



Results Presentation.

Full Year Results 2018

Salient features.

- Operating profit improved by 26% year-on-year.
- Loss after tax improved as a result of increased revenues, improved impairment to revenue, reduced cost of funding, and a stable cost to revenue ratio.
- Revenue increased by EUR 5.5m to EUR 61.3m predominantly driven by South Africa, Mozambique and Uganda.
- The impairment to revenue has improved from 22% to 19% notwithstanding a significant increase in South Africa's impairment charge due to external factors.
- The cost of funding improved by five percentage points on the back of a capital raise of EUR 11.5m in February 2018.
- Cost to revenue ratio remained stable, operating costs will be a key focus area of the business going forward.
- The business has continued to improve its Artificial Intelligence capabilities, the full impact which is expected to be seen in future periods particularly around customer experience.

Executive Chairman's comments.

"The group withstood challenging economic conditions as our investments in technology, human capital and sound business fundamentals have paid off. I am pleased with the growth in our loan book and disbursements in the past 12 months and happy to report that the business is stable. The past year has been a period of consolidation, we have turned the lens inwards to heighten our competitiveness and efficiency and standardise business systems, as well as the banking platforms, throughout the group. Having proven that the group can generate economies of scale and significantly improve impairment charges through technology, I believe MyBucks is on the right track to both loan book growth and profitability in the near term."

MyBucks has managed to build on the foundation of a scalable group platform positioning it to become Africa's leading digital bank. We continue to follow our strategy to grow the business through organic growth in existing and new markets, acquisitions, franchising models, joint venture models and global business-to-business tech offerings."

– Dave Van Niekerk, Executive Chairman



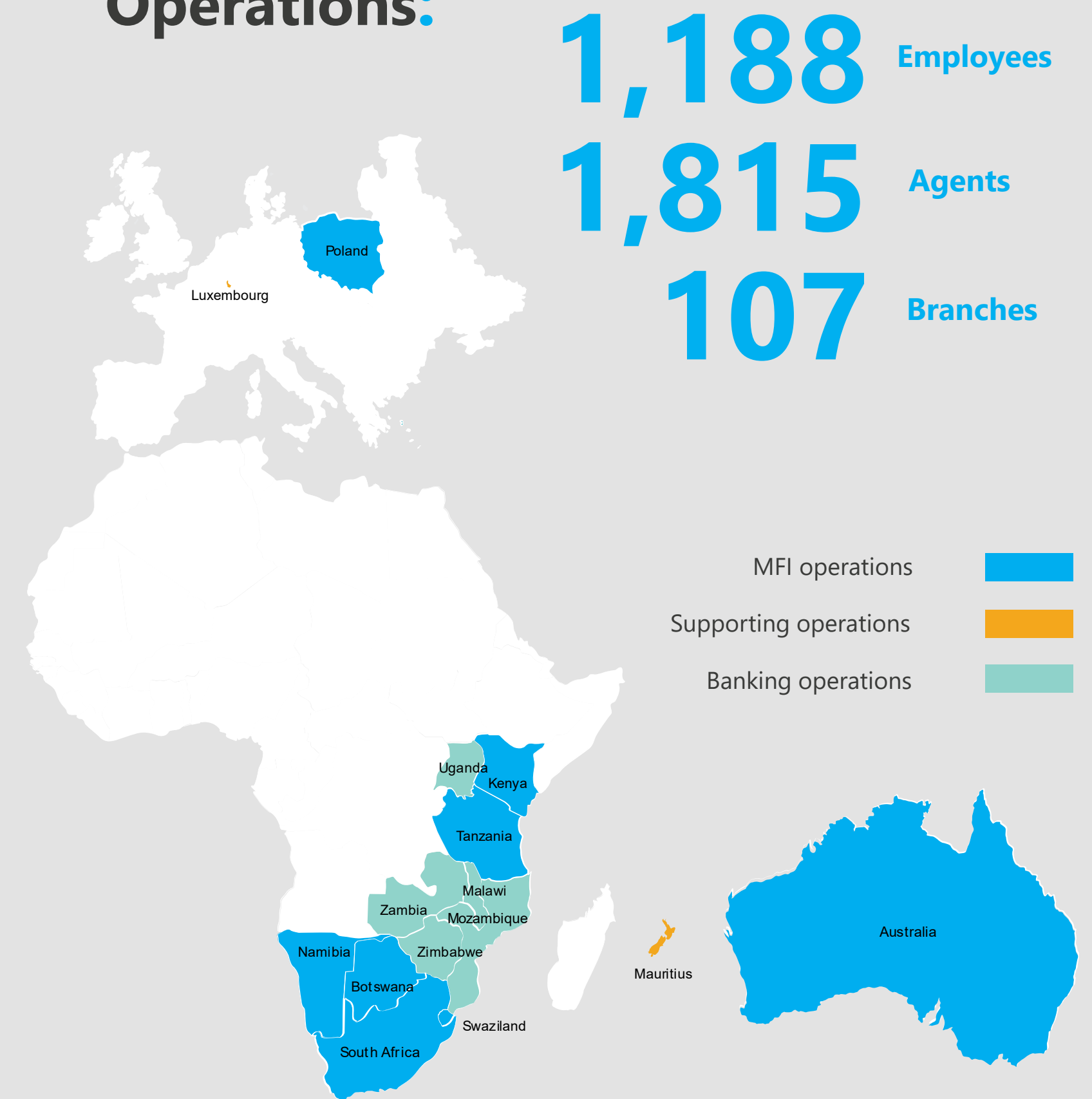
MyBucks overview

Company overview.

MyBucks is a leading **FinTech group** listed in Frankfurt that provides financial services and products through technology in 13 countries across Africa, Europe and Australia.

“Our vision is to enhance financial inclusion through our technology”
– Dave Van Niekerk, Executive Chairman

Operations:



MyBucks highlights.

- Frankfurt-listed **FinTech** group
- Focused on **Africa**
- Operating **4 banks** and **9 lending operations**
- Providing **banking, credit and insurance products**
- We provide these products through a hybrid of **digital and traditional channels**
- We use our own internal developed **loan management system**
- We have developed our own **Artificial Intelligence (A.I) algorithms** for fraud prevention, credit scoring and collections
- We have disbursed **c.EUR 500 million** in loans since inception
- Our gross loan book has grown at c.38% per year, to **c.EUR 100 million**
- Our default rate has been stable at **7.1%**

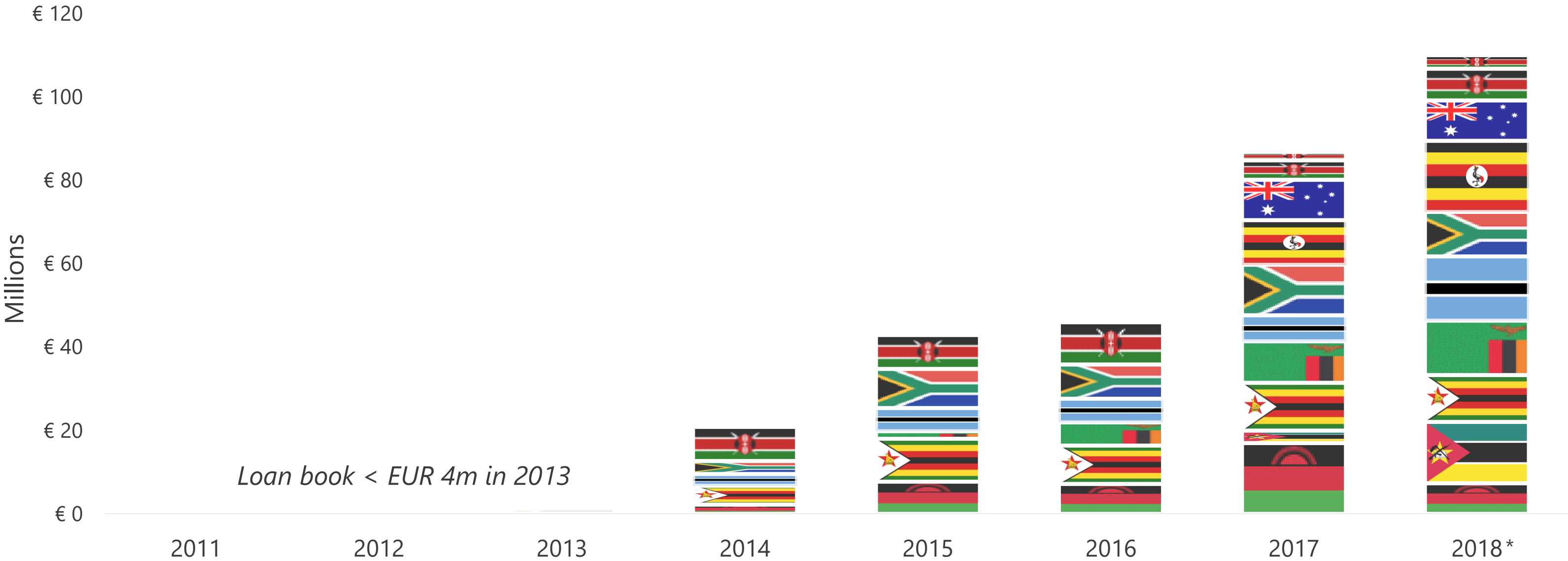












Awards



Evolution of the group.

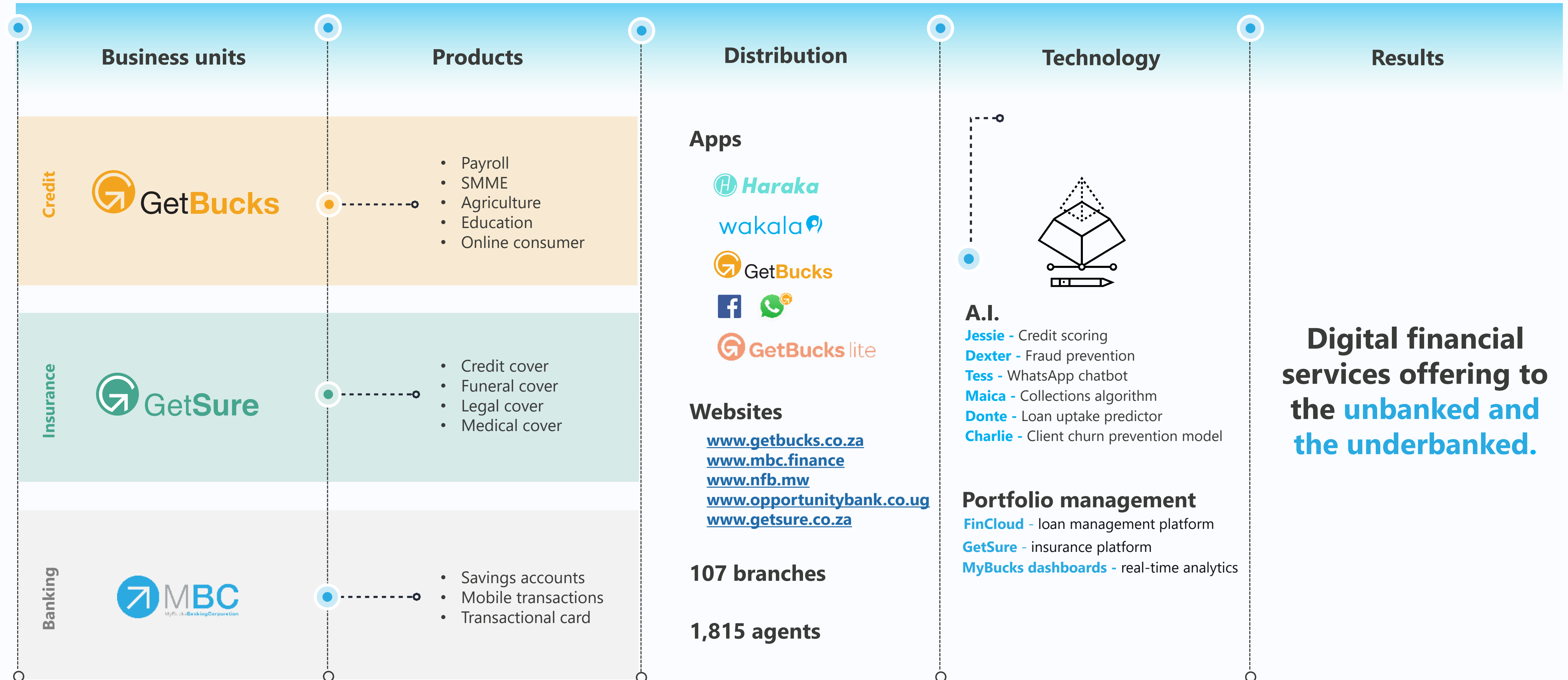
MyBucks has grown to **13 countries**, obtained **4 banking licenses**, developed **5 apps** and **6 A.I. personalities**, and provided more than **2 million** loans in less than **7 years**.



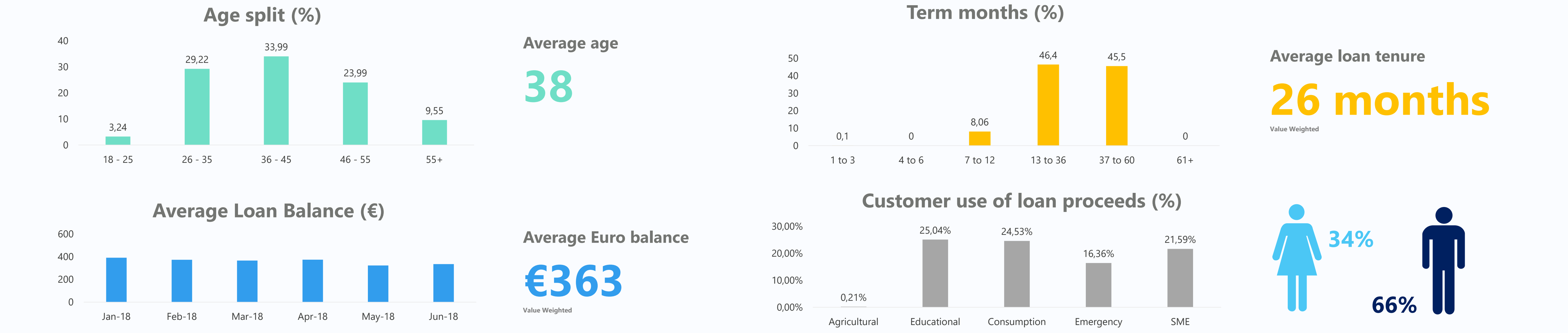
Technology Development	Data warehouse FinCloud SQL2008				
	<div><div>  Credit scoring</div><div>  Fraud prevention</div><div><div>  Chatbot</div><div> Loan uptake</div></div><div><div>  Client churn</div><div> Collections</div></div><div>Continuous development</div></div>				
Strategic Initiatives	#1	#2	#3	#4	#5
	The MyBucks group is launched in 2011 as a traditional MFI providing credit to unbanked consumers across Southern Africa.	The move from a traditional MFI to a digital MFI with the launch of GetBucks online and GetBucks mobile App.	Transition from a digital MFI to provide digital financial services, with the launch of additional Apps as well as insurance products.	The MyBucks group expands our Banking license presence to 5 Countries as part of an effort to access cheaper forms of funding (customer deposits, inter-bank rates, etc.)	MyBucks continues to expand operations globally, assessing new opportunities in both new and existing territories. Key to this growth is laying a solid foundation in existing territories – fundamental to this is a stable and long term capital structure. MyBucks will continue to raise capital in local markets, and IPO our existing operations in their primary markets to ensure our interests are aligned with the local investors and stakeholders.

MyBucks business model.

Leveraging technology across the lending process



Loan book analysis.





Financial results

MyBucks financial results.

MyBucks has created an optimal operational base

Summarised statement of profit or loss	EUR	2016	2017	2018	
Revenue		36,249,874	55,791,344	61,307,099	1
Impairments		(6,749,063)	(12,194,440)	(11,834,181)	2
Other income ¹		629,168	6,511,606	7,322,655	
Operating expenses		(19,050,881)	(38,698,428)	(42,355,870)	3
Operating profit		11,079,098	11,410,082	14,439,703	4
Investment revenue		1,499,738	2,683,535	3,671,478	
Finance costs		(11,692,667)	(21,326,389)	(22,723,688)	5
Tax		(1,887,039)	(3,428,701)	(2,586,658)	
Loss after taxation - continued operations		(1,000,870)	(10,661,473)	(7,199,165)	6
Summarised statement of financial position	EUR	2016	2017	2018	
Loan book		38,798,603	68,526,928	85,722,930	
Other assets		27,619,010	73,117,254	76,819,828	
Cash and cash equivalents		18,904,369	15,050,536	13,036,969	
Total assets		85,321,982	156,694,718	175,579,727	
Borrowings		53,716,921	105,342,816	118,727,702	7
Deposits		388,816	11,493,563	20,668,749	7
Other liabilities		14,111,951	19,624,712	12,214,367	
Total liabilities		68,217,688	136,461,091	151,610,818	
Shareholders equity		17,104,294	20,233,627	23,968,909	7
Key ratios		2016	2017	2018	
Revenue / net loan book (A)		93.4%	81.4%	71.5%	1
Cost of funding (B)		27.1%	24.2%	19.1%	5
Net interest margin (A-B)		66.3%	57.2%	52.4%	
Provisions to gross loans		22.9%	20.2%	10.9%	2
Cost to revenue		52.6%	69.4%	69.1%	3
Return on equity		(5.9%)	(52.7%)	(30.0%)	
Equity to assets		20.0%	12.9%	13.7%	

Commentary:

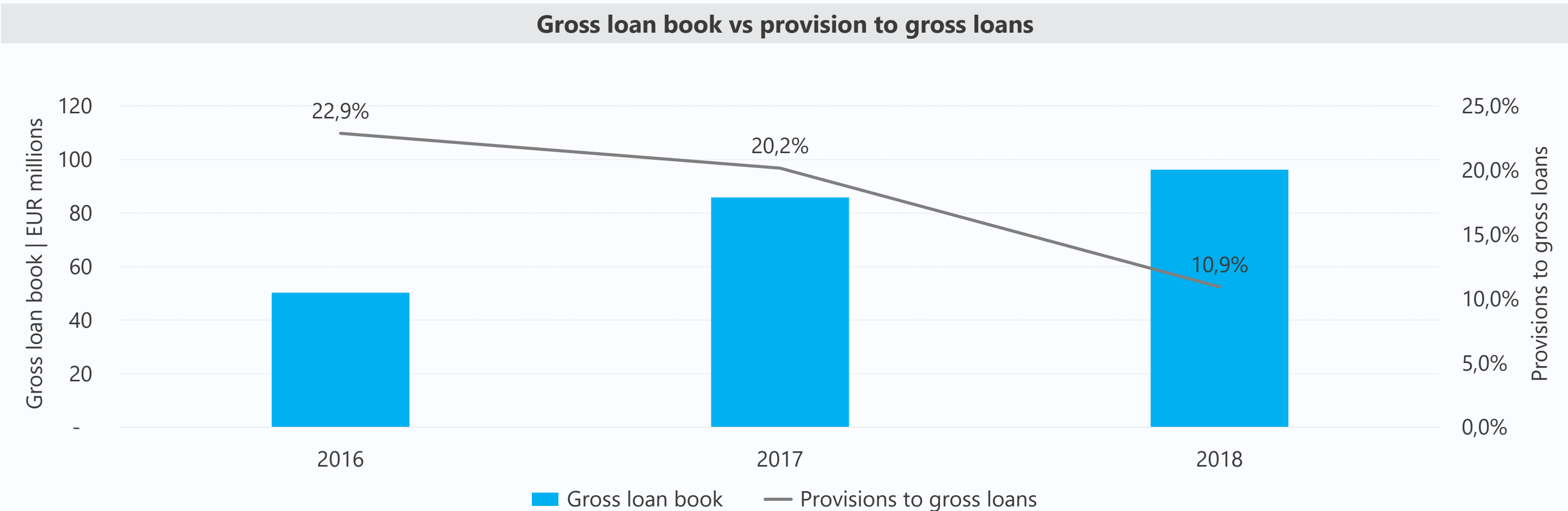
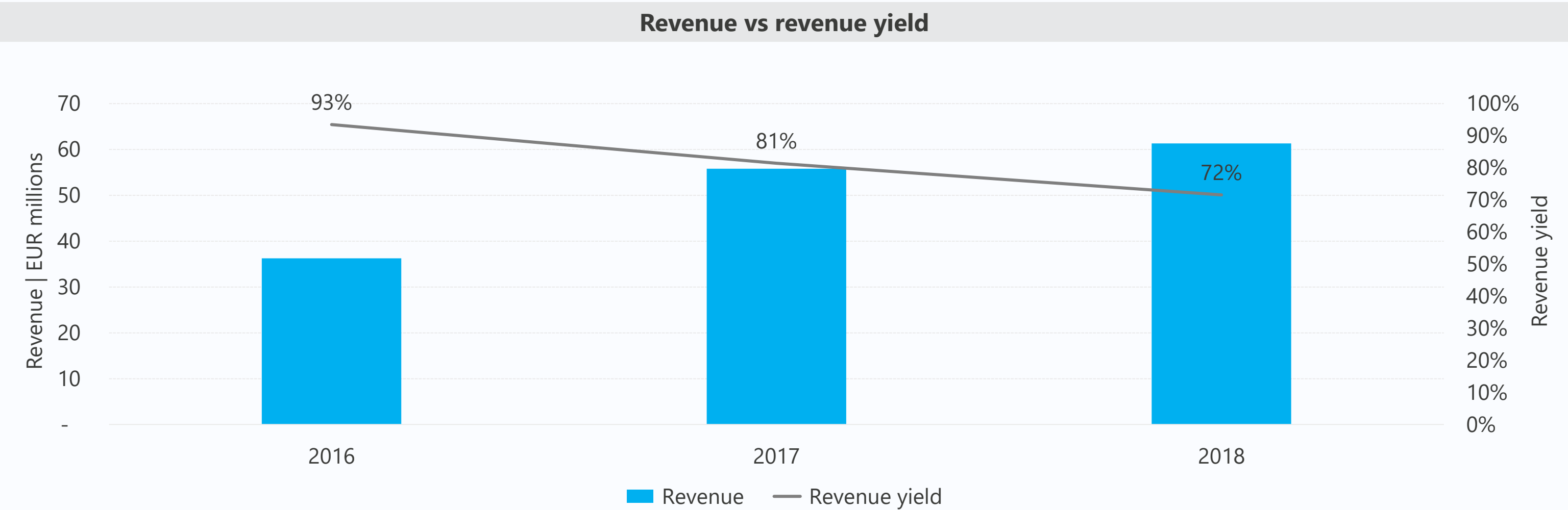
- Revenue increased 10% during 2018.
- The provisions to gross loan book ratio reduced from 20.2% to 10.9% on the back of improved loan book quality. Group loan impairment charges remained flat while the impairment to revenue has improved from 22% to 19%. This is notwithstanding a 114% increase in South Africa's impairment charges, which contributed 63% of the group's total impairment charges. The latter was predominantly driven by a change in the debit order dispute mechanism of banks in South Africa. Counter measures are being discussed by various South African regulators.
- The operational model of MyBucks is now established, the cost to revenue ratio has remained constant and there is capacity to grow the business significantly through economies of scale with minimal incremental operating costs (small variable cost component).
- Operating profit increased by 26% to EUR 14.4m
- Cost of funding reduced substantially from 24.2% to 19.1% at the respective year end.
- Loss after tax improved as a result of increased revenues, reduced impairment costs, a relatively stable operating expense base and reduced cost of funding.
- Capital (borrowings, deposits and equity) increased by EUR 26m of which EUR 17m was deployed in new loan book, EUR 5m was utilised for the acquisition of NFB (Malawi), EUR 3m for the acquisition of new PPE, EUR 3m was deployed in new working capital, and resulted in a EUR 2m decrease in cash.

Notes:

- Other income includes share of profit in joint venture (NFB) of EUR 530,173 in 2018.

MyBucks financial results.

Revenue & provisions



Commentary:

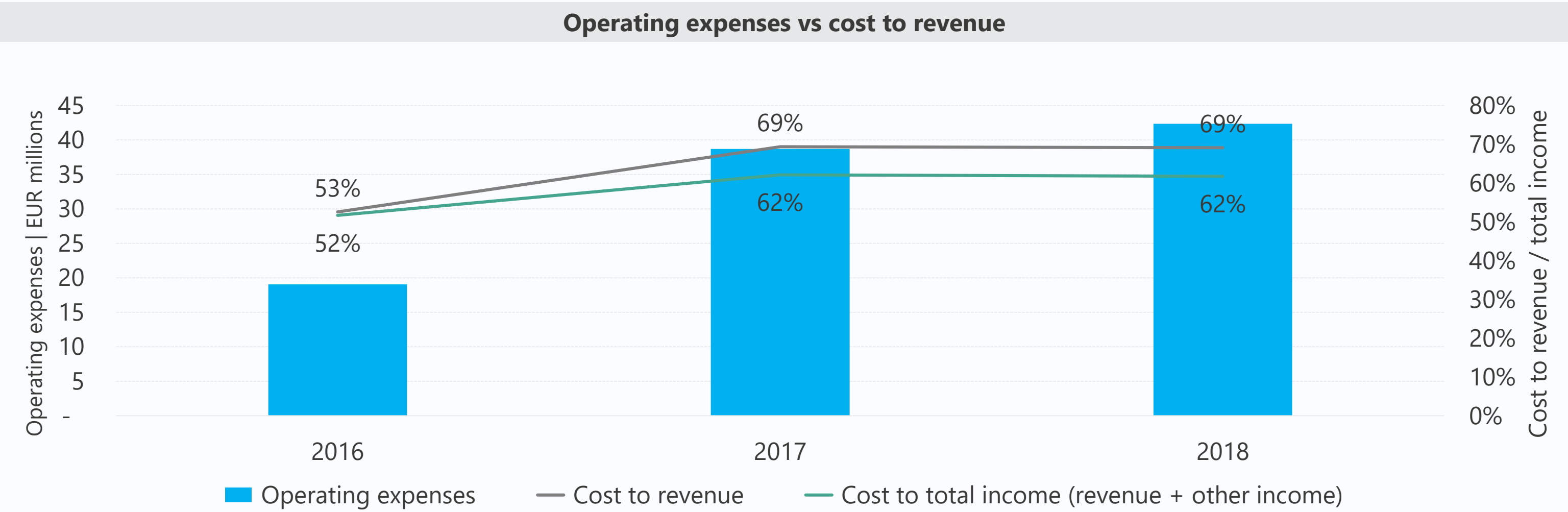
- Revenue increased 10% on the back of a larger loan book.
- However, revenue yield decreased as a result of the increase in the proportion of the contribution of interest earning assets by the banking operations to the group, which generate lower interest yields compared to the lending operations.

Commentary:

- The provisions to loan book ratio reduced from 20.2% to 10.9%.
- The reduction in the provisions to loan book ratio was achieved owing to the increased loan book quality and the implementation of MyBucks A.I.
- The provisions to loan book ratio, was further reduced as a result of the banking operations contributing a larger proportion of the group loan book. The banking operations have better quality loan books than the lending operations.

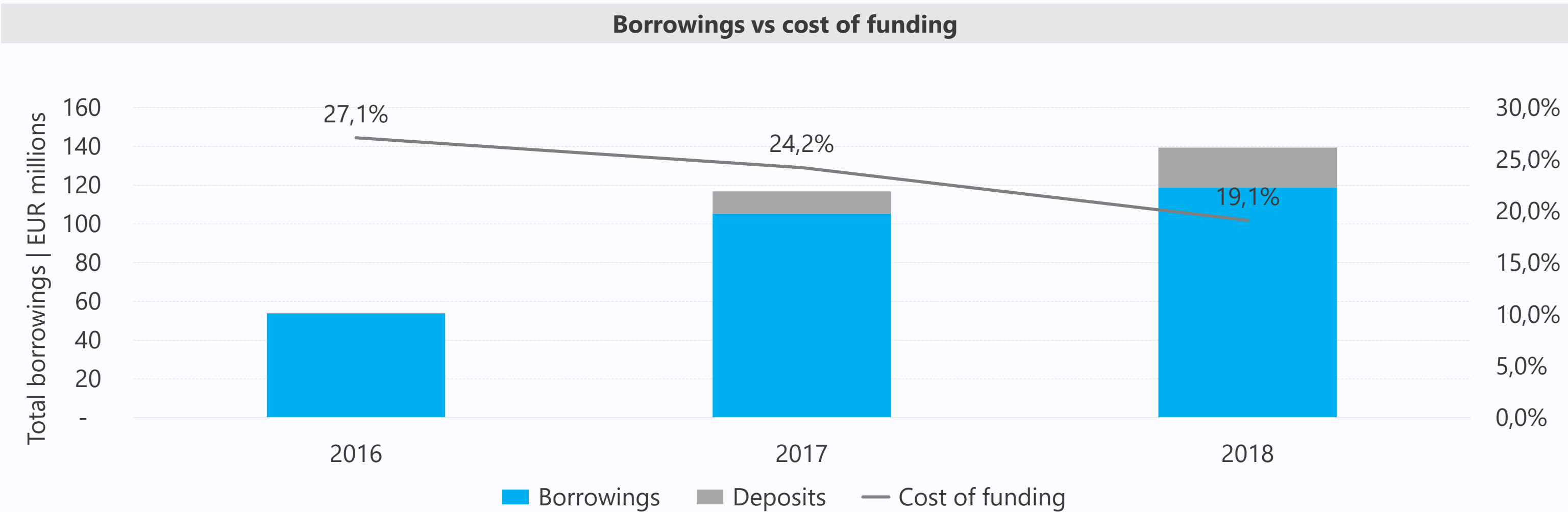
MyBucks financial results.

Operating expenses & funding costs



Commentary:

- Operating expenses stabilised.
- The operational model of MyBucks is now established, and there is capacity to grow the business significantly with minimal incremental operating costs (small variable cost component).



Commentary:

- Finance cost increased by EUR 1.4m whilst borrowings increased by EUR 23.5m, which saw a reduction in the cost of funding from 24.2% to 19.1%.
- The reduction in cost of funding has been achieved through:
 - i. the group's focus on refinancing expensive debt;
 - ii. the group's success in raising deposits in its banking operations; and
 - iii. the group's success in raising local currency funding through operational level bond programmes, local bank facilities and other initiatives.

MyBucks financial results.

Segmental results

Segmental results for 2018

Segmental Analysis - Overview	Banking	Lending	Tech & HQ	Eliminations	Continued Operations
EUR					

Summarised statement of profit and loss

1 Revenue	20,995,577	40,473,188	-	(161,666)	61,307,099
2 Impairments	(874,217)	(10,959,962) 3	-	(2)	(11,834,181)
Other income 1	2,378,101	6,585,482	819,390	(2,460,319)	7,322,655
Operating expenses	(13,408,519)	(18,359,629)	(13,407,412)	2,819,690	(42,355,870)
Operating income	9,090,942	17,739,079	(12,588,022)	197,703	14,439,703
Investment revenue	1,108,728	1,694,022	841,625	27,103	3,671,478
Finance costs	(1,965,611)	(11,694,866)	(9,178,639)	115,428	(22,723,688)
Inter-company charges	(734,171)	(502,283)	4,337,902	(3,101,448)	-
Tax	(1,290,093)	(1,687,035)	(54,908)	445,378	(2,586,658)
Profit/(loss) after tax	6,209,795	5,548,917	(16,642,041)	(2,315,836)	(7,199,165)

Summarised statement of financial position

Loan book	47,191,316	38,531,699	-	-	85,723,015
Other assets	18,548,528	34,753,732	52,641,606	(29,124,123)	76,819,743
Cash and cash equivalents	6,988,264	5,120,205	899,594	28,906	13,036,969
Total assets	72,728,108	78,405,636	53,541,200	(29,095,217)	175,579,727
Total liabilities	45,554,885	62,957,762	70,990,983	(27,892,812)	151,610,817
Shareholders equity	27,173,223	15,447,874	(17,449,783)	(1,202,405)	23,968,909

Key Performance Indicators 2

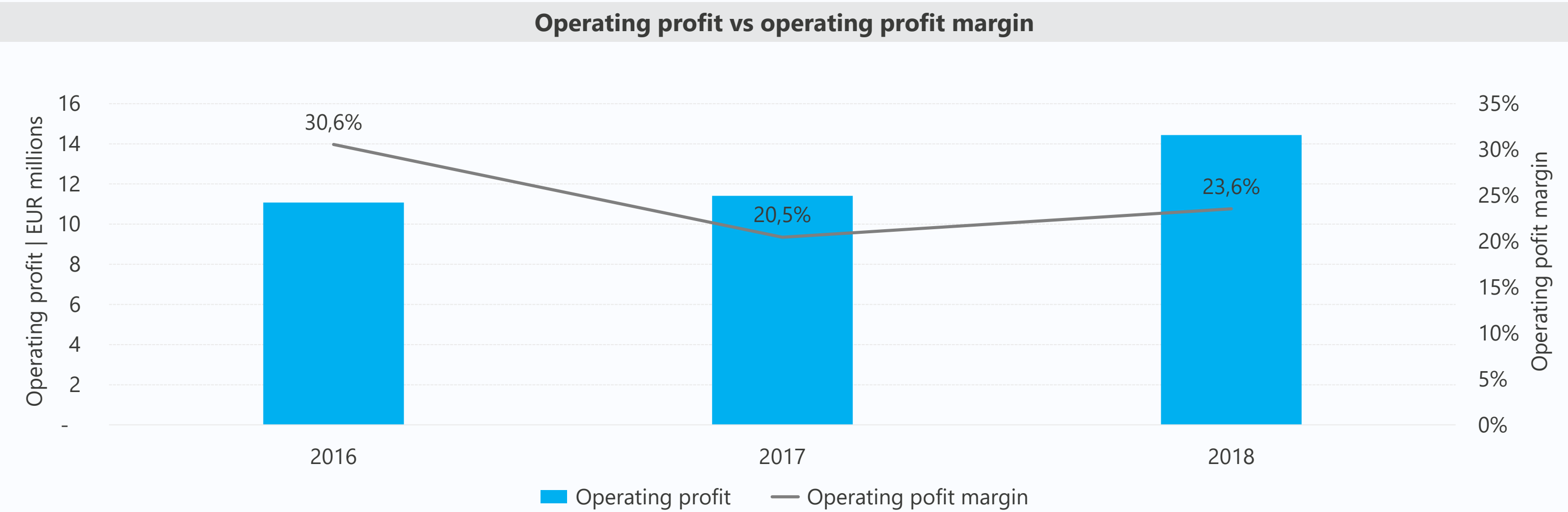
4 Revenue / net loan book (A)	44.5%	5	105.0%	71.5%
Cost of funding (B)	13.7%		23.4%	19.1%
Net interest margin (A-B)	30.8%		81.6%	52.4%
Provisions to gross loans	3.9%		18.3%	10.9%
Cost to revenue	63.9%		45.4%	69.1%
Return on equity	22.9%	6	35.9%	(30.0%)
Equity to assets	37.4%		19.7%	13.7%

Commentary:

1. The majority of the group's revenue (65.8%) is generated by the lending segment, primarily as a resulting of having a portfolio of higher yielding products.
2. The higher yield is accompanied by a higher level of risk - the lending segment contributed 92.6% of MyBucks impairments in 2018 at an impairment to gross loan rate of 23.2% against a similar measure of 1.8% for the banking segment.
3. It should be noted that most of the impairments were isolated primarily South Africa (EUR 7.4m).
4. With relatively lower branch infrastructure and less regulatory requirements, the cost to revenue of the lending operations is much lower than the banking operations at 45.4% against 63.3%.
5. The banking segment raises funding at much lower rates than the lending segment (13.7% vs 23.4% funding cost) as a result of their ability to raise low cost deposits, and being regulated institutions, perceived risk is priced lower on borrowing.
6. Notwithstanding the banking segments' lower cost of funding, a combination of greater cost efficiencies and lower costs of compliance (capital requirements, liquidity requirements, etc.), at the current scale of the business, the lending operations provide a higher ROE at 35.9% than the banking institutions of 22.9%.

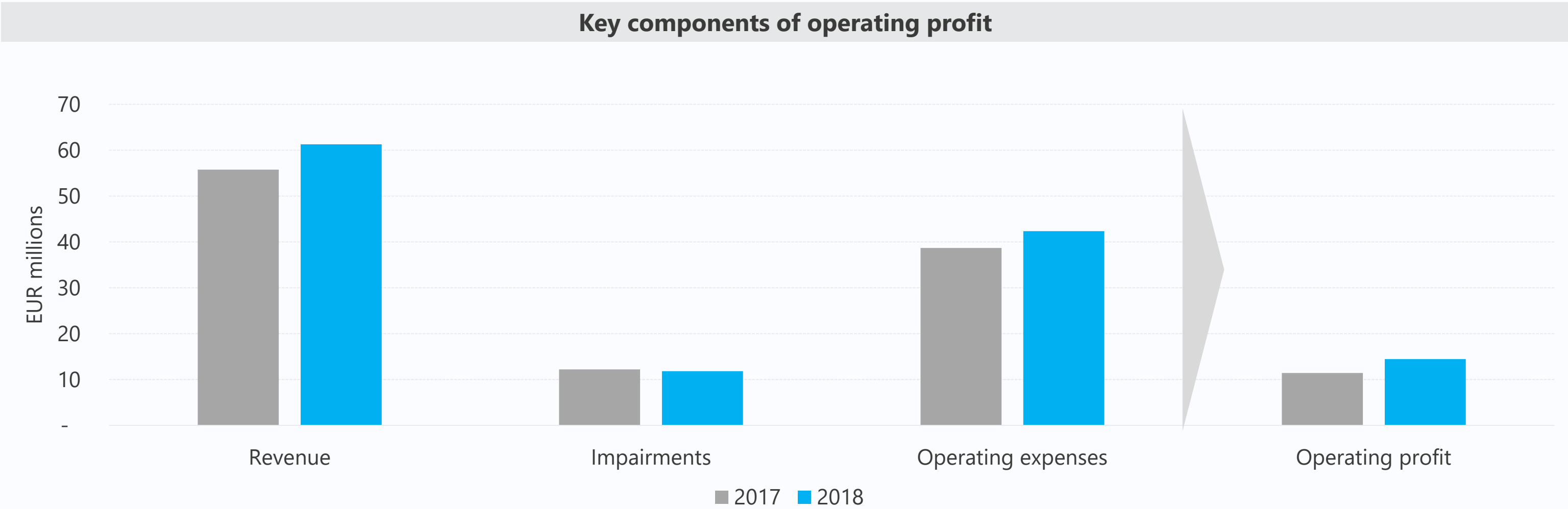
MyBucks financial results.

Operating profit



Commentary:

- Operating profit increase by EUR 3m, an increase of 27% from the previous period.
- The increase in operating profit was achieved through increased revenues, reduced impairment costs and relatively stable operating expense base.
- Operating profit margin increases to 23.6%.

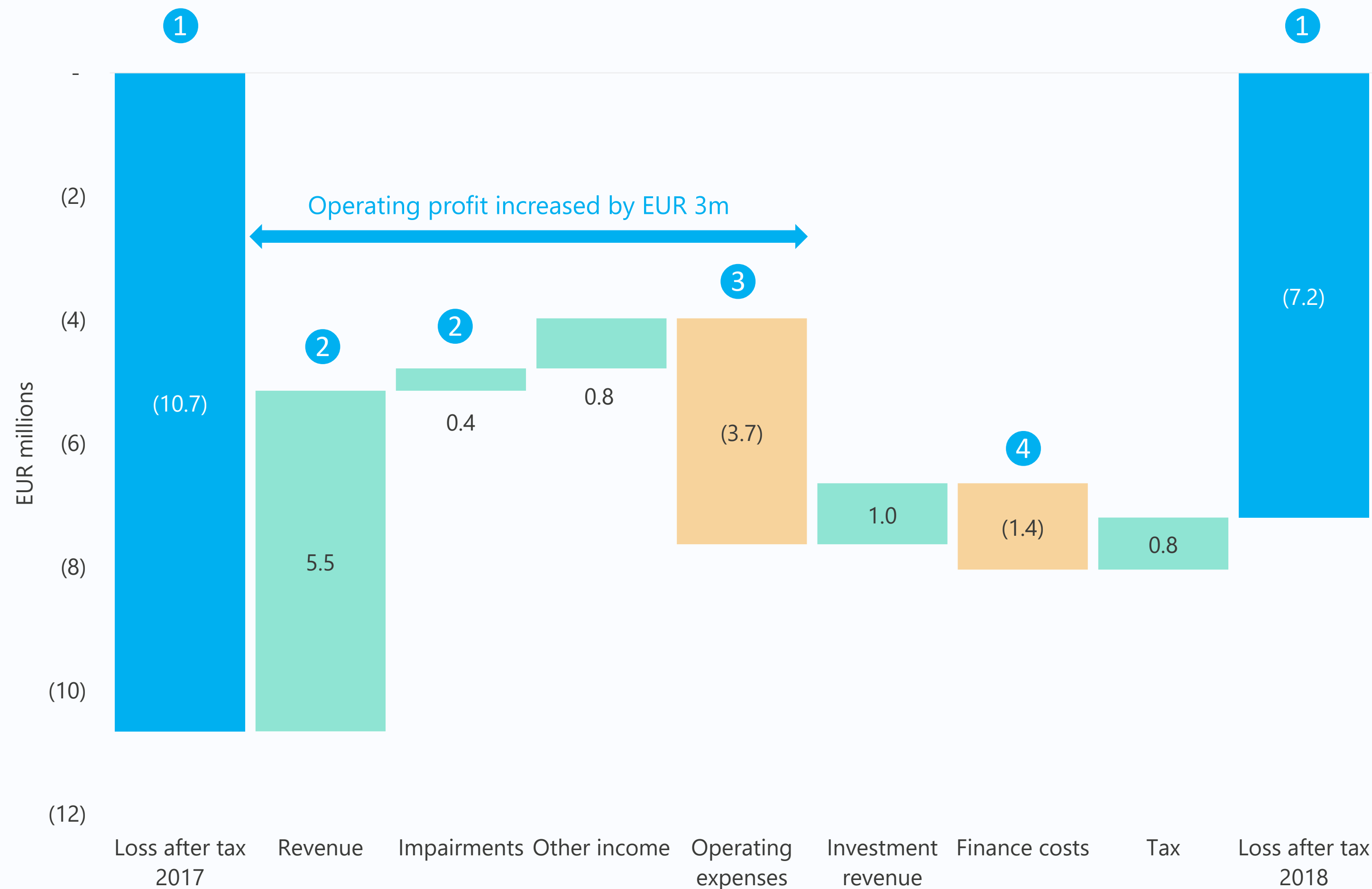


Commentary:

- With the stabilisation of operating expenses and improvement in the provision to loan book ratio, MyBucks is well positioned to benefit from operational efficiencies to grow the business and increase profitability.

Earnings waterfall.

2018 vs 2017 analysis








Commentary:

1. Loss after tax from continuing operations improved by EUR 3.5m to a loss of EUR 7.2m in 2018.
2. MyBucks increased revenue by EUR 5.5m whilst also reducing the impairment charges by EUR 0.4m.
3. Operating expense increased by EUR 3.7m but remained stable at 69% of revenue.
4. Finance cost increased by EUR 1.4m, whilst total borrowing increased by EUR 20m, resulting in a reduction of finance cost by c. 5%.









Overview & strategic objectives.

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Situation as of end of June 2018:

-  Net interest margin of c.52%.
-  Reduction of provisions by implementing A.I.
-  Focus on reducing cost levels.
-  Cost of funding reduced by 5% in the last financial year. Further efficiencies expected.
-  Restructuring of acquired entities finalised and all continuing operations expected to be profitable in future periods.

Future strategic objectives:

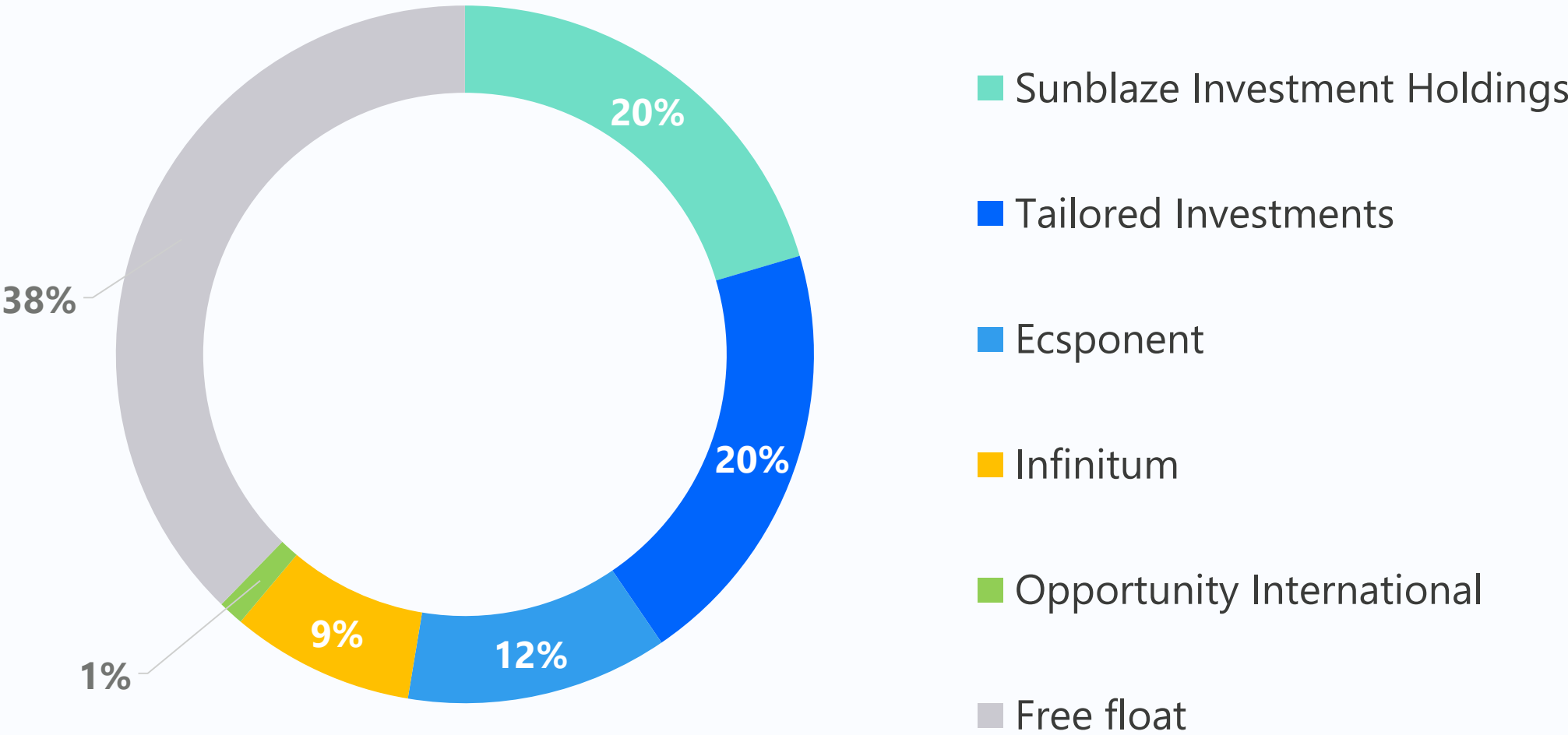
-  Grow market share in the markets in which we operate.
-  Expand to new high growth geographic regions under new strategic models.
-  Increase product diversification and revenue streams.
-  Retain and improve on current provision and bad debt ratios.
-  Retain current fixed cost operating cost structure and limit further variable costs.
-  Continuing to reduce finance costs.
-  Explore new sources of capital.
-  Optimising the group's tax structure.



Shareholder information

Shareholders information.

Shareholding as at 30 June 2018



Date	Shareholder calendar events
1 November 2018	Annual results 2018
TBC	Annual general meeting
TBC	Interim results 2019
TBC	Annual results 2019

Date	Other calendar events
1 November 2018	Investor roadshow, New York
1 November 2018	Finnovation Africa, Ethiopia
3 November 2018	Investor roadshow, San Francisco
5 November 2018	Investor roadshow, Silicon Valley
6 November 2018	Seamless West Africa, Ghana
8 November 2018	Investor roadshow, Geneva
8 November 2018	Africa FinTech Summit, Nigeria
12 November 2018	Investor roadshow, China
15 November 2018	Blockchain Startups Summit, Germany
21 November 2018	Investor roadshow, India
26 November 2018	Equity Forum, Germany
27 November 2018	Finnovate Africa, South Africa
29 November 2018	Investor roadshow, London
3 December 2018	Investor roadshow, UK & Europe



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