB	Fully deployed and scaling	Fully deployed and scaling	Fully deployed and scaling