



We revolutionize the way micro businesses
finance purchases of cars and commercial
vehicles. One loan at a time.



CORPORATE BOND ISSUE

Offer summary

All the funds will be used to provide asset-based loans to micro businesses. Every euro invested is backed by an asset.

Issuer	▶ Eska Finance sro
Security	▶ Unsubordinated, fully secured bonds
Offer size	▶ EUR 5 mln
Bond term	▶ 3 years
Fixed interest rate	▶ 9% per annum
Interest paid	▶ Quarterly
Subscription	▶ Min - EUR 1000 Max - at the company discretion
Use of proceeds	▶ Corporate Bonds are being used to raise debt capital for ESKA Finance as part of strategic plan to develop and diversify funding sources in line with ongoing growth of ESKA Finance loan book
Security Trustee	▶ Danube Trustee





Collateralized bonds

01 All funds raised from the public placement of corporate bonds will be used to finance the growth of the leasing portfolio and purchase assets.

02 Every investor can be sure that their money is not spent on marketing or risky operations.

03 Every cent is invested in assets with high residual value and high liquidity on the secondary market.

04 Danube Trustee acts as the Security Trustee to monitor and enforce investors' security providing additional governance and protection.



About ESKA Finance

Equipped with 35+ years of combined experience in leasing, finance, and management, we're on a mission to empower small businesses to thrive and dream big.

Building on our past success and the sale of our previous company, the leader in SMB financing in Ukraine, we are now focusing on the EU market.

Anton Diadiura

15 years in leasing & financing SMBs
Ex-Societe Generale Group
Master in Investment Management

Sergii Vaskov

20 years in finance
Past successful exits in businesses (i.e. Classofficial dealer in Ukraine) and real estate development projects
Issuing and placing corporate bonds
Master in international economic relations and law



Venture-backed

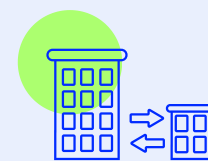
Eska Finance just raised significant funds from Serviden Enterprises.



€2,35
Million



June
2024



Serviden
Enterprises Ltd



We created a platform with **micro businesses in mind**

Superior scoring system

We integrate Open Data and Open Banking data sources in our automated credit scoring to make fast, accurate underwriting decisions. Our AI-driven algorithms focus on the SME's potential, not their past performance.

Relevant data = better credit decisions

Not all data is created equal. Unlike other leasing companies that use big data, which isn't always relevant, we use precise data about the borrower.

Lightning fast

It only takes 15 minutes from application to decision and 5 days from decision to delivery.

10:58 4G

Auto

Country

Subcategory

Brand

Model

First registration

1971 × 2023 ×

Monthly payment, €

145 3717

Max down payment, €

35000 ×

286 offers

Hassle-free process

The process is fully online and it only takes 5 minutes. No frustrating paperwork, minimal docs required.

Cross-border

We finance machinery anywhere in the EU, meaning SMEs aren't limited to their local market.

Accessible

The loans start from as low as €10,000, the down payment is only 10% with no application fee.



From a painful multi-stage process to lending in *seconds*

TRADITIONAL BANKS

Loan application
submission

>10h

Application
review

>30 days

Access to
funds

>1 week

ESKA FINANCE

automated

5 seconds

instant

Automated data management is required to provide instant asset-based loans

Data for underwriting

Borrower assessment and scoring

- ▶ Instant check of the client data using open data sources (Credit Bureaus, Financial data, client data check)
- ▶ Obtaining data through Open Banking

Asset evaluation

- ▶ Market price check
- ▶ Liquidity check

Real-time data analytics for instant decision-making

Borrower assessment and scoring

- ▶ Banking statement data analytics
- ▶ Tax reports
- ▶ Credit reports
- ▶ Client score through cross-platforms and sources

ML learning for model training

Borrower data

- ▶ Analytics of client performance during the loan period

Asset data

- ▶ Price drop
- ▶ Liquidity
- ▶ Repossession costs in the event of default
- ▶ Time to sell in case of default

Conventional competitors

- ▶ poor data check
- ▶ manual financial statements analytics
- ▶ no competence in machinery evaluation
- ▶ often rely on third parties

- ▶ often rely on outdated data (6-12 month lag)

- ▶ manual human review

- ▶ prefer to restructure the debt
- ▶ poor management of repossessed assets
- ▶ poor competence in sales of repossessed assets


The ECB recognizes inequality in access to credit as a serious policy challenge.

Loan products are often unsuitable for MSMBs, with the waiting time for loan decisions ranging from 3 to 5 weeks, and the average 'time to cash' lasting up to 3 months.

**The smaller
the business**



**the more difficult it is to obtain
adequate working capital.**

A stylized line-art illustration of a diverse group of people, including men and women of various ages and ethnicities, representing a community or workforce.

**Only 13% of credit
applications from small
businesses are getting
approved by banks***

*EU Small Business Lending Index

Too big to care



Slovakia - 99,06%*

*5-bank asset concentration in 2021

Bank concentration: % of bank assets held by top 3 banks

Countries	Banking system concentration, 2020	Global rank	Available data
Germany	96.79	15	2000 - 2020
Austria	90.53	30	2000 - 2020
Belgium	88.5	33	2000 - 2020
France	80.87	49	2000 - 2020
Croatia	75.45	63	2000 - 2020
Netherlands	75.24	64	2000 - 2020
Poland	69.25	76	2000 - 2020
Spain	68.17	80	2000 - 2020
Czechia	62.41	89	2000 - 2020
Italy	61.3	90	2000 - 2020
UK	53.42	106	2000 - 2020
USA	35.22	123	2000 - 2020

SOURCE: FI-COMPASS, EIF'S

We succeed where traditional banks fail

TRADITIONAL BANKS

Unable to differentiate good MSMEs from high-risk customers, resulting in a 90% rejection rate

Low competence in evaluating machinery

Too many obstacles for immigrants, due to the lack of credit history, non-transferability of credit history from other countries, and no stable residency.



ESKA FINANCE

A thorough analysis of data from various sources, such as banking data, tax reports, and credit reports to ensure better decisions.

Deep expertise in machinery

Fast hassle-free process, min docs required

OUR CLIENTS

Any business that needs to purchase passenger cars, commercial transport or light agricultural or construction machinery. A few typical use cases include:

01

Uber / Bolt drivers
or private transfer
companies

02

Delivery
couriers

03

Small
farmers

04

Self-employed truck
drivers or small
trucking companies

05

Small construction
contractors and
sub-contractors



Financial programs

Basic financing conditions available to our clients

Financing terms: ► 1-5 years

Collateral:

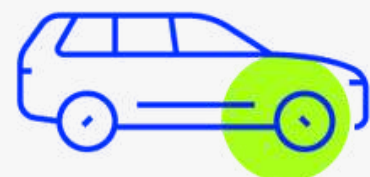
- financed asset
- additional collateral
- personal guarantee

Insurance:

- obligatory third party insurance
- full coverage insurance



Financial programs



Passenger cars
and LCV



Commercial
transport and trucks



Light construction
machinery



Light self-propelled
agricultural machinery



- ▶ New and used
up to 15 years old
- ▶ Down payment:
starting from 20%

- ▶ New and used
up to 10 years old
- ▶ Down payment:
starting from 20%

- ▶ New and used
up to 16 years old
- ▶ Down payment:
starting from 25%

- ▶ New and used
up to 16 years old
- ▶ Down payment:
starting from 30%

- ▶ Terms:
1-5 years
- ▶ Financing:
up to 50%

Leaseback

Leaseback is an alternative to traditional bank financing, such as overdrafts and loans. The entrepreneur sells a company asset, like transport, machinery, or real estate, to a leasing company.

The company then leases the asset back for a fixed period with fixed payments. This increases liquidity, which can be used for general corporate purposes, including working capital or new asset acquisitions not financed by ESKA Finance.

Financing terms: ► 1-5 years

Collateral:

- financed asset
- additional collateral
- personal guarantee

Insurance:

- obligatory third party insurance
- full coverage insurance

Financing: ► up to 50% of the market price of the asset



Credit policy and risk management

We use our own highly effective risk management system

- 01 As part of our credit and risk policy, customer parameters, types, and characteristics of vehicles and machinery are clearly defined.
- 02 During the underwriting process, our automated system, along with input from a credit risk officer when necessary, thoroughly analyzes the deal. This includes examining comprehensive information about the borrower company, such as credit history, lawsuits, reputation, and risks related to founders and management, as well as assessing the liquidity of the assets. Based on this analysis, clients are offered financing terms.
- 03 Throughout the contract duration, there is continuous monitoring of the asset. Every 3-6 months, we conduct an analysis of the residual value of the equipment and monitor the client's activities to identify potential risks in advance.

Due to our focus on assessing asset risks, ESKA Finance can make informed accurate financing decisions with minimal financial documentation.



Credit policy

Our credit policy aims to create a high-quality, profitable, diversified, and balanced leasing portfolio.

We use our own scoring model to analyze each project thoroughly, assessing the liquidity of vehicles and transportation on the secondary market, as well as the participating supplier.

Our credit risk policy automates recommended down payment sizes based on the borrower's financial condition and the asset's liquidity assessment.

Our leasing portfolio is diversified, with set limits on financing volume for each client. This flexibility enables us to adapt to economic changes, enhancing portfolio quality and reducing reliance on large borrowers.



Risk management

At ESKA Finance, we take pride in our highly efficient mechanism for managing late and defaulted payments.

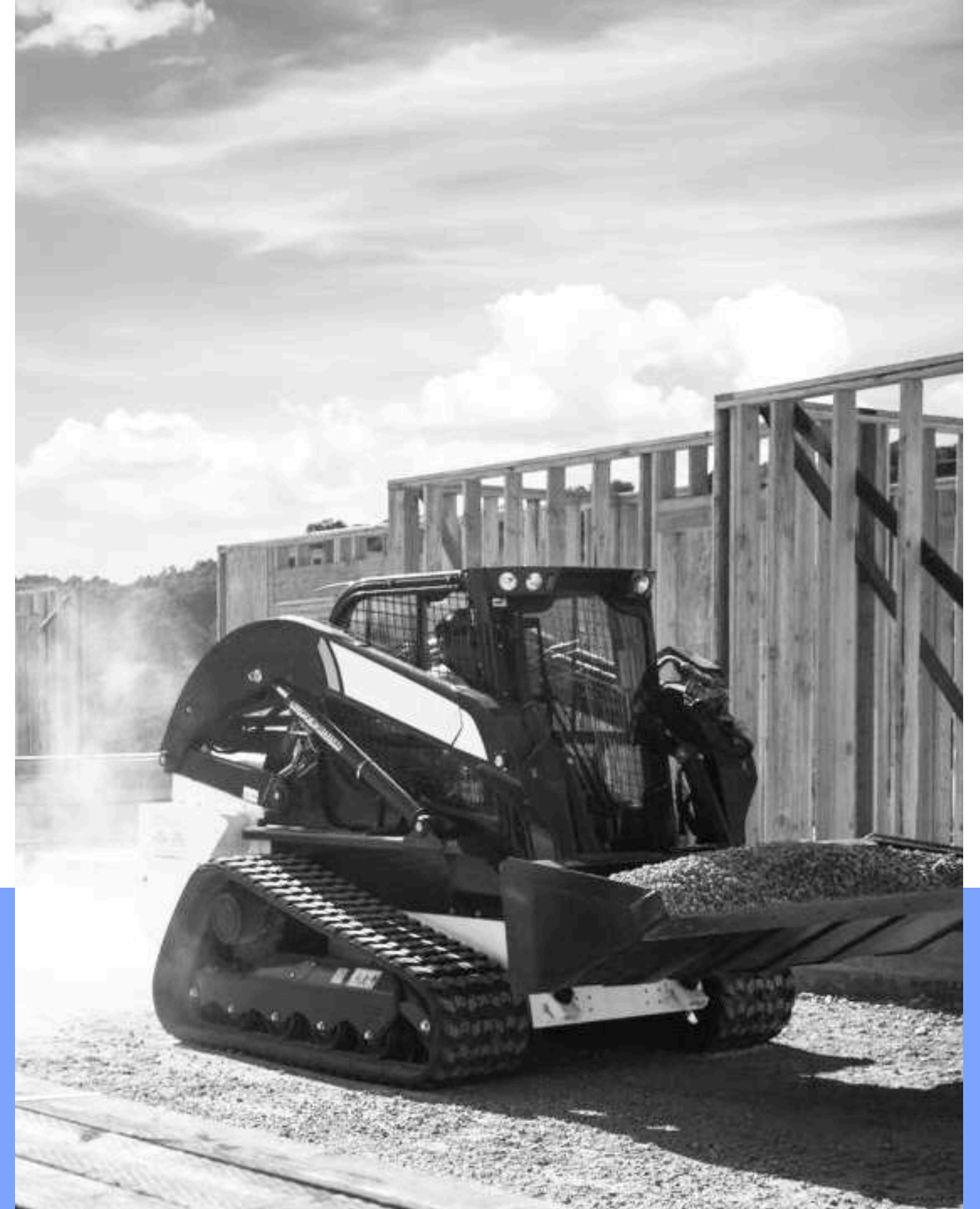
Our track record speaks for itself: there are no Non-Performing Loans (NPLs) in our portfolio, and we consistently achieve profitable exits from deals terminated due to client default.

Our technology enables us to finance micro and small-sized businesses with minimal risk. We mitigate long-term and medium-term risks through high down payments and the profitability of our retail operations.

Financial planning and liquidity management are crucial in our day-to-day operations.

Structuring our debt and loan portfolio (assets and liabilities) according to terms is vital.

Lease payments come before debt service payments, ensuring smooth financial management.





ESKA Finance's loan portfolio is well protected against credit risks

-
- 01** the company is the legal owner of all financed assets throughout the contract terms;
 - 02** all financed assets are fully insured under protection programs.
 - 03** high down payments cover the risk of resale of the assets;
 - 04** the market value of the financed assets is 130% of the net investment in the contract.

Risk management



TYPE OF RISK

Risk of client default

Risk of loss or theft

Risk of depreciation or loss of liquidity of the asset

RISK MANAGEMENT TOOLS

Minimizing risks associated with deterioration of the client's financial condition



1. Credit decision making system
2. Asset liquidity assessment
3. Monitoring the client during the loan duration to predict credit risks

Minimizing losses associated with loss or damage of the asset



1. Full coverage Insurance
2. Monitoring the condition of the asset
3. GPS monitoring system instalation

Minimizing losses associated with possible sales of asset



1. Forecast of changes in the market value and liquidity of the asset once a quarter
2. Risk regulation with the size of the down payment

Credit policy and risk management

LOAN CONTRACT LIFE CYCLE

- 01

The client selects a vehicle
- 02

The client and the vehicle are scored and checked
- 03

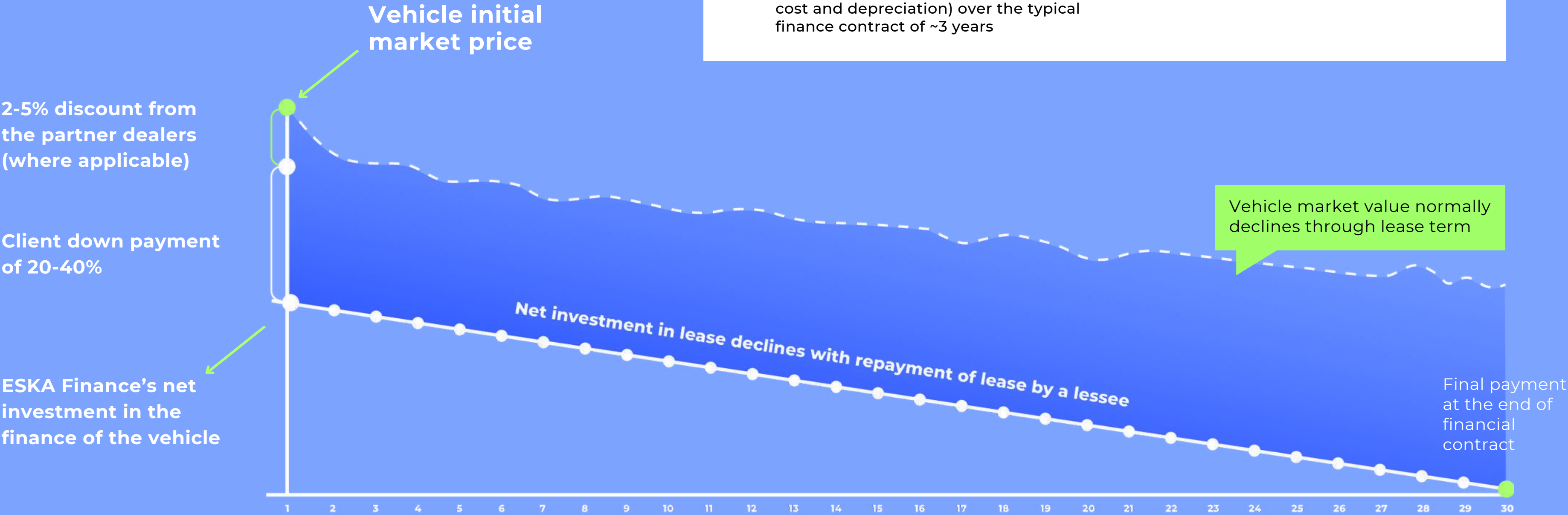
Leasing and vehicle purchase contracts are signed
- 04

Client makes down payment and monthly payments (covering interest cost and depreciation) over the typical finance contract of ~3 years
- 05

ESKA Finance maintains legal ownership of the vehicle throughout the finance period
- 06

Client makes the last payment and keeps the vehicle 6
- 06.1

Client can exchange the vehicle to finance the new one. ESKA Finance provides additional services earning fee-based revenue



Sales statistics

on 29.04.2024

▶ **2 402 931 €**
Total financing amount

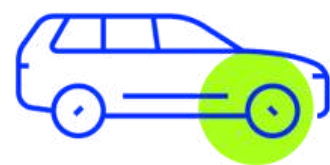
▶ **3 570 625 €**
Total price of objects with VAT

▶ **34%**
Average down payment size

▶ **35 months**
Average contract duration

▶ **21 265 €**
Average loan size

Average cost of asset/ Average DWP by type



Passenger cars
and LCV

19 272 €

38% Average down
payment size



Commercial
transport and trucks

46 262 €

26% Average down
payment size



Light construction
machinery

70 154 €

28% Average down
payment size



Light self-propelled
agricultural machinery

63 000 €

40% Average down
payment size

Portfolio breakdown by contract type

▶ 1 434 743

Financial leasing

▶ 445 235

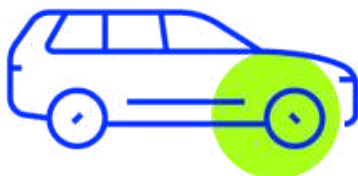
Hire Purchase

▶ 446 694

Loan

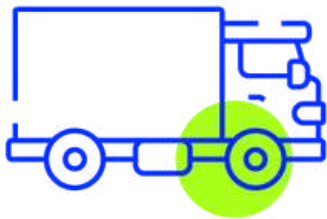
The market price of vehicles is at least 130% higher than the investment in a financing deal. ESKA Finance employs its own machine learning algorithm to assess asset market prices and liquidity. We conduct portfolio evaluations quarterly to determine depreciation and market liquidity, mitigating risks in the event of client defaults.

61,06%



Passenger cars
and LCV

30,09%



Commercial
transport and trucks

7,08%



Light construction
machinery

1,77%



Light self-propelled
agricultural machinery

LOAN PORTFOLIO BREAK DOWN

Company development strategy

Currently, our focus is on expanding into the Slovak and Czech markets, with recent operations starting in the Polish market.



CZECH
REPUBLIC

530 808 €

9,8%
11 vehicles



POLAND

295 877 €

10,7%
12 vehicles



SLOVAKIA

1 499 987 €

79,5%
89 vehicles

Our impact

- ▶ We offer financing to immigrants and foreigners, assisting them in **integrating into the European economic landscape**, starting businesses, and creating a better future for their families.
- ▶ This enables thousands of immigrants in the EU to become **self-sufficient**, contributing members of society, **paying taxes, and creating job opportunities** for their fellow immigrants.
- ▶ We assist immigrants in becoming **bankable** by helping them **overcome obstacles** such as a lack and/or non-transferability of credit history from other countries, unstable residence status, lack of collateral, or stricter criteria set by credit institutions for loans to migrant entrepreneurs.



You don't have to look at other continents to make a true impact

Europe is falling short in fully integrating international migrants:

they tend to register **lower living/housing standards** and **higher poverty** and **social exclusion rates** than native born.

We want to bring back the craft of banking.
Our goal is to **challenge and disrupt** the micro and SME banking market with the sole purpose of providing MSMEs with the funding they need.



Uber Finance - affordable used cars for taxi drivers



The first LCV for private builder

A black and white photograph of a man with a beard, wearing a plaid shirt, smiling while driving a truck. His hands are on the steering wheel, and he is looking out the window. The background shows a parking lot with other vehicles.

Together,
we can help
small businesses that
dream big
succeed.

Join us in our mission to become
the **most trusted financial partner**
for micro-entrepreneurs
and **help them thrive.**

ESKA Finance secured bonds offer an innovative investment opportunity for investors seeking portfolio diversity and fixed-rate returns, all while supporting local micro and small businesses.

Amidst low income returns on cash savings, ESKA Finance offers the potential for **better risk-adjusted returns** through a portfolio of secured lending transactions in Slovakia and the Czech Republic.



HOW DO ESKA BONDS WORK?

ESKA Finance focuses on offering **secured loans**, such as leasing or hire-purchase, **to micro and small businesses**. Given the conservative approach of banks to lending, there's a growing demand for these loans across all sectors in the EU.

We finance the purchase of passenger cars, commercial transport, light construction, and agricultural machinery, aiming for a diversified loan portfolio in the Slovak and Czech markets.

Returns come from interest and fees charged on these **loans, all fully collateralized**. We retain legal ownership of assets until loans are fully repaid, with security on land, property, and applicable assets of borrowers (first-ranking or second-ranking).

The Directors of ESKA Finance have **extensive experience in SME lending** and debt structuring.

Danube Trustee has been appointed to act as the Security Trustee to monitor and **enforce investors' security** by providing additional governance and protection.

ESKA Finance secured bonds provide an **innovative investment opportunity** for those seeking **portfolio diversity and fixed-rate returns** while supporting local micro and small businesses.

Amidst low income returns on cash savings, ESKA Finance offers the potential for **better risk-adjusted returns** through a portfolio of secured lending transactions in Slovakia and the Czech Republic.



Would like to come on board?

eska ► finance

Let's chat

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