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Investment Evolution Credit plc (AQSE:IEC)

# Consumer Finance FinTech Innovator

INVESTOR PRESENTATION  
SEPTEMBER 2024

By Marc Howells, UK CEO

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## Experienced team

Directors have over 100 years combined experience



## UK expansion

Targeting UK launch in 2025



## Proprietary technology

AI-driven processes centered around consumer outcomes



## Attractive market opportunity

Consumers deserve better access to credit

IEC

Investment  
Highlights

# IEC Business Highlights

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## Large Market & Attractive Competitive Landscape

- US and UK markets are both large with attractive competitive landscape for IEC consumer loans

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## Licensed Lender with Regulatory Experience

- IEC holds 6 state consumer lending licenses/CA covering ~100 million people in the United States, with an established track record of regulatory compliance and responsible lending for over 14 years, targeting 20 state expansion covering two-thirds of the US population

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## Expert Management Team & Advisers

- IEC management/directors have over 100 years combined experience in the finance industry, consumer lending, banking and technology companies
- IEC technical partners and advisers have extensive consumer credit expertise in the US and UK markets

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## Advanced Technology, Automation & Scalability

- IEC's lending platform features multiple API data partner integrations and automated credit risk analysis to assess the creditworthiness of borrowers, reduce default rates and optimise overall portfolio performance
- IEC lending platform and automated credit analysis technology enables a lean, highly scalable operation

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## High Margins & Attractive Customer Proposition

- IEC's consumer loans generate ongoing high-yield revenue for IEC Group, with recurring annual yields of 19.9% - 49.9% over 5-year loan terms in the United States and 19.9% - 49.9% planned annual yields in the United Kingdom
- For consumers, these longer loan terms provide affordable fixed monthly repayments offering a lower-cost alternative to high-cost credit, such as payday loans

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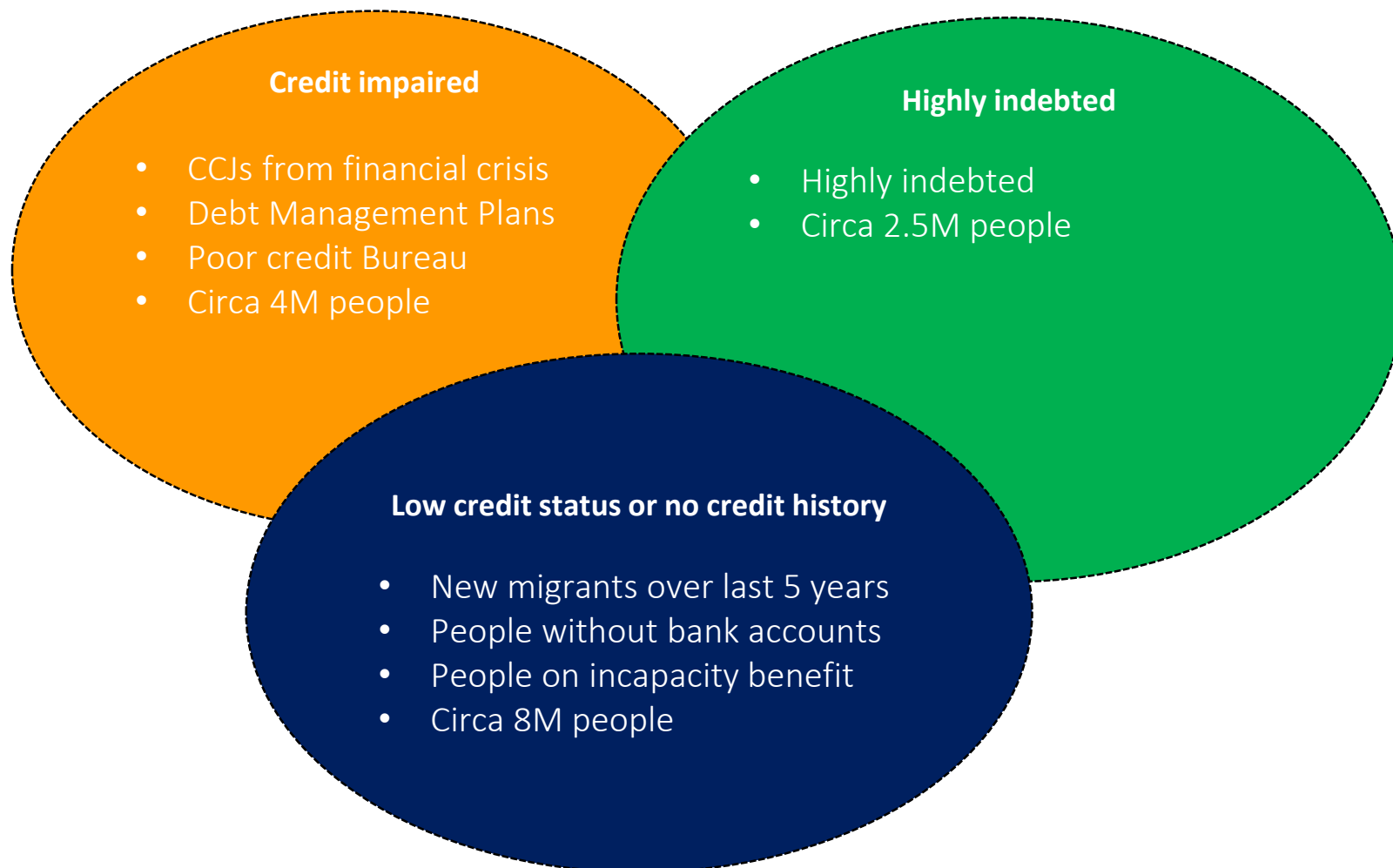
## Capital Structure with UK Public Equity and Debt

- IEC completed its IPO on Aquis Stock Exchange (AQSE) on 14 December 2023 backed by equity from existing IEC shareholders
- IEC has launched a bond offering for the IEC fixed rate unsecured bond 2024, with proceeds to be used solely to fund the expansion of IEC's consumer loan portfolio

# IEC UK Market Opportunity

## Consumer Credit Debt\*

- At the end of May 2024, outstanding consumer credit lending was £229.6 billion, increasing by £863 million on the revised total for the previous month and £14.3 billion more than in June 2023.
- Non-prime total population target market is circa 10m.



\*<https://themoneycharity.org.uk>

# IEC Target Market



**£4,279**

Average UK personal debt (excluding student loans)\*



**57%**

of UK adults use some form of credit



**53%**

of people pay BNPL late fees\*\*



UK consumers are accustomed to making large purchases using credit:

A life event drives the need for credit:

- Bump in the road
- Unexpected expense
- Large purchase
- Debt consolidation
- Holiday

\*Source: <https://researchbriefings.files.parliament.uk/documents/CBP-7584/CBP-7584.pdf>

\*\* Source: <https://www.finder.com/uk/buy-now-pay-later/buy-now-pay-later-statistics>

# IEC's Competitive Advantage

Branch



Online



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**118 MONEY**



**BAMBOO**



**LOANS**  
A better kind of loan

**HCSTC**

**Term Loans**

**Guarantor Loans**

# IEC Business Model – Responsible Lending at our core

We will originate loans from three key lead channels:

**Broker**

**Direct**

**Renewals**

We then rigorously underwrite:

**Credit checks**

**Employment check**

**Affordability checks**

**Online Bank statements**

**Credit scores**

**AI Analysis**

We then lend responsibly; key rejection reasons include:

**Lack of affordability**

**Over-indebtedness**

**Addictive behaviour**

**Consumer Duty**



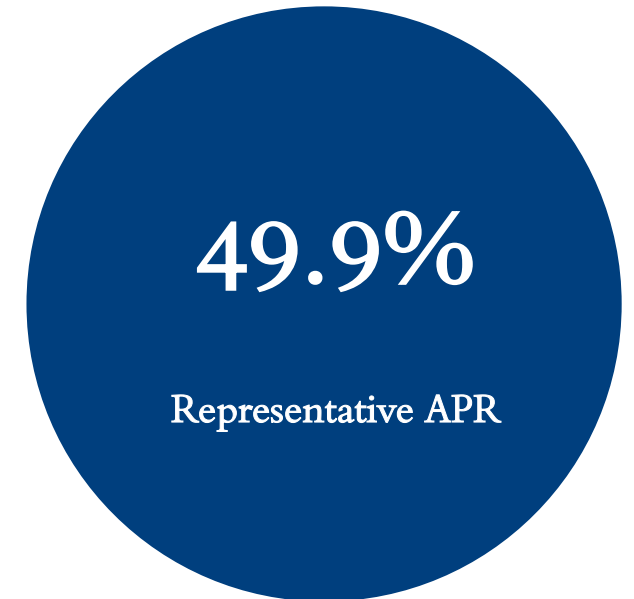
# IEC Business Model - Product



IEC Target  
Market



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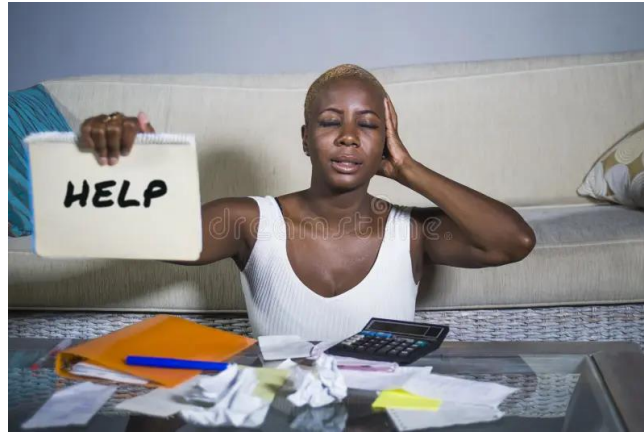
- Online application
- AI-driven automated credit checks
- Bank and Credit Bureau integrations
- Proprietary approval process

# Protecting Vulnerable Customers - helping Customers over bumps in the road

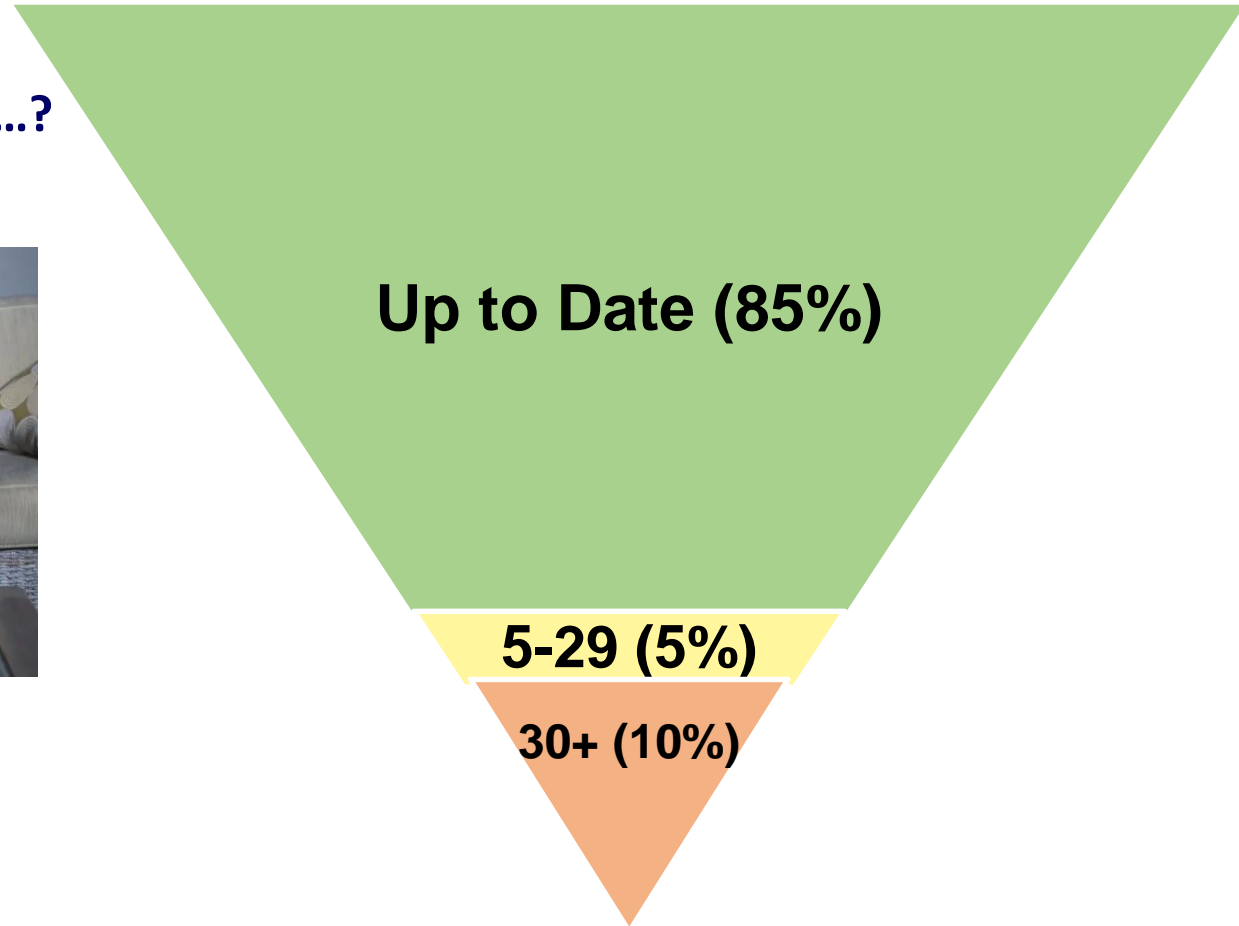


Life event – divorce, loss of income...?

Sickness...?



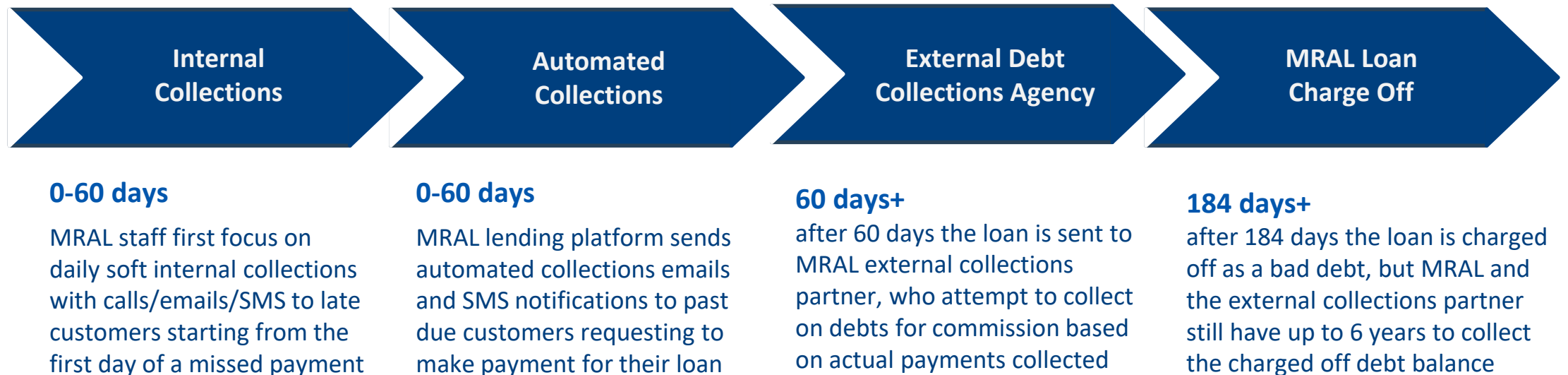
Unexpected expense...?



# MRAL Collections Processes

## MRAL Collections

- MRAL collections process features a combination of automated collections activity from the MRAL lending platform and internal soft collections of emails, SMS and phone calls from MRAL collections staff from 0 to 60 days
- After a loan is 60 days past due, the account is sent to MRAL’s external third-party collections partner who attempts to collect on the debt in exchange for commissions based on payments collected



- MRAL’s thorough Credit Risk Analysis and Decisioning, coupled with the above Collections process, has achieved a low net default-rate (after debt-recoveries) of <5%.

## UK Expansion - Investment Evolution Credit plc

- Investment Evolution Credit plc was incorporated on 24 May 2023 with the objective to operate in the consumer finance industry in the UK through 100% owned UK subsidiary company MRAL UK Ltd and via strategic acquisitions of consumer finance companies
- On 14 December 2023, IEC completed an IPO on Aquis Stock Exchange raising £507,734 from existing investors
- In February 2024, IEC appointed leading international law firm Osborne Clarke LLP as regulatory legal adviser for its licensing application to the Financial Conduct Authority (FCA) to provide consumer loans in the United Kingdom. The UK licensing application and approval process is estimated to take 10-12 months, with IEC planning to launch UK lending operations in Q2 2025
- IEC has launched its bond offering, with proceeds to be used solely to fund the expansion of IEC's consumer loan portfolio in the US immediately and in the UK upon launch of UK lending

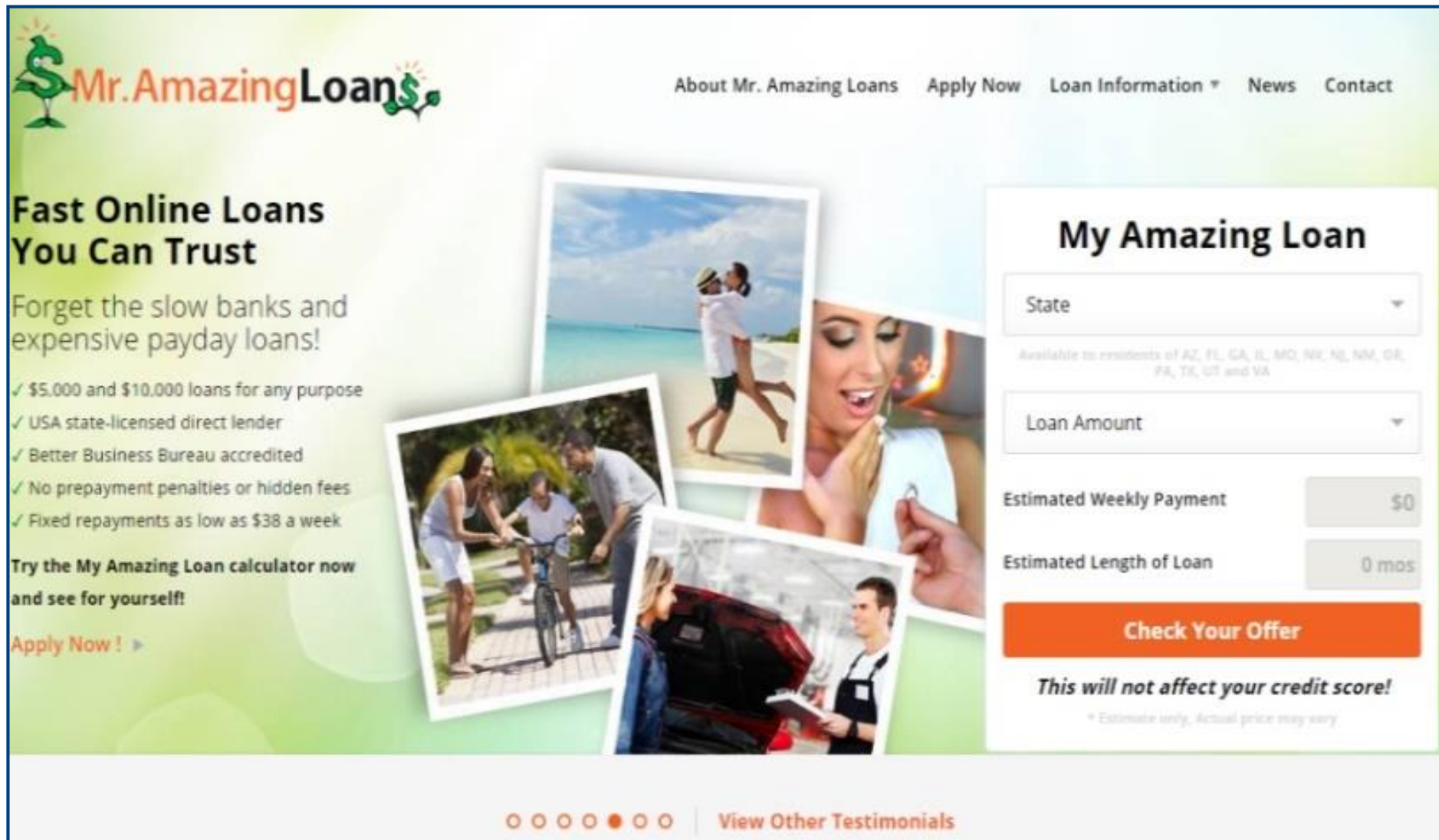
### UK FCA Licensing and Operations

- IEC appointed leading international law firm Osborne Clarke LLP as regulatory legal adviser for its licensing application to the FCA to provide consumer loans in the United Kingdom
- IEC has hired a UK based CFO and 2 UK Advisers planned to fulfill the roles of UK CEO/Compliance Officer and UK COO/Lending Manager
- MRAL UK will utilise IEC group experience in online consumer lending and existing MRAL UK technology platform and integrations, customized for the UK lending market
- IEC aims to commence lending to UK consumers in Q2 2025

### UK Consumer Loans – MRAL UK

- MRAL UK plans to provide online consumer loans in UK via web application
- £2,000 - £10,000 loans at 19.9% - 49.9% interest rates and APR
- 5-year loan terms with fully amortising fixed monthly repayments
- Attractive customer proposition as a consumer-friendly alternative to high-interest/APR payday loans and other high-cost credit in the UK, with affordable repayments and no prepayment penalties to customers who repay their loans early

# US Operations - Mr Amazing Loans



**Mr. Amazing Loans**

About Mr. Amazing Loans   Apply Now   Loan Information ▾   News   Contact

## Fast Online Loans You Can Trust

Forget the slow banks and expensive payday loans!

- ✓ \$5,000 and \$10,000 loans for any purpose
- ✓ USA state-licensed direct lender
- ✓ Better Business Bureau accredited
- ✓ No prepayment penalties or hidden fees
- ✓ Fixed repayments as low as \$38 a week

Try the My Amazing Loan calculator now and see for yourself!

[Apply Now ! >](#)

### My Amazing Loan

State ▾

Available to residents of AZ, FL, GA, IL, MD, MI, NJ, NY, OR, PA, TX, UT and VA

Loan Amount ▾

Estimated Weekly Payment

Estimated Length of Loan

[Check Your Offer](#)

***This will not affect your credit score!***

\* Estimate only, Actual price may vary

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# MRAL Overview

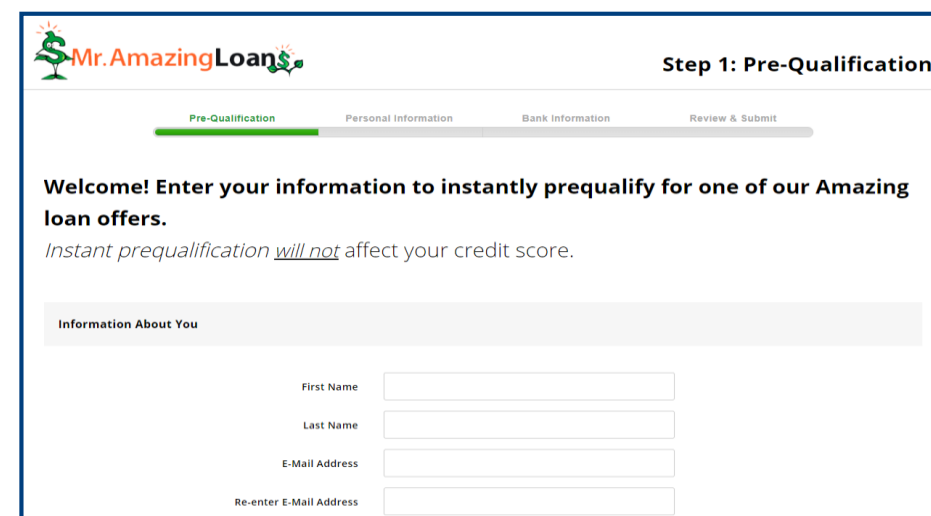
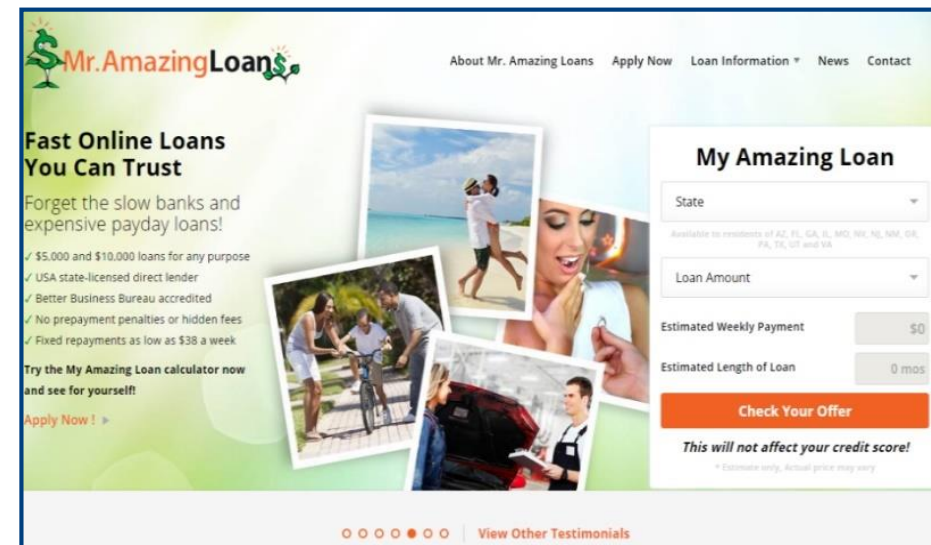
MRAL is a US company that provides unsecured online consumer loans under the brand name, “Mr. Amazing Loans”

## MRAL Loan Products

Loan Range	\$2,000 - \$10,000
Loan Term	5 years
Interest Rate/APR	19.9% - 59.9%
Loan Structure	Fixed rate, fully amortising repayments
Fees and Penalties	No hidden fees, late fees or prepayment penalties
Loan Purpose	Unsecured loans for any personal purpose

## MRAL Business Highlights

State Licensed Lender	MRAL has 6 state lending licenses/CA in California, Florida, Georgia, Illinois, Nevada and New Jersey
Margins & Attractive Customer Proposition	19.9% - 59.9% recurring yield revenue for IEC and attractive alternative to payday lenders at ~400%
Customer Acquisition	Net customer acquisition costs of 2.5%-5% from 5 online lead provider partnerships and direct mail
Customer Refinancing	Campaigns to customers with excellent payment history to refinance their loans



## Underwriting Overview

- MRAL underwriting procedures and criteria are based on over 100 years of IEC collective management/Director experience
- MRAL has determined the "sweet spot" to be \$2,000 to \$10,000 loans based on historical static pool default curve analysis with credit losses increasing significantly for loans greater than \$10,000 and customer lead acquisition costs making loans <\$2,000 uneconomic
- MRAL loan applications are first automatically assessed by the MRAL platform based on pre-defined minimum and autodecline criteria, with over 90% of applications declined automatically without manual staff review
- Applications that pass minimum criteria are pre-approved and reviewed by an Underwriter, including a review of bank account transactions for debt obligations not found in traditional reports e.g. payday loans then sent to the Lending Manager for final approval

## Underwriting Minimum Criteria

The following are the minimum criteria for MRAL customers:

Criteria	Minimum
Minimum Income	\$25,000
Debt to Income Ratio	100% max
Credit Score Experian	600+

*MRAL is targeting net loss rates of <5% for future direct MRAL loans*

## MRAL Portfolio Customer Averages

The following are historical portfolio averages for MRAL customers:

Criteria	Average
Average Customer Income	\$63,213
Average Customer Age	46 years old
Average Customer Credit Score Experian	658

*MRAL historical portfolio customer averages demonstrate credit quality of MRAL's target market, being near-prime to prime consumers*

# IEC Strategy for growth

**We have a clear roadmap to stable, predictable long-term growth:**

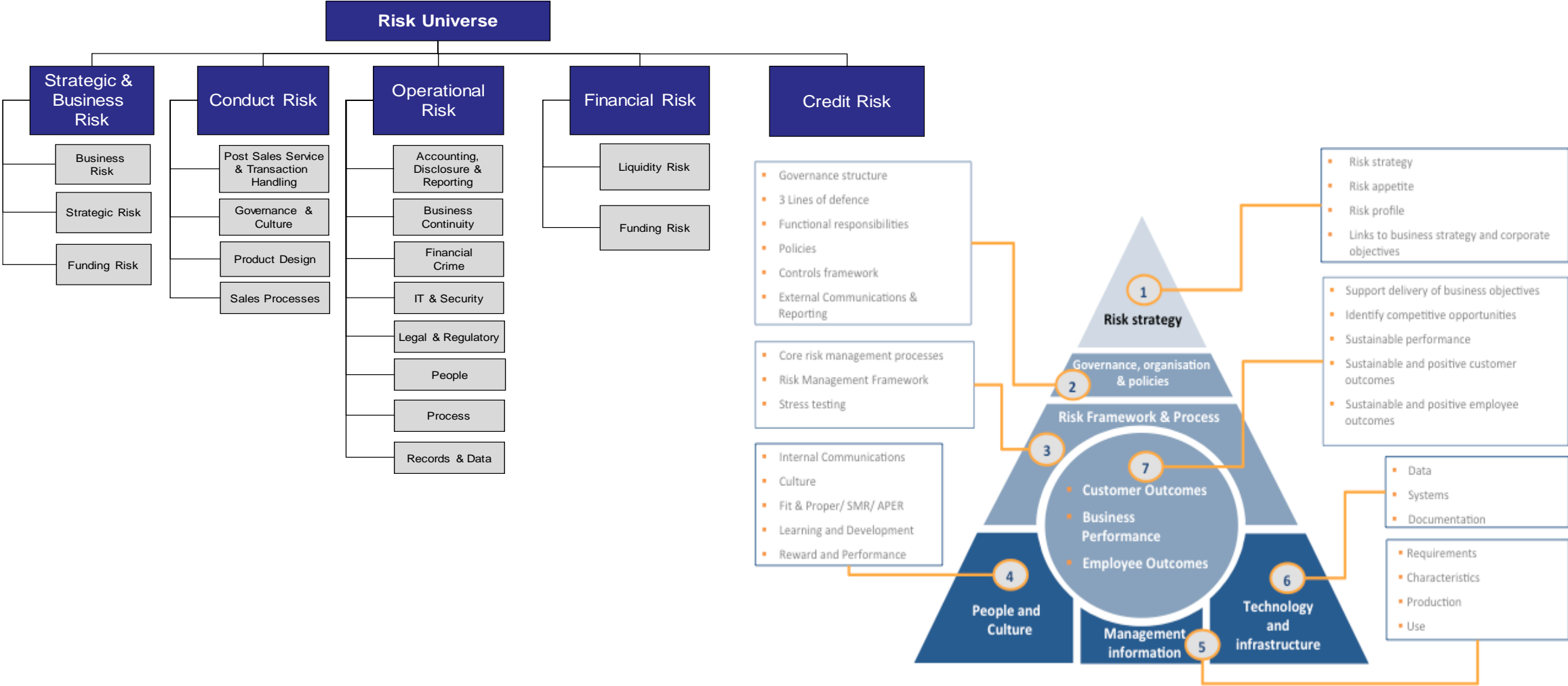
- A content rich Customer Portal website – Education & Support
- Continue to evolve AI and Machine Learning
- Consumer Mobile Application
- Open Banking development enhanced with AI scoring
- Enable a face-to-face experience without being physically co-located
- Large and growing market
- No legacy regulatory issues (clean portfolio)
- Attractive competitive landscape with high barriers to entry
- Clear strategy to maintain growth trajectory
- Proven underwriting and stable credit quality
- Attractive loan book ROI's





# IEC Risk Management Framework

An effective Risk Management Framework (RMF) will ensure that risks are identified, assessed, controlled and monitored in a consistent way that is aligned with the IEC’s strategic objectives. The component parts of the IEC’s RMF are set out below.



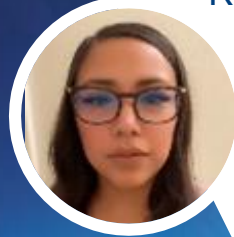
IEC

# Board of Directors and Management



## Paul Mathieson | Founder, Chairman & Global CEO

- Over 29 years finance industry experience in lending (IEC), funds management (IE Portfolio Warrants), stock market research (Daiwa Securities & Hogan Partners Stockbroking) and investment banking (ING Barings)
- Founded MRAL US Corporation dba Amazing Loans in Feb 2008
- Bachelor of Commerce from Bond University and Masters of Finance from Macquarie University
- Awarded Ernst & Young's 2007 Australian Young Entrepreneur of the Year (Eastern Region)



## Glendys Aguilera | Director, US General Manager & Lending Manager

- Over 13 years experience with the IEC group as Lending Manager & Compliance Officer
- Extensive experience in regulatory compliance, loan underwriting, loan collections and loan administration
- Previously 4 years experience at Wells Fargo Bank as Personal and Business Banker



## Neil Patrick | Non-Executive Director

- Over 17 years of leadership experience in consumer credit including roles at Standard Chartered, Woolwich, and Barclays
- Co-founded two consumer credit businesses and secured acquisition offers of £365 million for Firstplus Financial and £275 million for Picture Finance within 5 years of startup
- Chairman of the Remuneration and Nomination & AQSE Rules Committees



## Gareth Hawkins | Non-Executive Director

- Over 21 years of experience as Operator, Investor and Adviser
- Non-Exec Director of ElectrAssure; Chairman of BizCrunch & LGC Heritage Foundation; previously industrial sector Managing Director
- Adviser to FinTechs : Connectd, Stratiphy and Block Dojo
- Executive MBA from Quantic Business School
- Chairman of the Audit Committee

# IEC

## Board of Directors and Management



### **Bob Mennie | Chief Financial Officer**

- Over 37 years finance industry experience as Chief Financial Officer, Finance Director, Financial Controller, Company Secretary and Equity dealer
- Previously 23 years experience as CFO including for Orwell Holding Group, Asia Century Capital and 3D Currency Management
- Previously Financial Director, CFO and Company Secretary for 2 AIM publicly listed companies and one FCA regulated company
- Bachelor of Commerce from Cape Town University and Chartered Accountant



### **Marc Howells | UK CEO**

- Significant experience across all functional areas, including risk management of consumer finance
- Significant experience in Insurance and Retail Banking.
- Role model for developing best-in-class employee retention and value
- In-depth experience on; integrations, mergers, JVs', Acquisitions, Restructuring (turn-around) and Start-ups
- Geographical and cultural expertise across China, Europe, U.S.A. and South Africa
- Member nominated Pension Fund Trustee

# IEC Financial Statements – Half Year

## IECUK Group Income Statement – 24 May to 30 November 2023

24 May 2023 – 30 November 2023

	GBP
Revenue and other income	441,261
Operating expenses	(173,199)
<b>Profit before tax</b>	<b>268,062</b>
<hr/>	
Corporation Tax	(72,974)
<b>Net profit</b>	<b>195,088</b>

### Six-Month Period Highlights

- Revenue and other income of £441,261
- Profit before taxation of £268,062
- Net profit after tax of £195,088
- Earnings per share of £0.02
- Cash and cash equivalents balance of £659,289

## IECUK Group Balance Sheet Statement – 30 November 2023

30 November 2023

Assets	GBP
Goodwill	2,939
Other current assets	1,489
Deferred offering costs	235,314
Trade and other receivables	102,490
Cash and cash equivalents	659,289
<b>Total assets</b>	<b>1,001,521</b>
<b>Liabilities</b>	
Funding advance for new loans	12,642
Non-recourse future distributions	63,192
Trade and other payables	195,777
<b>Total liabilities</b>	<b>271,611</b>
<b>Equity</b>	
Share capital and share premium	533,621
Retained earnings and reserves	196,289
<b>Total equity</b>	<b>729,910</b>

## Investment Evolution Credit plc (IEC) Equity

- IEC equity is closely held by 94 shareholders with Chairman/CEO owning 42% (escrowed for 12 months from the date of Admission of IEC on AQSE under 12-month lock-up agreement)
- The top 5 shareholders own 67% of the issued share capital of IEC
- IEC has a simple capital structure with only ordinary shares on issue and no options or warrants
- 59.1% of the IEC shareholders purchased shares in the IEC IPO in December 2023 including the Chairman/CEO
- IEC is currently raising further lending capital via IEC bonds

### Investment Evolution Credit plc (AQSE:IEC) Equity 22 August 2024

Share Price	£0.50
Number of Shares	16,260,975
Market Capitalisation	£8.13 million
Price-To-Earnings Ratio (Aug-24)	25

## **Unique investment opportunity to make equity and/or debt investments in a high-growth, publicly-listed fintech company within the United Kingdom and United States consumer finance industries**

- IEC has an expert management team and technical partners with extensive industry experience
- IEC has a 14-year track-record in the US under 6 regulated state licenses/certificate of authority
- IEC group has high margins combined with low fixed overheads and is highly scalable with the capacity for significant short-term revenue/profit growth subject to raising additional capital
- Management believes that IEC has the capacity to scale to £100 million in loan book assets without needing any additional infrastructure by utilising automation, outsourcing of processes and technology integration partners
- IEC plans expansion to UK consumer finance market in Q2 2025 with similar offering to US consumer lending product
- Opportunity for investors to invest in a UK public listed company with a market cap of £8.13m
- IEC closed its IPO oversubscribed and was admitted to Aquis Stock Exchange in London on 14 December 2023
- Opportunity for investors to purchase IEC shares listed on AQSE and/or to invest in IEC 15% pa unsecured bonds



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Investment Evolution Credit plc (AQSE:IEC)

**Thank you!**

Contact: [iec@investmentevolution.com](mailto:iec@investmentevolution.com)

**Our shares are traded on**

**aquis**  
stock exchange