Consumer lending market review
Q4 2023

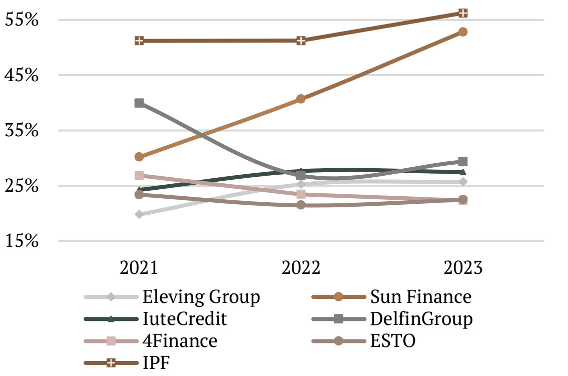
SIGNET
BANK

Q4 2023 Consumer lending market review

Sector highlights

- During 2023, the companies included in the review maintained their trajectory of growth and significantly expanded their loan portfolios. This expansion took various forms, including the acquisition of existing businesses in new markets, exemplified by Eleving Group and Sun Finance, as well as through organic growth strategies.
- In tandem with the business growth, the revenue for all companies included in the review surged throughout 2023. This uptick in revenue led to improved net profits across the board, with the exception of IuteCredit and IPF. However, despite the increase in net profits, the capitalization ratios for most of the companies included in the review either decreased or remained stagnant. This suggests that while profitability improved, the ability to generate profits is not keeping pace with the companies' eagerness to expand and grow.
- Looking ahead, as we progress through the year, there are anticipated bond refinancing actions on the horizon. Sun Finance will need to manage the maturity of a EUR 20m bond in June 2024, DelfinGroup faces the maturity of a EUR 10m bond in September 2024, and ESTO is tasked with handling the maturity of a EUR 16m bond in November 2024.
- Bond prices remained consistently stable throughout the year, including in Q4 2023, with minimal fluctuations observed. Closing the year, the bonds of the companies included in the review continued to yield within the range of 10% to 15%, mirroring the levels seen at the beginning of the year.

Capitalization ratio

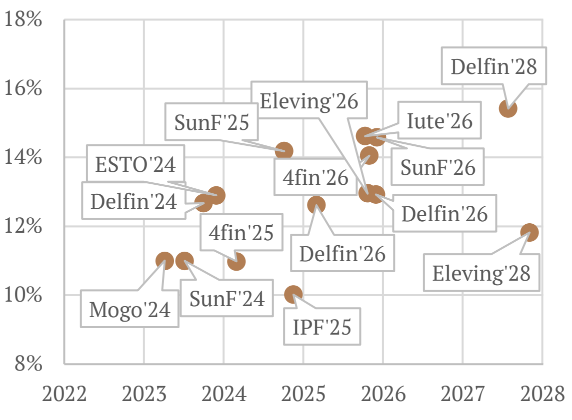


2023 Financial highlights

EUR m	Eleving Group	Sun Finance	Delfin Group	Iute Group	4 finance	IPF	ESTO
Revenue	191.1	306.8	50.4	106.3	449.2	892.8	19.9
EBITDA	81.8	119.4	18.2	40.2	136.9	221.0	8.8
Net profit	23.4	71.5	6.6	10.3	44.1	55.8	3.0
Net loan portfolio	320.2	181.8	89.0	232.2	1080.4	1038.3	64.5
Total Equity	82.4[1]	96.0	26.1[1]	63.8	241.6	583.6	14.5[1]

[1]Including subordinated loans and bonds

Yield to Maturity (YTM)



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Q4 2023
Eleving Group

Eleving GROUP

Key parameters

Founded: 2012	**Products:** Car financing; Consumer loans
Headquarters: Latvia	**Key markets**
Net portfolio: EUR 320.2m	• Latvia • Romania
Bonds outstanding: EUR 208m	• Kenya • Uganda
Auditor: BDO Audit (IFRS)	• Georgia • Moldova
Rating: B- from Fitch	• Lithuania

Financial highlights

- In the twelve months of 2023, the Group experienced a relatively moderate growth in revenue, amounting to EUR 191.1m (+4% y/y). Flexible lease and subscription based products contributing 21% of the Group's revenue (-3.4pp y/y), traditional lease and leaseback products contributed 46% (-6.5pp y/y) and consumer loan segment 33% (+9.9pp y/y).
- The Group's net loan portfolio exhibited overall growth, reaching EUR 320.2m (+9% y/y), however the growth during Q4 2023 was negative, resulting in a contraction of EUR 7.1m or 2% q/q. Specifically, the net loan portfolio of flexible and subscription based products saw a decrease of EUR 4.1m (-6% y/y) throughout 2023. Similarly, the net loan portfolio of traditional lease and leaseback products also experienced a decline, shrinking by EUR 6.5m (-4% y/y), while the net loan portfolio of consumer lending products witnessed significant growth, surging by EUR 37.7m (+56% y/y). The notable growth observed in the consumer lending portfolio was primarily driven by the acquisition of African markets.
- Despite experiencing a modest increase in revenue, the Group demonstrated effective expense management, leading to enhanced profitability. In 2023, the Group's EBITDA margin expanded to 43% (+3pp y/y). Additionally, EBITDA rose to EUR 81.8m, reflecting a robust growth of 10% compared to previous year.
- In 2023, the Group experienced a slight deterioration in the quality of its net vehicle loan portfolio, with loans past due more than 30 days accounting for 19.1% of the portfolio by the end of 2023. This marked an increase from 17.2% reported at the end of 2022. Meanwhile, the net consumer loan portfolio quality showed a slight improvement during the same period, with loans past due more than 30 days representing 6.6% of the portfolio by the end of 2023, down from 8.2% reported at the end of 2022.
- In 2023, the Group achieved a notable increase in net profit, reaching EUR 23.4m (+13% y/y). This improved profitability also had a positive effect on the Group's capitalization ratio, which stood at 26% by the end of 2023, demonstrating an enhancement from the 25% reported at the end of 2022.

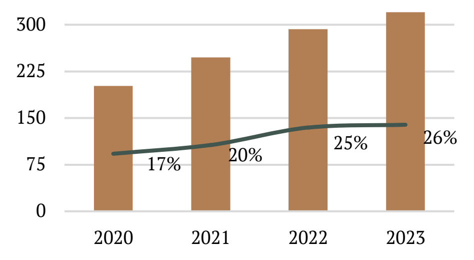
Other developments

- During Q4 2023, the Group issued senior secured and guaranteed Eleving Group 2023/2028 bonds totaling EUR 50 million. More than 2 000 new investors from the Baltic States and Europe participated.
- In January 2024, the Group obtained the required approvals from Belarusian authorities for the Mogo Belarus sale. The completion of the sale is anticipated to occur within the year 2024.
- In 2024, the Group aims to launch new vehicle financing markets, with the objective of inaugurating a new market by the Q1 2025. Additionally, the Group will assess M&A opportunities within the SME segment as well as in new markets to facilitate its entry and expansion strategies.

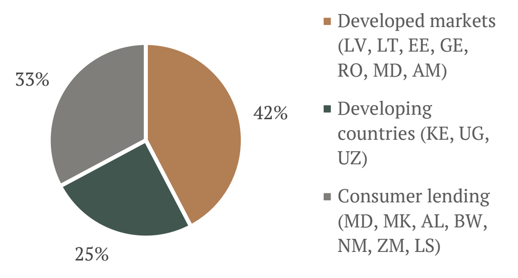
Financial highlights, EUR m

	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	45.2	48.6	*+7%*	183.9	191.1	*+4%*
EBITDA	19.9	19.5	*-2%*	74.1	81.8	*+10%*
EBITDA margin	44%	40%	*-4pp*	40%	43%	*+3pp*
Net profit	2.3	4.0	*+72%*	20.6	23.4	*+13%*
Net loan portfolio	293.0	320.2	*+9%*	293.0	320.2	*+9%*
Cash	13.8	25.6	*+85%*	13.8	25.6	*+85%*
Total Equity	72.9	82.4	*+13%*	72.9	82.4	*+13%*
Total borrowings	272.8	310.6	*+14%*	272.8	310.6	*+14%*
EBITDA / Interest expense	2.3x	2.2x	*-6%*	2.3x	2.2x	*-6%*
Capitalization ratio	25%	26%	*+1pp*	25%	26%	*+1pp*

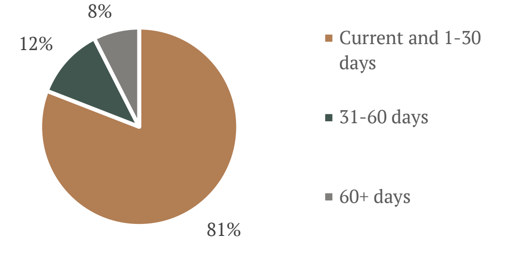
Net loan portfolio and Capitalization ratio, EUR m



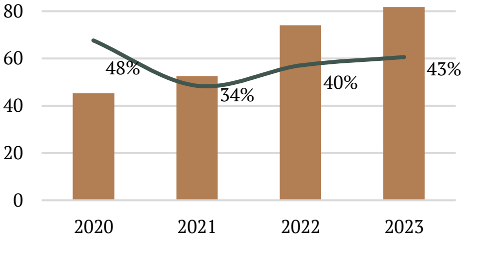
Net loan portfolio split by markets



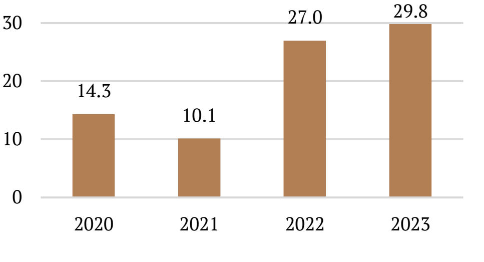
Net car loan portfolio by delay buckets



EBITDA and EBITDA margin, EUR m



Net profit before FX, EUR m



Q4 2023
Sun Finance

Key parameters

Founded: 2017

Headquarters: Latvia

Net portfolio: EUR 181.8m

Bonds outstanding: EUR 97m

Auditor: Baker Tilly (IFRS)

Products: Short term loans; Line of credit, Installment loans

Key markets

- Latvia
- Poland
- Sweden
- Denmark
- Kazakhstan
- Mexico
- Philippines

Financial highlights

- The Group's loan issuance continues to follow an upward trajectory, reaching an all-time high during Q4 2023 with EUR 223.4m in loans issued. Throughout 2023, total new loan issuance exceeded the EUR 820m mark, marking a notable yearly growth of 19%. This growth can be attributed to robust demand in the Group's existing markets and successful expansion into new geographical areas.
- While the Group's net loan portfolio experienced annual growth, there was a slight contraction of 5% q/q during Q4 2023. This reduction was primarily driven by a strategic shift towards enhancing business processes in the Central Asian HUB. As of the end of 2023, the Central Asia HUB represented 40.8% of the total portfolio, a decrease from 46.6% at the end of 2022. Conversely, the share of the Europe HUB increased to 37% from 30.1%, while, the newest region, African HUB, now accounts for 1.3% of the total portfolio.
- The Group's revenue, driven by the growth in new loan issuance, reached EUR 306.8m in 2023, marking a notable 12% y/y increase. In Q4 2023, the Group's revenue once again surpassed the EUR 80m mark, repeating the achievement of Q4 2022 when revenue last exceeded this threshold.
- The Group's business activity expanded in 2023, accompanied by a rise in operating expenses, primarily attributed to the overall increase in operational volume and the launch of new markets. The Group's EBITDA for 2023 reached EUR 119.4m, marking an 11% y/y increase. Despite this growth, the EBITDA margin remained unchanged, standing at 39% as of the end of 2023.
- The Group concluded the year 2023 with a record-breaking net profit surpassing the EUR 70m mark, reaching EUR 71.5m, and marking a notable 9% y/y increase. This significant achievement has further strengthened the Group's capitalization ratio, which stood at 53% as of the end of 2023, reflecting a notable 12 percentage point y/y increase.

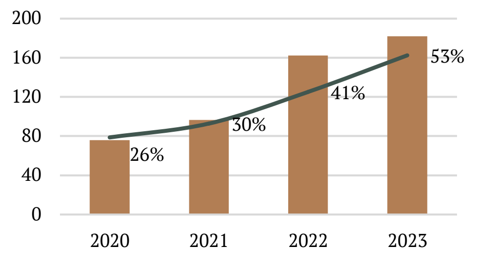
Other developments

- In February 2024, some entities within the Group operating in Kazakhstan faced a three-month suspension of their licenses. The reason cited for this suspension was their failure to adhere to a written order issued by the authorized regulatory body.
- In Q4 2023, the Group started loan issuance in Spain, furthermore contributing to the loan portfolio growth and increasing the European HUB's share within the overall portfolio.

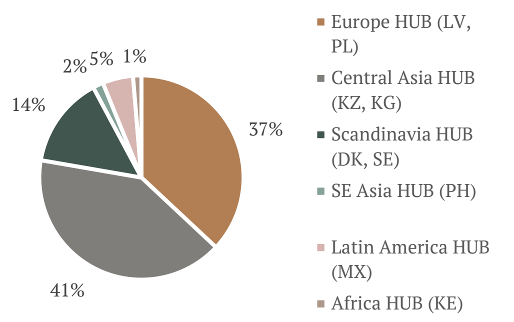
Financial highlights, EUR m

	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	81.3	81.5	*+0%*	273.9	306.8	*+12%*
EBITDA	34.8	32.8	*-6%*	107.3	119.4	*+11%*
EBITDA margin	43%	40%	*-3pp*	39%	39%	*+0pp*
Net profit	21.0	19.8	*-6%*	65.5	71.5	*+9%*
Net loan portfolio	162.3	181.8	*+12%*	162.3	181.8	*+12%*
Cash	8.7	22.6	*+159%*	8.7	22.6	*+159%*
Total Equity	66.0	96.0	*+45%*	66.0	96.0	*+45%*
Total borrowings	122.4	126.4	*+3%*	122.4	126.4	*+3%*
EBITDA / Interest expense	8.6x	6.5x	*-24%*	8.6x	6.5x	*-24%*
Capitalization ratio	41%	53%	*+12pp*	41%	53%	*+12pp*

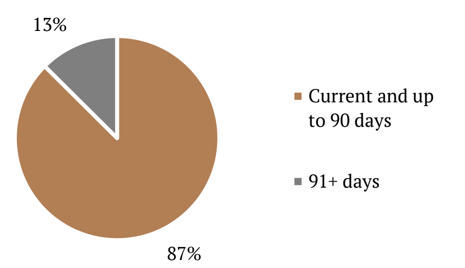
Net loan portfolio and Capitalization ratio, EUR m



Net loan portfolio split by markets

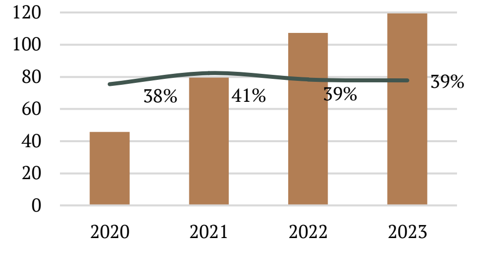


Gross portfolio by delay buckets[1]

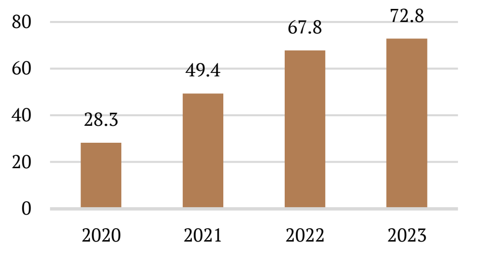


[1]As of 30 June 2023

EBITDA and EBITDA margin, EUR m



Net profit before FX, EUR m



Q4 2023 DelfinGroup

delfin group
custom finance solutions

Key parameters

Founded: 2009

Headquarters: Latvia

Net portfolio: EUR 89.0m

Bonds outstanding: EUR 41.5m

Auditor: KPMG Baltics (IFRS)

Products: Pawn broking loans; Consumer loans; Sale of pre-owned goods

Key markets

- Latvia
- Lithuania

Financial highlights

- The Group's products continued to experience strong demand throughout 2023, leading to the issuance of a total of EUR 92.4m in new loans, representing a significant 15% y/y increase. However, there was a slight decrease in new loan issuance during Q4 2023, down by 2% q/q - this decline can be attributed to a strategic focus on a lower-risk client base during this period.
- The increase in loan issuance in 2023 led to an all-time high net loan portfolio, reaching EUR 89m by the end of the 2023, reflecting a remarkable growth of 32% y/y. Notably, the Group's gross consumer loans, constituting 92% of the total gross portfolio, showed a past-due rate of over 30 days standing at 4.6% as of end 2023, indicating a slight improvement from 5.5% recorded at the end of 2022.
- The robust expansion in lending activity has played a pivotal role in driving the Group's revenue growth, which surged to EUR 50.4m in 2023, marking an impressive 41% y/y increase. Notably, income generated from consumer loans accounted for 70% of the total revenue, while revenue from pawn loans and the sale of pre-owned goods represented 17% and 13% respectively.
- In 2023, the Group experienced a notable increase in expenses across all categories, with the provision expense witnessing the largest surge. This expense rose by EUR 4.5m, reaching a total of EUR 10.7m. Furthermore, the Group's results in Q4 2023 were adversely affected by changes made by the Latvian government regarding the application of corporate income tax. Following these changes, participants in the banking and non-bank lending industries are now required to make a 20% corporate income tax advance. As a result, the Group incurred an additional tax burden amounting to EUR 1.13 million in its Q4 2023 results.
- Consequently, the Group's net profit for 2023 amounted to EUR 6.6m, reflecting an 11% y/y increase, or a EUR 0.6m rise compared to the previous year.

Other developments

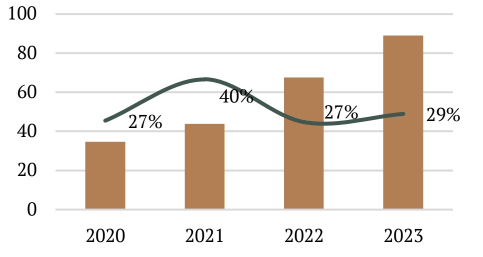
- During Q4 2023, the Group initiated its expansion into Lithuania, marking the Group's first step outside the Latvian market. In this initial phase of expansion, the Group opened five branches of the circular economy concept shop, Banknote, in Vilnius, along with the launch of an online store.
- In December 2023, the Group entered into a credit line agreement with Multitude Bank p.l.c., securing a financing facility of EUR 11m to support ongoing business development efforts. The agreement is set to mature in two years.

Financial highlights, EUR m

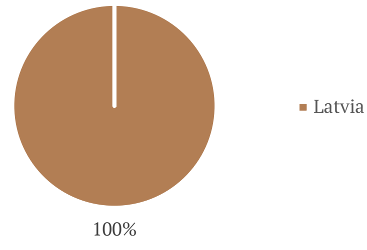
	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	10.5	13.9	*+32%*	35.8	50.4	*+41%*
EBITDA	3.8	5.1	*+34%*	13.1	18.2	*+39%*
EBITDA margin	36%	37%	*+0pp*	37%	36%	*-1pp*
Net profit	1.7	1.3	*-23%*	6.0	6.6	*+11%*
Net loan portfolio	67.5	89.0	*+32%*	67.5	89.0	*+32%*
Cash	2.4	5.9	*+150%*	2.4	5.9	*+150%*
Total Equity[1]	18.1	26.1	*+44%*	18.1	26.1	*+44%*
Total borrowings	54.0	72.2	*+34%*	54.0	72.2	*+34%*
EBITDA / Interest expense	2.8x	2.1x	*-24%*	2.8x	2.1x	*-24%*
Capitalization ratio	27%	29%	*+3pp*	27%	29%	*+3pp*

[1]Including subordinated bonds

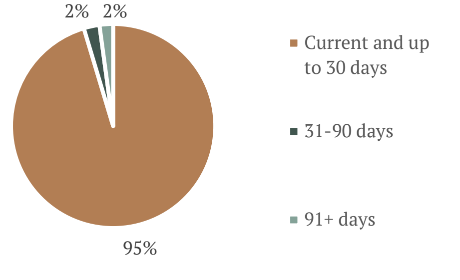
Net loan portfolio and Capitalization ratio, EUR m



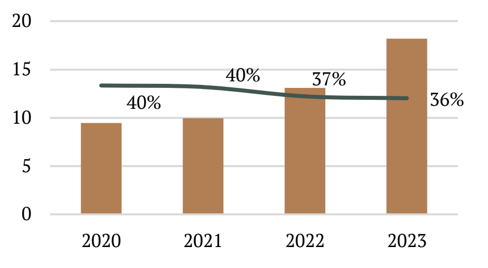
Net loan portfolio split by markets



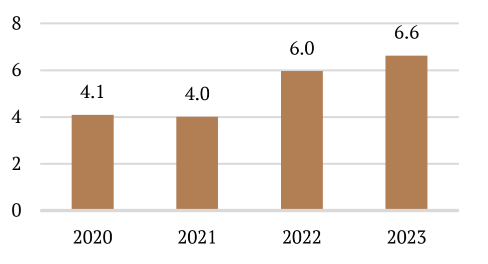
Gross consumer loan portfolio by delay buckets



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



Q4 2023 IuteGroup

Key parameters

Founded: 2008	**Products:** Dealer loans; Cash loans; Car loans; Bank
Headquarters: Estonia	**Key markets**
Net portfolio: EUR 232.2m	• Moldova • Albania
Bonds outstanding: EUR 113.1m	• North Macedonia • Bosnia and Herzegovina
Auditor: KPMG Baltics (IFRS)	• Bulgaria

Financial highlights

- In 2023, the Group saw a significant uptick in new loan issuance, totaling EUR 296.8m, representing a robust 13% y/y growth. The increase contributed to the Group's total net portfolio, which in 2023 grew by 20% y/y to reach EUR 232.2m. IuteCredit's share in the total net loan portfolio accounted for 73%, demonstrating a growth of EUR 23.9m over the year, while Energbank held the remaining 27%. The largest surge in the net loan portfolio stemmed from the expansion of the Albanian portfolio.
- While the Group's net loan portfolio experienced rapid growth in 2023, its quality also showed slight improvement, with current loans and those due within 30 days comprising 92% of the portfolio by the end of the year, compared to 91% in 2022. Noteworthy is the provision expense, which increased to EUR 22.2m during 2023, reflecting a 15% y/y increase.
- In 2023, the Group witnessed a rise in expenses across various categories. Personnel expenses surged by 27% compared to 2022, while other operating expenses increased by 9%. Additionally, interest expenses spiked by 40%. Moreover, the Group faced an additional financial burden in Q4 2023 due to Macedonia imposing a one-off solidarity tax on national TOP100 companies, resulting in a EUR 1.4m expense.
- The Group's net profit for 2023 amounted to EUR 10.3m, reflecting a significant 40% y/y decrease. It's essential to note that the net profit for 2022 was heavily impacted by a one-off gain from the acquisition of Energbank. Excluding this effect, the Group's net profit for 2022 would have been EUR 7.1m.

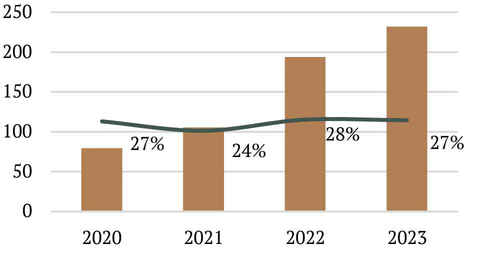
Other developments

- In 2023, the Group declared dividends totaling EUR 8.0m, of which EUR 4.0m was distributed to shareholders.
- The Group already published its annual audited results, which were examined by KPMG. KPMG issued a clean, unqualified opinion on the Group's financial statements.
- The Group's management anticipates that the balance sheet for the year 2024 will reach EUR 420m, with revenue totaling EUR 120m and a net profit exceeding EUR 15m. However, it's worth noting that the Group fell short of its net profit target for the year 2023.

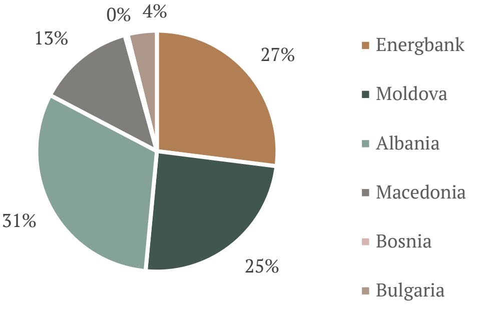
Financial highlights, EUR m

	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	25.0	27.4	*+10%*	89.6	106.3	*+19%*
EBITDA	8.0	9.5	*+19%*	31.7	40.2	*+27%*
EBITDA margin	32%	35%	*+3pp*	35%	38%	*+2pp*
Net profit	-0.8	0.9	*n/a*	17.1	10.3	*-40%*
Net loan portfolio	193.9	232.2	*+20%*	193.9	232.2	*+20%*
Cash	65.6	71.7	*+9%*	65.6	71.7	*+9%*
Total Equity	53.6	63.8	*+19%*	53.6	63.8	*+19%*
Total borrowings	253.4	293.0	*+16%*	253.4	293.0	*+16%*
EBITDA / Interest expense	1.6x	1.4x	*-9%*	1.6x	1.4x	*-9%*
Capitalization ratio	28%	27%	*-0pp*	28%	27%	*-0pp*

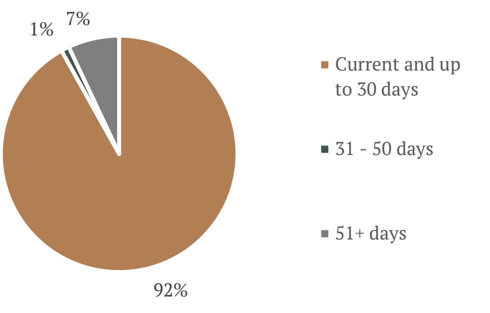
Net loan portfolio and Capitalization ratio, EUR m



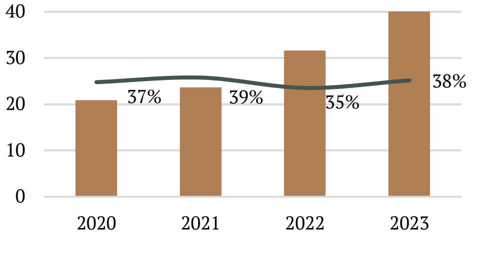
Net loan portfolio split by markets



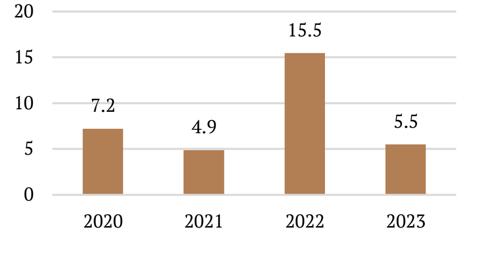
Net loan portfolio by delay buckets



EBITDA and EBITDA margin, EUR m



Net profit before FX, EUR m



Q4 2023
4finance

Key parameters

Founded: 2008

Headquarters: Latvia

Net portfolio: EUR 1080.4m

Bonds outstanding: EUR 266m

Auditor: PKF Audit & Conseil (IFRS)

Rating: B- from S&P, B2 from Moody's

Products: Short-term loans, Credit lines, Consumer loans, Bank

Key markets

- Spain
- Latvia
- Lithuania
- Romania
- Bulgaria
- Czech Republic

Financial highlights

- In 2023, the Group's total new loan issuance demonstrated robust growth compared to 2022, with a total of EUR 1.5bn in new loans issued, marking an 11% y/y increase. Notably, while new loan issuance in the Online segment decreased by 10% y/y, TBI Bank's issuance experienced significant growth at 28% y/y, reaching EUR 907m.
- In 2023, the Group's net loan portfolio saw a significant 28% increase compared to the previous year, reaching EUR 1 080.4m. Notably, the TBI Bank segment's share of the Group's total net loan portfolio rose to 88%, up from 84% in 2022. However, the Group's impairment expense also saw a substantial rise, amounting to EUR 148.4m in 2023, marking a 64% y/y increase.
- In 2023, the Group's revenue experienced a notable increase, reaching EUR 449.2m, marking a 25% y/y growth. This growth was fueled by a surge in interest income, which increased by 24% y/y, as well as a significant 38% increase in net fee and commission income. Notably, other income more than doubled, increasing by 2.5 times compared to the previous year. It's important to highlight that the majority of net fee and commission income is derived from TBI Bank's insurance sales to its customers.
- In 2023, the Group sustained its positive momentum with a 27% y/y increase in net profit, reaching EUR 44.1m. This growth was primarily driven by an increase in revenue coupled with moderate growth in costs. However, the net profit was negatively impacted by an FX loss amounting to EUR 5.0m, a decrease from EUR 11.8m loss in 2022.
- During 2023, the Group's capitalization ratio decreased by 1pp, reaching 22% by the end of the year. This decline was primarily attributed to the rapid growth in the Group's loan portfolio.

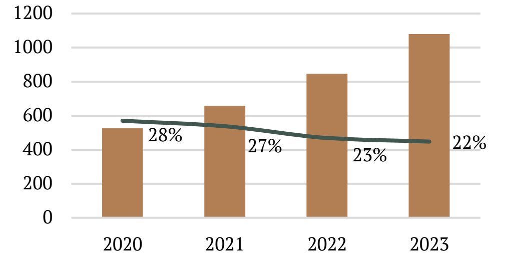
Other developments

- The Group has mandated UK-based advisory firm Continuum Advisory Partners to review strategic options for its subsidiary TBI Bank.
- In December 2023, the Group successfully cancelled EUR 15m worth of EUR 2028 bonds, reducing the outstanding issue to EUR 135m.

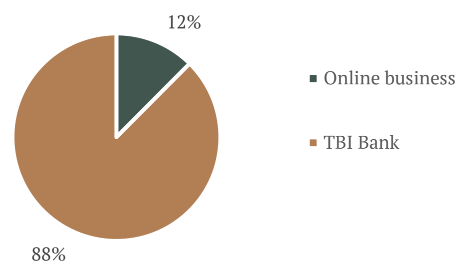
Financial highlights, EUR m

	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	107.8	122.3	*+13%*	358.9	449.2	*+25%*
EBITDA	31.7	43.9	*+38%*	112.3	136.9	*+22%*
EBITDA margin	29%	36%	*+7pp*	31%	30%	*-1pp*
Net profit	6.4	17.7	*+178%*	34.7	44.1	*+27%*
Net loan portfolio	846.4	1080.4	*+28%*	846.4	1080.4	*+28%*
Cash	221.6	261.6	*+18%*	221.6	261.6	*+18%*
Total Equity	198.6	241.6	*+22%*	198.6	241.6	*+22%*
Total borrowings	282.8	301.6	*+6%*	284.8	301.6	*+6%*
EBITDA / Interest expense	2.5x	2.1x	*-17%*	2.5x	2.1x	*-17%*
Capitalization ratio	23%	22%	*-1pp*	23%	22%	*-1pp*

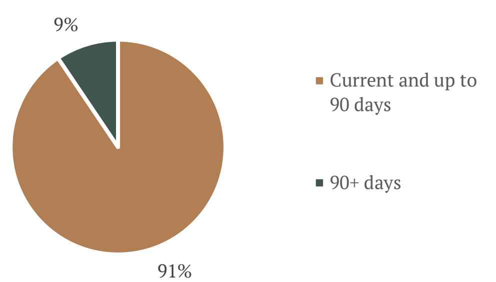
Net loan portfolio and Capitalization ratio, EUR m



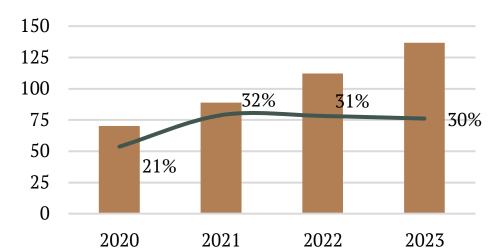
Net loan portfolio split by markets



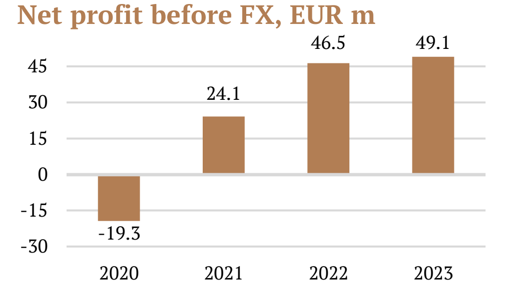
Gross portfolio by delay buckets



EBITDA and EBITDA margin, EUR m



Net profit before FX, EUR m



Q4 2022 International Personal Finance

Key parameters

Founded: 1997

Headquarters: United Kingdom

Net portfolio: EUR 1038.3m

Bonds outstanding: EUR 503.4m

Auditor: Deloitte (IFRS)

Rating: BB- from Fitch, Ba3 from Moody's

Products: Home credit (Cash loans, Micro-business loans), IPF Digital (Credit lines, Instalment loans)

Key markets

- Mexico
- Poland
- Czech Republic
- Hungary
- Romania
- Estonia
- Latvia
- Lithuania
- Spain
- Australia

Financial highlights

- Throughout the year, there was a modest 2% y/y increase in new loan issuance, totaling EUR 1.3bn. Notably, only the Group's Home Credit segment demonstrated slight growth, with origination expanding by 3% compared to the previous year. Conversely, the IPF Digital segment experienced a slight decline in new loan activity.
- In 2023, the Group's net loan portfolio experienced a marginal 3% increase, reaching EUR 1.0bn. Notably, Mexican Home Credit exhibited the highest growth, soaring by 18% y/y. Additionally, IPF Digital demonstrated robust growth, expanding by 6% compared to the previous year. However, the European Home Credit segment contracted by 4% y/y. Impairment expenses during the same period amounted to EUR 197m, marking a significant 59% increase compared to the previous year.
- The Group's revenue continued its upward trajectory, reaching EUR 892.8m in 2023, marking a substantial 19% y/y increase. This growth was underpinned by the expansion of the loan portfolio, heightened new loan issuance, and a rise in revenue yield. However, alongside the revenue increase, expenses also rose, leading to a slight decrease in the EBITDA margin, which stood at 25% by the end of 2023.
- In 2023, the Group's net profit experienced a slight decline, primarily attributed to increased tax expenses, resulting in a figure of EUR 55.8m, marking a 15% decrease y/y. Despite this, the Group's robust profitability contributed to an enhancement in its capitalization ratio, solidifying it at 56% by the end of 2023.

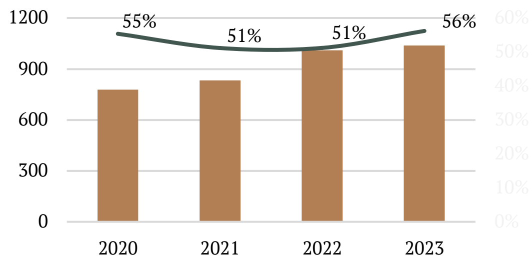
Other developments

- Like all other lenders in Poland, the Group received a regulatory communication from the KNF in late February 2024 concerning its expectations regarding the application of non-interest fees to credit cards. The Group is currently reviewing the communication with the assistance of external counsel and engaging with the KNF to comprehend the potential impact on its business.

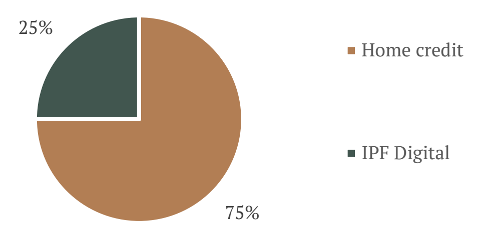
Financial highlights, EUR m

	H2 2022	H2 2023		FY 2022	FY 2023	
Revenue	404.8	450.9	*+11%*	750.6	892.8	*+19%*
EBITDA	111.7	116.6	*+4%*	200.9	221.0	*+10%*
EBITDA margin	28%	26%	*-2pp*	27%	25%	*-2pp*
Net profit	30.2	34.1	*+13%*	66.0	55.8	*-15%*
Net loan portfolio	1010.2	1038.3	*+3%*	1010.2	1038.3	*+3%*
Cash	59.0	49.4	*-16%*	59.0	49.4	*-16%*
Total Equity	517.7	583.6	*+13%*	517.7	583.6	*+13%*
Total borrowings	638.1	595.1	*-7%*	638.1	595.1	*-7%*
EBITDA / Interest expense	2.5x	2.5x	*-3%*	2.5x	2.5x	*-3%*
Capitalization ratio	51%	56%	*+5pp*	51%	56%	*+5pp*

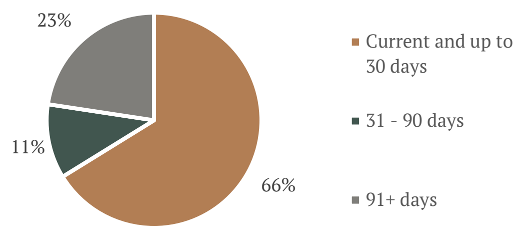
Net loan portfolio and Capitalization ratio, EUR m



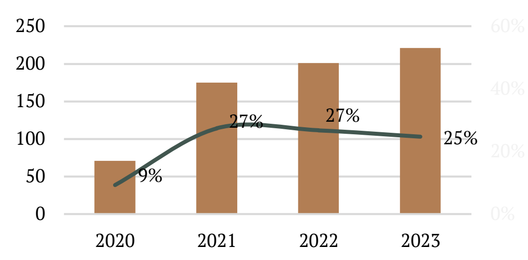
Net loan portfolio split by products



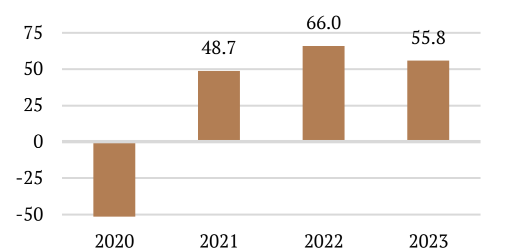
Home credit net loan portfolio quality



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



Q4 2023
ESTO Holdings

esto

Key parameters

Founded: 2017

Headquarters: Estonia

Net portfolio: EUR 64.5m

Bonds outstanding: EUR 16m

Auditor: KPMG Baltics (IFRS)

Products: Buy now pay later (BNPL)

Key markets

- Estonia
- Latvia
- Lithuania

Financial highlights

- In 2023, the Group's net loan portfolio experienced a significant increase, reaching EUR 64.5m (+32% y/y). The largest portion of the net loan portfolio continues to be attributed to loans issued in Estonia, comprising 86.6% of the total (down from 92.7% in 2022), followed by Latvia and Lithuania, which represent 6.8% and 6.6% respectively.
- The quality of the Group's net loan portfolio remained relatively stable throughout 2023, with loans past due more than 30 days accounting for 3.8% of the portfolio as of the end of the year. This figure reflects a slight increase from 3.4% (+0.4pp y/y) reported at the end of 2022.
- The Group experienced a significant surge in business activity, resulting in a noteworthy increase in revenue during 2023, which reached EUR 19.9m (+48% y/y). Notably, the Group's interest income saw a robust increase of 47%, reaching EUR 17.2m, while fee and commission income surged by 54%, reaching EUR 2.8m during the same period.
- While the Group's revenue grew, its expenses also experienced an upward trajectory, with the growth rate slightly surpassing that of revenue. Throughout 2023, the Group witnessed an increase in expenses across all major categories: personnel expenses rose by 45% y/y, other operating expenses by 36% y/y, interest expenses by 64% y/y, and provision expenses by 69% y/y. Despite facing pressure from these cost increases, the Group achieved an EBITDA of EUR 8.8m, reflecting a notable growth of 50% y/y, and maintained an EBITDA margin of 44% (+1pp y/y).
- The Group's net profit during 2023 exhibited a double-digit growth, reaching EUR 3.0m, which represents a notable increase of 28% y/y. This growth consequently led to a slight improvement in the Group's capitalization ratio, which stood at 22% as of the end of 2023, compared to 21% reported as of the end of 2022 (+1pp y/y). The Group's interest coverage ratio, currently at 1.5x, is at its minimum allowable level as stipulated by the bond covenant.

Other developments

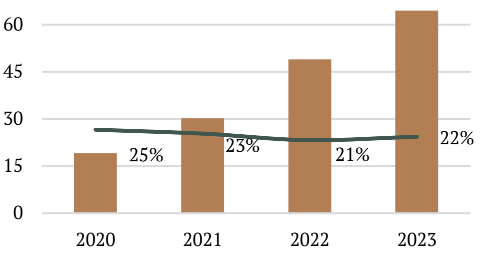
- Looking ahead to 2024, the Group's focus remains on driving efficiency, profitability, and sustainable growth. The Group will continue to invest in new product verticals, expand partnerships, and enhance technological infrastructure to better serve customers.

Financial highlights, EUR m

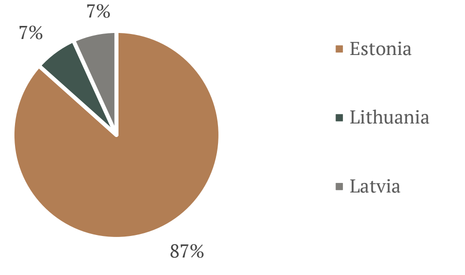
	Q4 2022	Q4 2023		FY 2022	FY 2023	
Revenue	4.0	5.6	*+38%*	13.4	19.9	*+48%*
EBITDA	1.6	2.4	*+49%*	5.8	8.8	*+50%*
EBITDA margin	39%	42%	*+3pp*	43%	44%	*+1pp*
Net profit	0.5	0.7	*+30%*	2.3	3.0	*+28%*
Net loan portfolio	49.0	64.5	*+32%*	49.0	64.5	*+32%*
Cash	0.9	1.8	*+103%*	0.9	1.8	*+103%*
Total Equity[1]	10.5	14.5	*+38%*	10.5	14.5	*+38%*
Total borrowings	41.5	54.1	*+30%*	41.5	54.1	*+30%*
EBITDA / Interest expense	1.7x	1.5x	*-8%*	1.7x	1.5x	*-8%*
Capitalization ratio	21%	22%	*+1pp*	22%	22%	*+1pp*

[1]Including shareholder subordinated loans

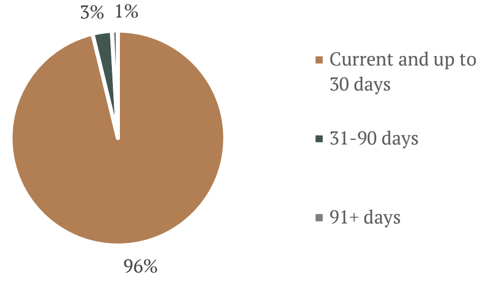
Net loan portfolio and Capitalization ratio, EUR m



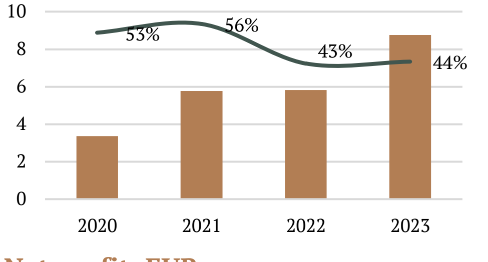
Net loan portfolio split by countries



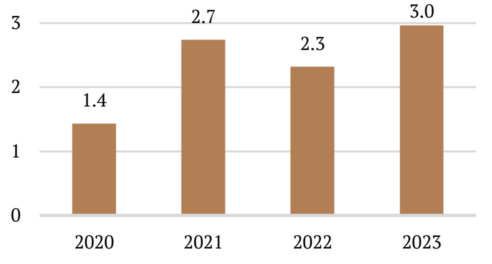
Net portfolio by delay buckets



EBITDA and EBITDA margin, EUR m



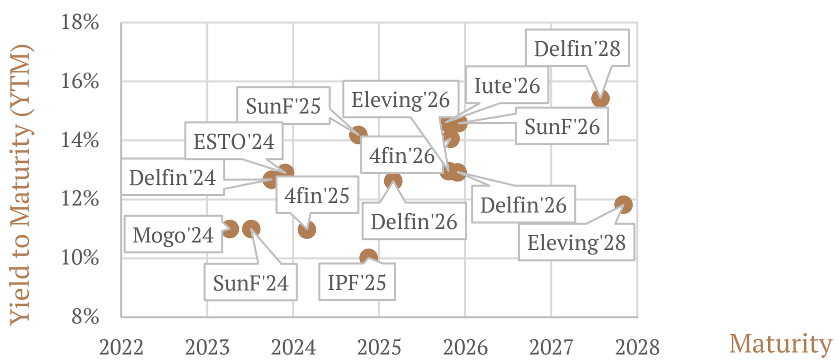
Net profit, EUR m

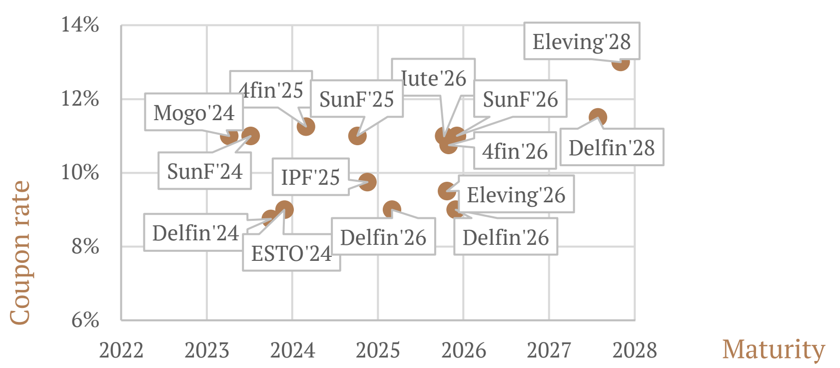


Current bond issues

Company	Issuer	ISIN	Maturity	Coupon	Issue size	YTM[1]	BID Price	Call option	Collateral	Listing
mogo	AS «mogo» (Latvia)	LV0000802452	31.03.2024	11.00%	EUR 30 000 000	11.00%	100.00	Call @101%	Unsecured	Nasdaq Baltic First North
Eleving GROUP	Eleving Group S.A. (Luxembourg)	XS2393240887	18.10.2026	9.50%	EUR 150 000 000	12.96%	92.50	Call @104.75% (18.10.2024); @102.375% (18.10.2025); @100% after	Secured	Frankfurt Stock Exchange and Nasdaq Riga
		DE000A3LL7M4	31.10.2028	13.00%	EUR 50 000 000	11.82%	103.35	Call @103% (31.10.2025); @102% (31.10.2026); @101% (31.10.2027); @100 after	Secured	Frankfurt Stock Exchange and Nasdaq Riga
Sun Finance	Sun Finance Treasury Ltd. (Malta)	LV0000802494	30.06.2024	11.00%	EUR 20 000 000	11.00%	100.00	Call @102% (30.06.2022) @101% after	Senior Unsecured	Nasdaq First North
		LV0000860112	30.09.2025	11% + 3M EURIBOR	EUR 50 000 000	14.19%	101.00	Call @102% (30.09.2023) @101% (30.09.2024)	Senior Unsecured	Nasdaq First North
		LV0000802692	30.11.2026	11% + 3M EURIBOR	EUR 50 000 000	14.59%	100.75	Call @102% (30.06.2024) @100.5% (31.08.2026)	Senior Unsecured	Nasdaq First North
iutecredit	IuteCredit Finance S.à r.l. (Luxembourg)	XS2378483494	06.10.2026	11.00%	EUR 125 000 000	14.62%	92.50	Call @105.5% (06.10.2025); @102.75% after	Secured	Frankfurt Stock Exchange and Nasdaq Tallinn
delfin group	AS DelfinGroup (Latvia)	LV0000850055	25.09.2024	8.75% + 3M EURIBOR	EUR 10 000 000	12.67%	100.00	Call @101% (25.09.2023)	Senior Unsecured	Nasdaq First North
		LV0000802718	25.02.2026	9.00% + 3M EURIBOR	EUR 15 000 000	12.62%	100.50	Call @101% (25.02.2024)	Senior Unsecured	Nasdaq First North
		LV0000860146	25.11.2026	9.00% +3M EURIBOR	EUR 15 000 000	12.92%	100.00	Call @101% (25.05.2024)	Senior Unsecured	-
		LV0000802700	25.07.2028	11.50% + 3M EURIBOR	EUR 5 000 000	15.42%	100.00	Call @101% (on every coupon payment day)	Subordinated Unsecured	-
4 FINANCE	4finance S.A. (Luxembourg)	XS1417876163	23.05.2028	11.25%	EUR 150 000 000	10.98%	101.38	Call @104% (23.12.2018); @103% (23.11.2024); @102% (23.05.2025); @100% (23.05.2026)	Senior Unsecured	Frankfurt Stock Exchange
		NO0011128316	26.10.2026	10.75%	EUR 175 000 000	14.06%	93.89	Call @105.375% (26.04.2025); @102.688% (26.10.2025); @101.344% (26.04.2026); @100% after	Senior Unsecured	Nasdaq Stockholm
International Personal Finance	International Personal Finance plc (United Kingdom)	XS2256977013	12.11.2025	9.75%	EUR 341 228 000	10.02%	99.05	Call @104.875 (12.11.2022); @102.4375% (12.11.2023); @100% after	Senior Unsecured	London Stock Exchange
esto	ESTO Holdings OÜ (Estonia)	EE3300002294	22.11.2024	9.00%	EUR 16 000 000	12.90%	97.50	Call @102% (22.11.2025); @100.25% (22.08.2024)	Secured	-

[1]Source: Bloomberg, Nasdaq Riga. Data as of 18 March 2024





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