

NEWS RELEASE

Germany's Varengold Bank acquires 20% of Bulgaria's lending platform Klear

The bank will support the lending platform with a combination of equity and debt funding

Sofia, 3rd June 2019 - Germany's **Varengold Bank AG** has agreed to acquire 20 percent of Klear, a Bulgaria-based peer-to-peer (P2P) lending platform with leading positions in the emerging FinTech segment in Southeast Europe (SEE). The two sides have already signed an agreement under the terms of which the shares are expected to be transferred till the end of the second quarter of the year.

This is **Varengold Bank's** first investment in a P2P lending platform, based in the SEE region. The German bank opened a branch in Sofia in November 2018 with the mission to turn it into a major hub for its expansion in Southeast Europe.

Varengold Bank will support the development and growth of Klear with a BGN 1.5 million financial package, which comprises of equity and debt funding. The proceeds from the package will be used to expand Klear's operations across Bulgaria and SEE.

Klear provides individuals with the opportunity to lend loans and generate a return on investment and others to borrow quickly and easily at reasonable interest rates. So far, 1175 active investors have provided 938 loans through the lending platform at the amount of more than BGN 8 million.

Klear was founded by Loic Le Pichoux, Lukasz Lukaszewski and Nikolay Stanev, entrepreneurs with solid experience in consumer finance, with the idea to be fairer and more transparent in terms of interest rates and return on investment. It has been named The Best FinTech Startup in Bulgaria at the Central European Startup Awards two times in a row - in 2017 and 2018.

“When we enter in partnerships, we seek proven marketplace business concepts with growth potential along with unwavering commitment from the company's principal owners towards the mission of their organization. We look for strong teams and leaders that are ready to take and share risks in a responsible manner and want to scale up their operations globally. The business case of Klear fully fits these requirements. Supporting the development and growth of P2P lending platforms and FinTech players like Klear is one of Varengold's key priorities in Bulgaria and SEE. These marketplace platforms are growing and expanding their operations. They are reshaping the conventional approach in the financial industry and will step-by-step replace traditional ways in lending, simply by providing significantly more favourable terms and conditions to borrowers, improving access to funds for consumers and also making raising funds more affordable. This is a fundamental change on the market and we are satisfied to take part in it actively,” said Sergey Pantelev, General Manager of **Varengold Bank**'s Sofia Branch.

The total European online alternative finance market, including the UK, grew by 36% to reach over EUR 10.4 billion in 2017, according to the last published European Alternative Finance Benchmarking Report. Excluding the UK from overall volume, the European online alternative finance industry grew 63% to EUR 3.3 billion last year, showed the study. The average annual growth rate for Europe has been 80% between 2013 and 2017. On a European level, in 2017, a volume of around EUR 3.8 billion was placed just with consumers through lending marketplaces, according to Statista. A total volume of approx. EUR 10.3 billion is expected in 2022 which corresponds to a threefold increase in volume over this period.

“I recently heard someone saying that Klear is the best-kept secret in the financial services area! Well, this may change thanks to this partnership with Varengold Bank. We are super excited because it's giving us the resources to go to the next level, to bring positive social impact to many more people. P2P lending is a fantastic model to shake this old financial world. It's time to embrace Finance 2.0! We remain committed to our values of fairness and transparency and we will strive to give an opportunity to everyone to get its fair share of the pie”, said Loic Le Pichoux, CEO and co-founder of Klear.

“Varengold Bank has developed a strong track record in the European marketplace banking sector and in providing long-term, sustainable support for FinTechs and P2P lending platforms. The project with Klear will demonstrate the benefits of successful partnerships between new generation banks as we believe Varengold is and the new marketplace

platforms that provide consumers with faster, easier and better financial services”, commented Dr Bernhard Fuhrmann, member of **Varengold Bank`** s management board.

In addition to Marketplace banking, **Varengold Bank** supports FinTechs in all other matters with services and bank modules. The bank also works successfully for foreign trade-oriented clients in niche markets.

About Varengold Bank AG

Varengold is a German bank, founded in 1995 and fully licensed since 2013, headquartered in Hamburg with further offices in London and Sofia. Major competencies are Marketplace & Transaction Banking adjusted to create the future of banking. Therefore, Varengold is supporting FinTech-companies in Europe, mainly lending platforms enabling them to grow and gain relevance. Management Board members are PhD Bernhard Fuhrmann and Frank Otten who, together with an international, creative and driven team of in total 70 employees are steadily modernizing the financial landscape. Varengold Bank AG is registered with the German Federal Financial Supervisory Authority (BaFin) under number 109 520 and is listed on the Open Market of the Frankfurt stock exchange since 2007 (ISIN DE0005479307). Find further information on <https://www.varengold.de/en/home/>

About Klear

Klear is a peer-to-peer lending platform (P2P) founded by Loic Le Pichoux, Lukasz Lukaszewski and Nikolay Stanev with the idea to be fairer and more transparent in terms of interest rates and return on investment. It provides individuals with the opportunity to lend loans and generate a return on investment and others to borrow quickly and easily at reasonable interest rates. Klear has been named The Best FinTech Startup in Bulgaria at the Central European Startup Awards two times in a row - in 2017 and 2018. Find further information on <https://www.klearlending.com/en>.

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