

# Blender Financial Technologies Ltd.

Aug 2021



**blender**  
the new way to finance

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The Company’s forecasts and assumptions concerning the receipt of a banking license (slides 4,5,13,14 and 19), the establishment of operations in Poland (slides 6,9,13 and 19), the expansion of the Blender Pay Community (slide 16), and growth engine activity in Israel (slides 22) and Europe (slides 19) are forward-looking information, as defined in Israel’s Securities Law, 1968. This is based upon, among other things, the Company’s assessment of future developments and events, for which the date of actualization, if any, is uncertain and beyond the Company’s control. By its very nature, forward-looking information is subject to the risk of non-realization and is therefore uncertain. The actualization of forward-looking information may be affected by risk factors, which characterize Company operations, as well as by developments in the economic milieu in which the Company operates, and by external forces, including regulations that may have an impact its activities. The Company emphasizes that actual results and achievements of the Company in the future may differ materially from those presented as forward-looking information within this presentation. In order to avoid any doubt, the Company clearly states that it does not commit to updating or changing the information contained herein in order to reflect circumstances or events that will take place following the drafting of this presentation.

# Blender



A global Fintech company providing innovative credit and financing solutions to thousands of customers, customized to meet their preferences and needs



The bankers of tomorrow are not bankers at all.  
**The bankers of tomorrow are technologists**  
who facilitate banking experiences your customers  
will use across the digital landscape.

*Brett King, Bank 4.0*

# Areas of Activity



## **BLENDER BANK**

In the process of  
requesting a license

## **BLENDER LOANS**

Loans for every  
purpose

## **BLENDER CAR**

Quick and easy  
Auto loans

## **BLENDER PAY**

Installment buying  
with non-bank  
credit at points of  
sale

# Blender – Company Snapshot



**2014**

Founded



**Areas of Expertise**

- BNPL (Buy Now Pay Later)
- Auto Loans



**Public Company (BLND @TASE)**

IPO - January 2021

Total Funds Raised - NIS 80.5 million



**Licenses**

- Authorization for ongoing extended activity – Operates a credit intermediation system in Israel
- European-wide EMI license
- Consumer Credit Provider license in Lithuania/Latvia
- European Specialized Banking license (application process)



**Tech Lending Platform**

- 100% digital
- Automatic underwriting within 30 seconds\*
- Big Data systems with a multi-dimensional model for fraud prevention and credit risk assessment

\* Minimum timeframe



**75 employees**

In Israel and abroad (including outsourced workers)



# Blender – Company Snapshot



**4 Countries**

Israel, Lithuania, Latvia, and Poland (in establishment phase)



**NIS 790 million**

Total funds lent\*



**41,000**

Paying customers\*



**NIS 397 million**

Loan portfolio balance\*

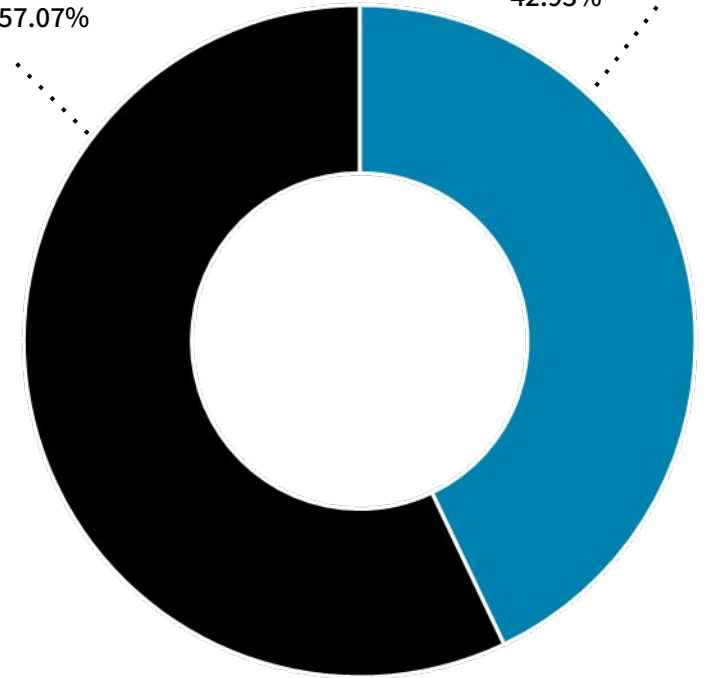


**NIS 17.5 million**

Gross revenues H1 2021\*\*

Institutional and public holdings 57.07%

Stakeholder holdings 42.93%



\* As of the end of June 2021

\*\* Gross revenues 2020: total consolidated non-GAAP income in Business Segments note

# Group Management



**Doron Aviv**

**Chairman of the Board, Controlling Shareholder**

Chairman of Aviv Group, one of Israel's leading real estate firms. Graduated from Technion University's Faculty of Engineering with honours.



**Dr. Gal Aviv**

**Founder, Controlling Shareholder, CEO Board Member**

PhD in Physics from Nottingham University, UK. Specialist in quantum optics. Over a decade of experience as an entrepreneur and venture capitalist.



**Boaz Aviv**

**Founder, Controlling Shareholder, Deputy CEO Chief Technology Officer and Board Member**

MSc in Computer Science from the Interdisciplinary Center Herzliya, BSc in Physics and Economics from Tel Aviv University. Served in Unit 81 of the Israel Defense Forces (IDF) — the technology unit of Israel's Military Intelligence Directorate. Founder of PetWise, a remote sensing system for animals.



**Barak Gur**

**Founder, Deputy CEO, Chief Product Officer, Board Member**

MSc in Physics, with specialty in complex systems from Ben-Gurion University. Graduate of an IDF specialized intelligence unit. One of the founders of "Asimov" — Artificial Intelligence.



**Annie Aviram, Adv.**

**Chief Legal Counsel, Senior VP**

Over 30 years of banking experience providing legal advice for financial transactions and regulations. Served as Head of Legal Advisory Department at Bank Leumi, director and member of a provident fund's Audit Committee and in other positions at various companies. Chair of a trust company.



**Chagai Gefen, CPA**

**CFO**

Over 13 years of experience as a finance manager in public and private companies in Israel and abroad. Holds an MBA in Finance and a BA in Accounting and Business Administration.

# Our Team



**Anna Ettedgui**

**Head of Funding**

Over 15 years of international experience in corporate development and structured finance in Investment Banking. Holds a BSc in Finance and an MSc in Financial Engineering and Capital Markets from Paris Sorbonne.



**Paulius Tamosaitis**

**Director of Baltic Operations**

Over 15 years of experience in banking and finance. Expertise in the fields of credit and sales. Holds an MBA.



**Saulius Gelzinis**

**CFO of Baltic Operations**

Over 20 years of experience in banking and finance. Expertise in financial management. Holds an MA in Economics and Business Administration.



**Stav Bloch**

**VP Business Development, Blender Israel**

Over 10 years of experience in capital markets. Holds an MA in Marketing and Economics and a BA in Psychology.



**Mark Perry**

**Compliance and Anti-Money Laundering Officer, Credit Risk Manager**

Over 7 years of experience in the fields of credit and management, both in Israel and abroad. Holds a BA in Economics and Project Management.



**Reut Gilady**

**Marketing Director**

Over 15 years of experience as a marketing and communication director in the fields of finance and capital markets. Holds an MBA and a BA in Communications and Management.



# Significant Growth in the Company's Operations

## Growth of 27% in total financed loans

- ✓ NIS 124 million in loans financed in H1 2021, compared with NIS 98 million in the corresponding period of 2020

## Expansion of “Blender Pay” Activity

- ✓ Increasing deployment to over 1,148 points of sale
- ✓ Assimilating activities on e-commerce sites, including cooperation with “Bug” technology retail chain in Israel

## Expansion of second institutional European credit line

- ✓ Expanding credit activity financing in Europe by an additional 5 million euros and a 1-year postponement of the principal repayments of the entire credit line
- ✓ The scope of the credit line includes a subordinated debt of 13.3 M euros

## Opening Poland activity

- ✓ Obtaining regulatory approval for providing consumer credit in Poland
- ✓ Market potential of 170 billion euros annually
- ✓ Establishing direct credit activity by raising external sources of funding
- ✓ Appointing a local director for activities in Poland

# Significant Growth in the Company's Operations

**67%**

growth in total loans in Europe

**11%**

growth in credit portfolio balance  
Compared with December 2020

**27%**

increase in the total amount  
of financed loans

**19%**

increase in gross accounting  
revenue in Europe

**73%**

significant reduction in expenses  
due to provision for credit losses

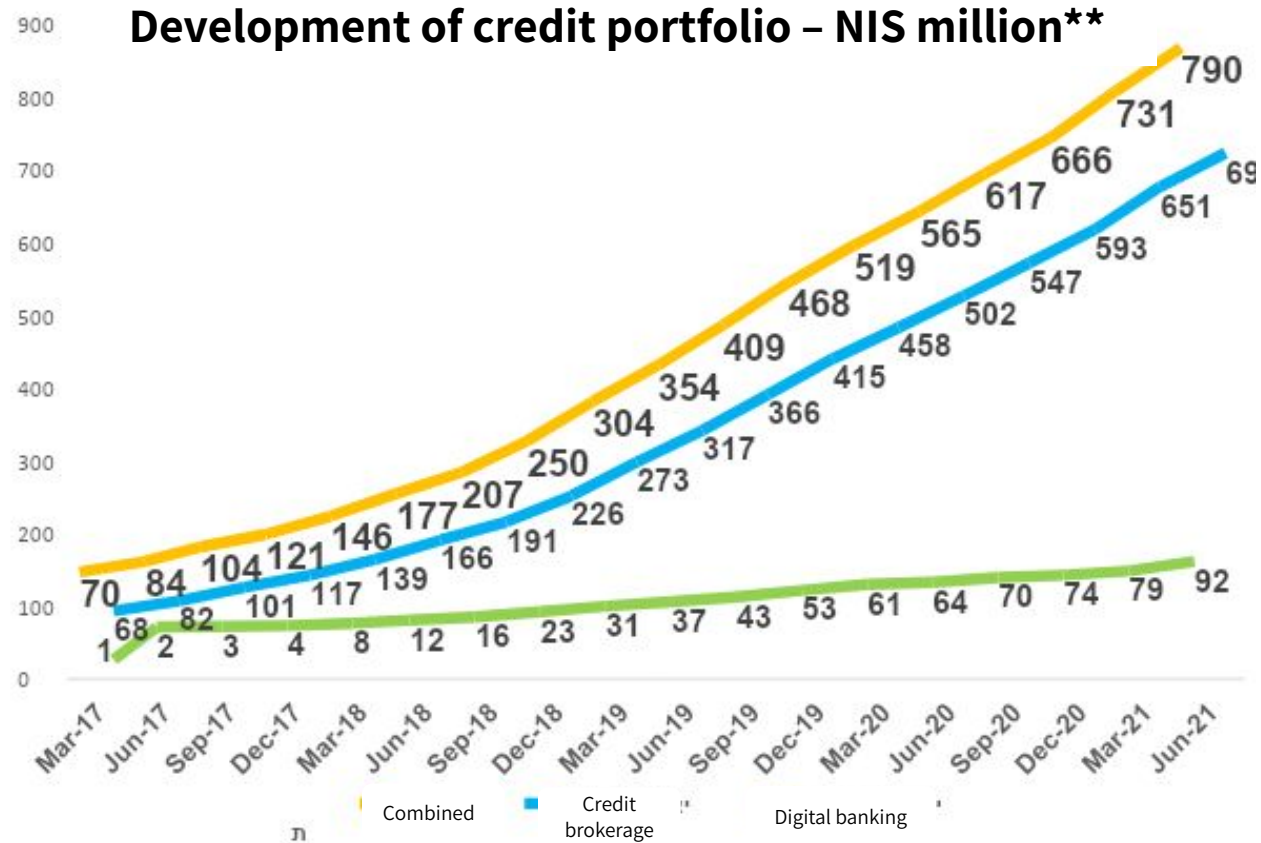
\*

**43%**

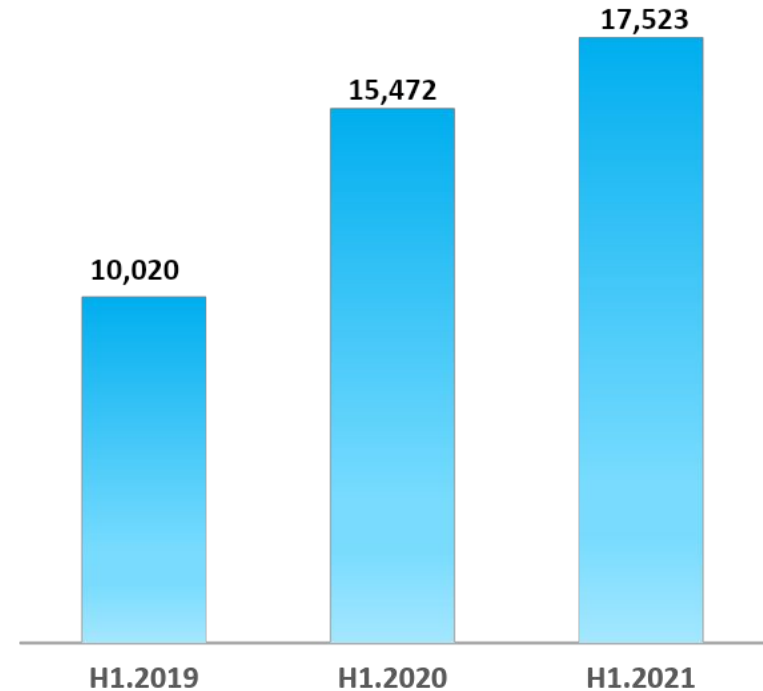
increase in net accounting  
revenue

NIS 0.3 M compared to NIS 1.12 M in the corresponding period last year – further details can be found in the financial statements for 30.6.2021 \*  
.The numbers in this slide are correct as of 30.6.2021 and compared to the corresponding period last year\*\*

# Significant Growth in Company Activity

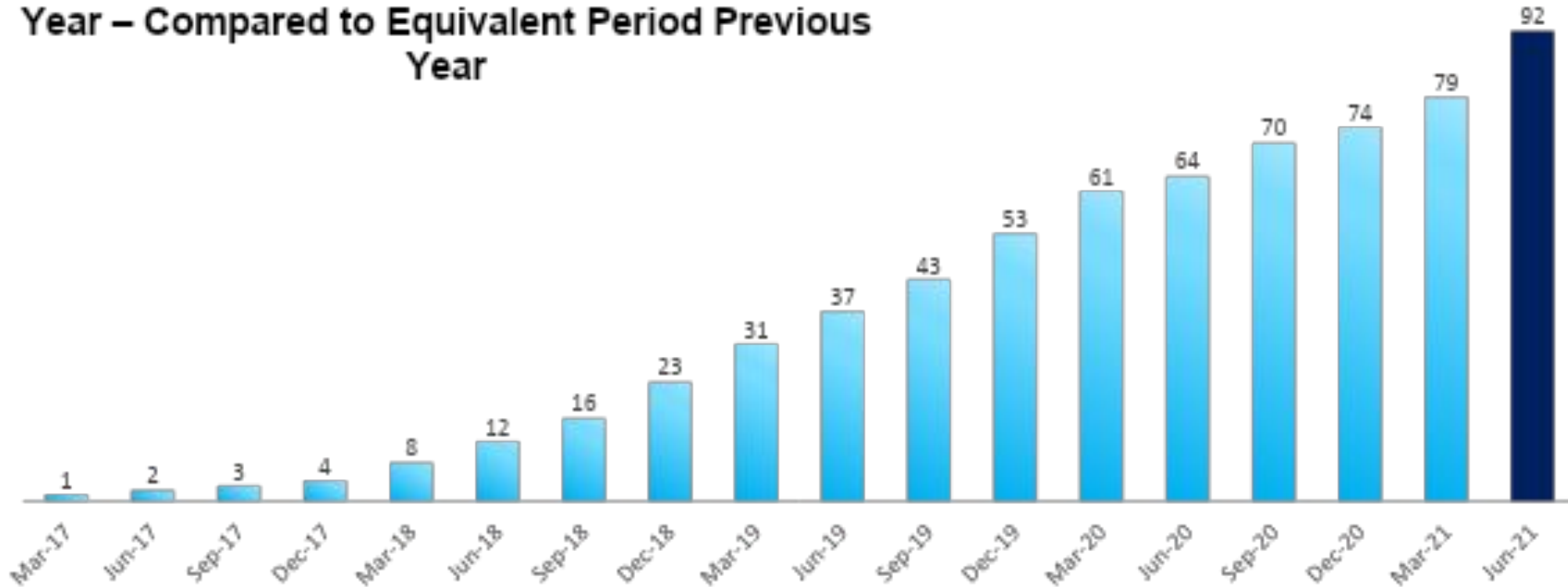


**13% change in gross median versus median income\***



# Significant Growth in Europe

**67% Growth in Total Financed Loans in Half-Year – Compared to Equivalent Period Previous Year**



# 2021 – Year of Growth and Expansion

In 2019–2020, the company strengthened its technological capabilities, leading to new product development and transforming it into a global Fintech company specializing in digital consumer credit.

Execution Date	Activity
2021	Launching operations in Poland
2021	Raised a third line of credit from European institutional investors
2021	Launched Blender Pay solution on e-commerce platforms
2021	IPO on TASE
2020	Developed Blender Pay, leading to high growth in BNPL sector across Europe & Israel
2020	Launched operations in Latvia
2019	Raised a second line of credit from European institutional investors
2019	Raised a credit line from Menora (Israeli institutional investor)
2018	Crowdfunding for the construction of power plants for Edison, Italy

## Ongoing Projects:

1 Obtaining a European-wide digital banking license

2 Examining M&As in Europe



# BLENDER BANK



Digital bank with  
no branches\*



Europe-wide  
activity under  
one license\*



Focus on credit  
activities



Deposit management



Deposit insurance  
up to 100,000 € per  
customer\*\*



Source of credit  
Use of deposits as a source  
of credit in Europe

\* Blender is in the process of applying for a European license

\*\* Deposit insurance according to EU Directive, up to 100,000 € per customer

# BLENDER PAY

## BUY NOW PAY LATER (BNPL)



Technology for enabling wide-ranging instalments payments through fast, non-banking credit at points of sale



Broad deployment of 1,148 points of sale that utilize Blender Pay as a payment method\*



Fast, safe, and simple technological solution for Checkout Credit on e-commerce platforms



Transaction authorisation within 30 seconds

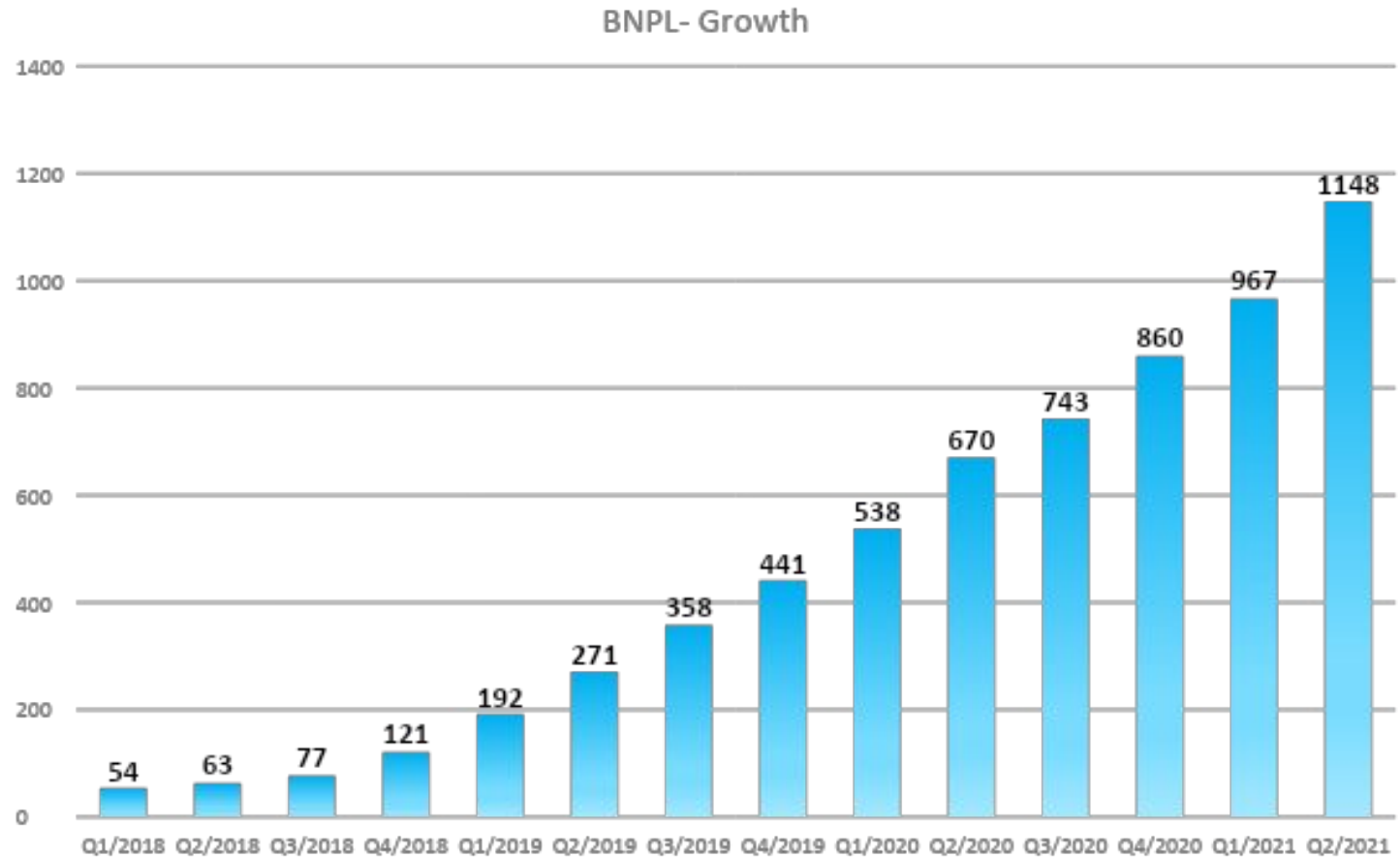


Substitute for paying by checks or credit on large purchases



Solution for purchasing at physical stores, on e-commerce sites and through call centres

Over the last year, Blender installed ‘Blender Pay’ at hundreds of points of sale in a variety of sectors and becoming a market leader. The Company is working to expand the ‘Blender Pay’ .community



**26%**  
Increase in sale points  
H1 2021 vs. H1 2020

.In the corresponding slide presented in June 2021, incomplete data were presented and therefore were lower than those presented in this slide above \*



.The data refer to the distribution of activity at points of sale, including car credit in Israel and Europe \*\*

# BLENDER CAR

## Auto Loans



Technology that enables financing for car purchases with a wide range of instalment schedules, through quick, non-banking credit



Wide selection of car lots using Blender Car



Wide payment instalment spread – up to 60 months



Transaction authorisation within just 30 seconds\*



Convenient and easy-to-use digital platform for car dealers

\* Minimum timeframe

# Blender Europe

(Digital Banking Sector)





# Strategic Expansion in Europe

## Current Operation Model in Europe

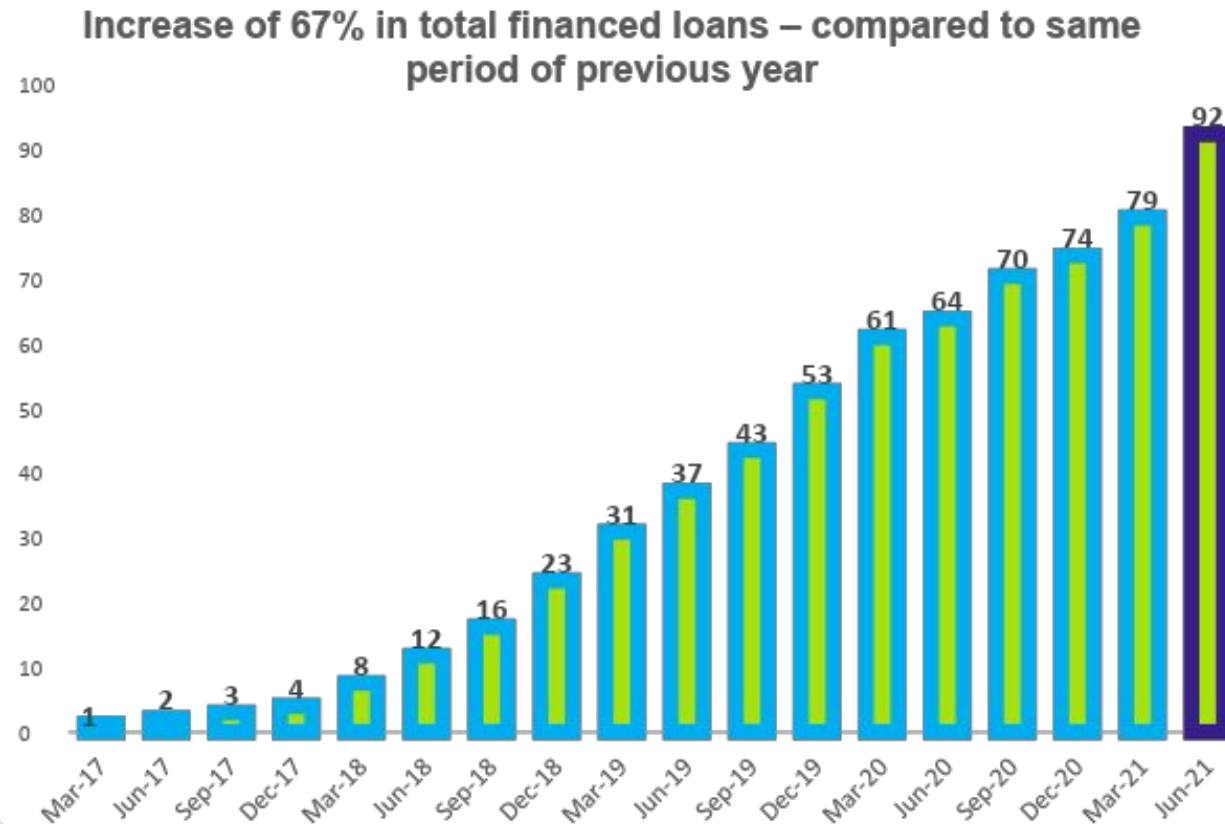
- Providing direct credit for second-hand vehicles in Lithuania and Latvia
- Raising a third line of credit from a leading institutional European investor (Eiffel Investment Group)
- Engaging with leading investment advisor to acquire synergistic strategic opportunities in Poland (M&A)
- Establishing credit-providing operations in Poland
- Expanding credit operations in the Baltic
- Focusing on auto loans and credit in the B2B2C model

## Growth Engines

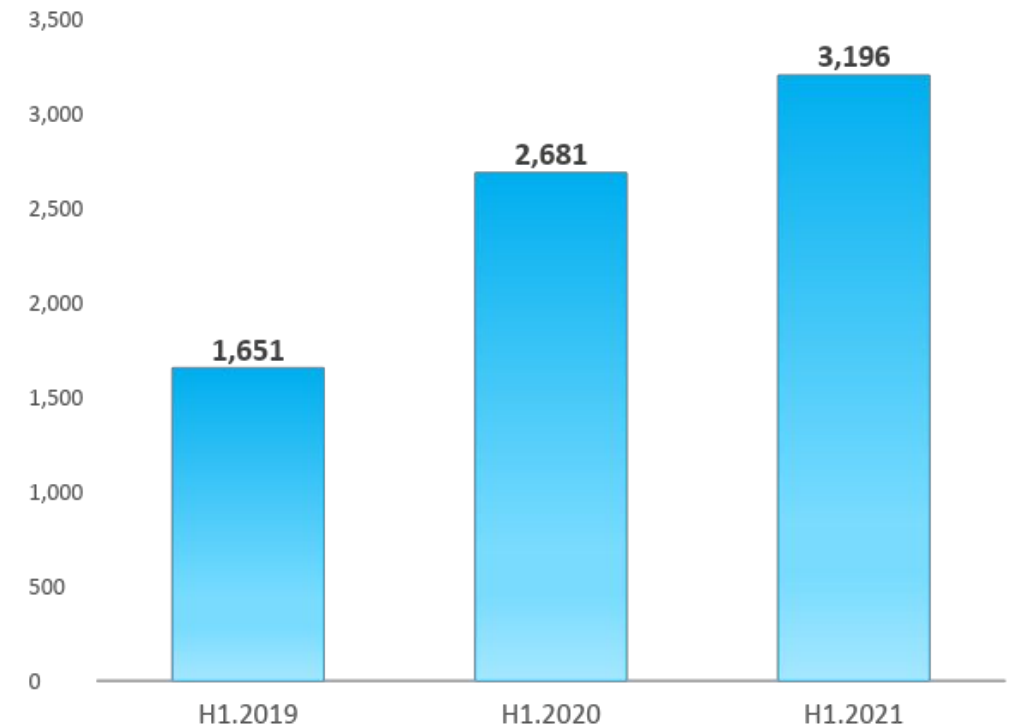
- ✓ Establishing a European digital bank for receiving deposits and providing credit: European-wide activity under one license
- ✓ Expanding Central European activities to other countries

# Development of European Activity

**Development of Credit Portfolio**  
Total loans made available, in NIS million



**Digital Banking Sector Revenue**  
According to sector activity descriptions  
growth in gross revenue + 19%



# Blender Israel



# Operations Expansion in Israel

## Current Activity in Israel

- Credit brokerage - loans between people
- Focus on car and product purchase credit (Blender Pay, Blender Car)

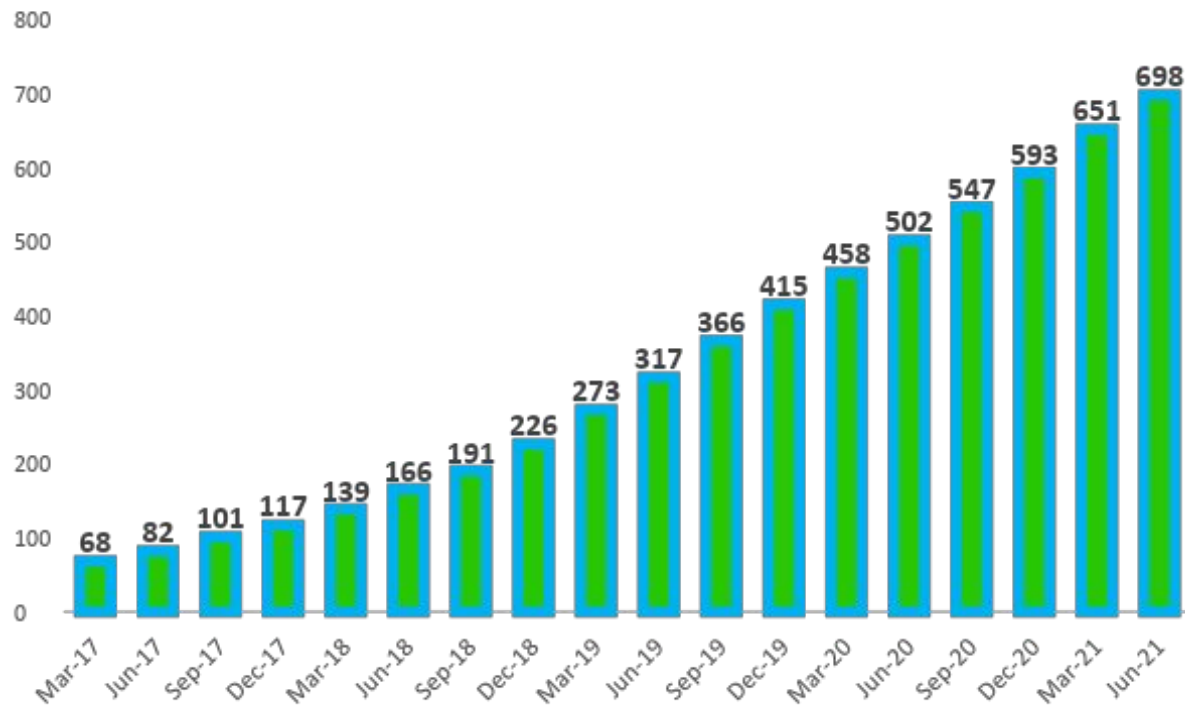
## Growth Engines

- ✓ Collaborating with banks and financial institutions
- ✓ Raising credit from institutional investors and banks to significantly increase income
- ✓ Obtaining an extended license as a credit provider
- ✓ Recognition of interest income
- ✓ Supporting rapid growth in BNPL sector
- ✓ Expanding credit in car loans

# Credit Brokerage

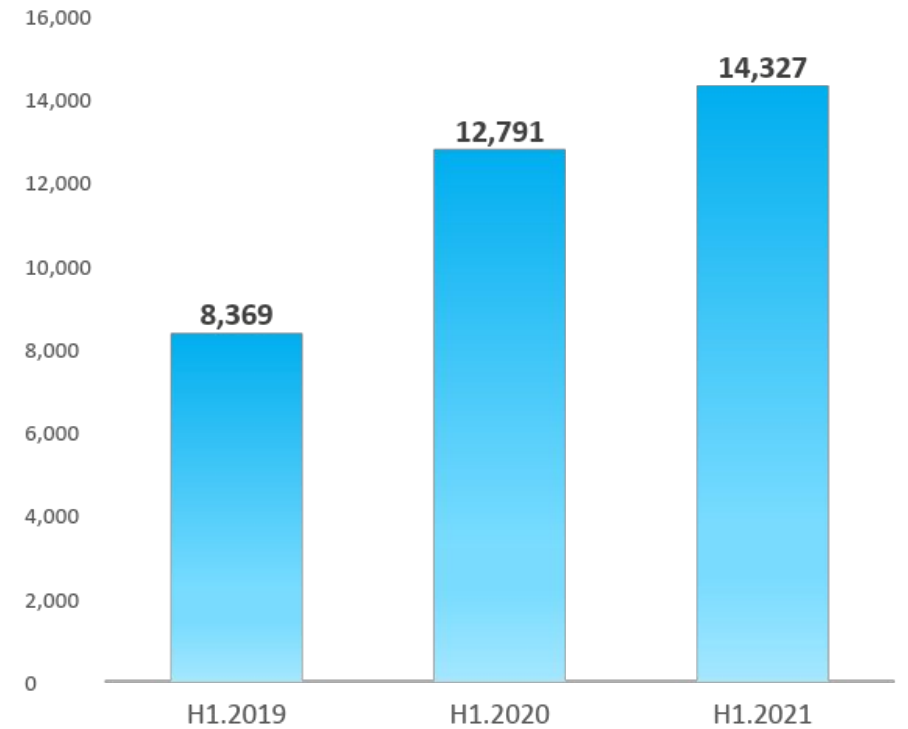
**Development of Credit Portfolio**  
Total loans made available, NIS million, non-GAAP

**Growth of 22% in total financed loans – compared to same period last year**



**Credit Brokerage Sector Half-Year Income**

According to activity sector commentary  
gross accounting revenue + 22%





# Growth Strategy



# Blender Israel



Expansion in  
the automotive  
sector



BNPL points of sale  
credit expansion



Raising funds from  
banks and financial  
institutions



Obtaining an  
extended license for  
providing credit



Recognition  
of interest  
income

# Blender Europe



Digital bank



Expanding into additional European countries



Expanding existing operations



Acquisition of complementary businesses to generate synergies



# Financial Data



# Blender Financial Data

## Summary of Balance Sheet (in NIS thousand)

<u>To 30 June</u>		<u>To 31 December</u>	
2021	2020	2020	
75,552	10,287	11,084	Cash and cash equivalent
51,163	40,179	41,102	Loans to customers, net
10,577	3,537	11,924	Other assets
137,292	54,003	64,110	Total assets
49,557	45,230	44,327	Loans from credit lenders
7,332	5,549	7,198	Other liabilities
56,889	50,779	51,525	Total liabilities
80,403	3,224	12,585	Capital
137,292	54,003	64,110	Total capital and liabilities



# Blender Financial Data

## Summary of Profit and Loss Statement (in NIS thousand)

For six months ending on 30 June 2020		For year ending on 31 December	
2021	2020	2020	
6,748	5,208	10,588	Revenue from fees
1,859	1,906	4,159	Revenue from interest
8,607	7,114	14,747	Total income, gross
(303)	(1,119)	(1,191)	Expenses for credit losses
(1,749)	(1,419)	(3,599)	Interest expenses connected with loan activity
6,555	4,576	9,957	Total revenue, net
13,415	8,995	33,667	Operating expenses
6,860	4,419	23,710	Operating losses
6,782	4,657	24,189	Loss for period

**THANK  
YOU**



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