Eleving Group bond tap issue

Eleving GROUP

SIGNET BANK

About Eleving Group

- Established in 2012, Eleving Group (the Group) is one of the largest and fastest-growing secured used car and consumer financing companies in Europe.
- The Group runs two main business segments (Vehicle Finance and Consumer Finance), with Vehicle finance contributing 2/3 to the Group's net loan portfolio.
- With presence in 16 countries across 3 continents, the geographical diversification provides protection against single market risk and reinforces the Group's financial stability.
- In 2024, Group raised EUR 29m in the largest IPO in Nasdaq Riga history, attracting 47 institutional investors contributing 72% of the demand, while 4,466 retail investors covered the remaining 28%. Current market capitalization of the Group is EUR 198m.
- Largest shareholders are the 4 original founders, holding 74.6%, the free float is at 18.9%, while the rest is held by current and former employees.
- In 2024, Fitch Ratings upgraded the Group's credit rating from «-B» to «B» with stable outlook, reflecting consistent profitability and operational quality.

Business overview

- Eleving Group's entire product offering in both business lines can be broken down into three categories: Lease and leaseback products, Flexible lease and subscription-based products and Consumer lending products.
- Lease & leaseback products offer the clients an option to finance vehicles with the ownership transferred to the customer after lease repayments. This product line contributes 45.4% to the total Group's Net loan portfolio.
- Flexible lease products primarily involve rent-to-buy solutions and lending for new motorcycles and three-wheelers used by self-employed riders to generate revenue. Contribution of this product line to the total Net loan portfolio is 20.3%.
- Main product in the Consumer Finance portfolio is a long-term unsecured loan with regular, fixed monthly payments. The size of this portfolio equals 34.3% of the total Net loan portfolio.
- While developing markets (Africa) retain significant growth capabilities, most of the Vehicle finance portfolio (41.2% of total) is deployed in the developed countries. The largest exposure is for Kenya (13% of total portfolio), Romania (12%), Uganda (8%) and Lithuania (8%).
- Non-performing loans (NPL) have seen a decrease in both business lines, with Net NPL ratio developing from 7.5% to 6.1% in the vehicle finance business (35+ days overdue / Vehicle Finance portfolio) and from 4.5% to 4.3% in the consumer finance (90+ days overdue / Consumer Finance portfolio) business during 2024.

Financial highlights

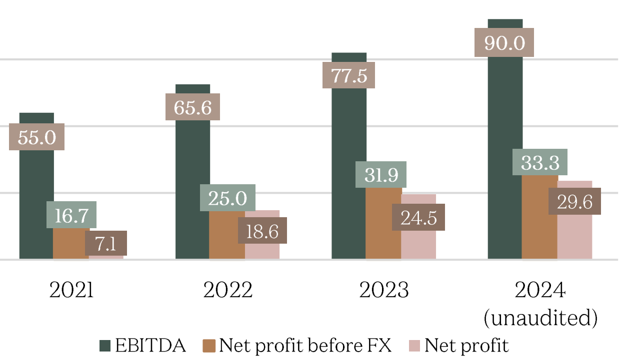
- From 2021 to 2024, the Group achieved a revenue and loan portfolio CAGR of 13% and 18%, respectively. Among the strongest drivers are rapid geographical expansion and NPL improvement.
- The Group's fastest segment, Consumer Finance, saw a 31% increase in interest and similar income in 2024 driven by strong loan issuance in Namibia and Zambia. The average yield on the total portfolio in 2024 was 62.7%.
- All time highest EBITDA of EUR 90.0m and net profit of 29.6m was achieved in 2024, perpetuating a further decrease in Net Debt/EBITDA from 3.7x to 3.3x.
- Strong improvement in the Capitalization ratio from 25% in 2022 to 29% in 2024 outlines the Group's sound financial standing while retaining growth prospects.

Financial highlights

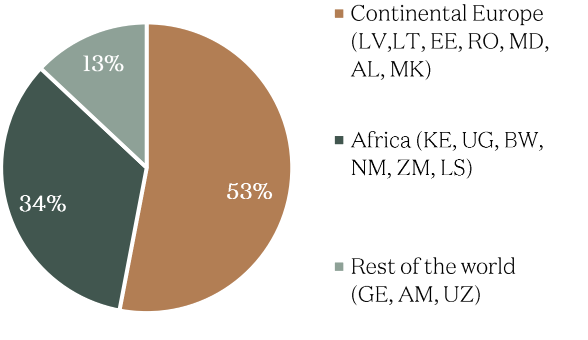
EUR, millions	2022	2023	2024 (unaudited)
Revenue	175.7	189.3	217.0
EBITDA[1]	65.6	77.5	90.0
EBITDA margin	37%	41%	41%
Net profit	18.6	24.5	29.6
Net loan portfolio	278.4	320.3	371.6
Cash	13.8	27.5	33.9
Total Equity[2]	72.9	81.9	108.2
Total borrowings	272.8	310.6	327.7
Net debt	259.0	283.1	293.8
Capitalization ratio[3] > 15%	25%	26%	29%
ICR > 1.25x	2.3x	2.3x	2.4x
Net debt / EBITDA < 6x	3.8x	3.7x	3.3x

1 Adjusted by one-offs such as subsidiary write-offs, bond refinancing costs and non-controlling interests
2 Including shareholder loans
3 Adjusted equity / (Net loan portfolio – used car loan portfolio)

Profitability breakdown (EURm)



Portfolio breakdown by countries (2024)



Source: Eleving Group 's financial reports and presentations

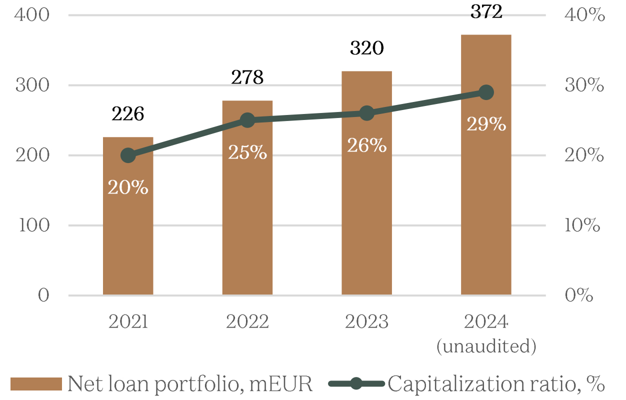
Eleving Group Eurobond issue

Eleving GROUP

Term Sheet

Issuer	**Eleving Group S.A. (Luxemburg)**
Security type	Senior Secured Eurobonds
ISIN	DE000A3LL7M4
Offer type	Public offer
Guarantees and Pledges	Corporate guarantees from all Material Group Companies and pledges over receivables from selected Group companies[1]
Current outstanding issue size	**EUR 50,000,000**
Tap size	**Up to EUR 50,000,000**
Coupon rate, frequency	**13.00%, fixed, paid quarterly**
Issue price	**109%**
Yield-to-Maturity	**10.00%**
Remaining Maturity	3.6 years (31.10.2028)
Principal repayment	Maturity date, bullet
Call Option	• Until 31.10.2026 – no call • From 31.10.2026 up to 31.10.2027 - @101% • From 31.10.2027 until maturity – @100%
Put Option	Change of Control – @101%
Nominal value	EUR 100
Minimum subscription	EUR 1,000
Listing	Listing on Nasdaq Riga Regulated Market and Frankfurt Stock Exchange Regulated market
Use of proceeds	Financing general corporate purposes
Covenants[2]	• Capitalization Ratio min 15.0% • Interest Coverage Ratio min 1.25x • Net Leverage Ratio max 6.00x
Lead Manager	Signet Bank (Latvia)
Sales agents	LHV Bank (Estonia), Redgate Capital (Estonia), Evernord FMI (Lithuania), Bankhaus Scheich Wertpap (Germany)

Development of portfolio and capitalization ratio



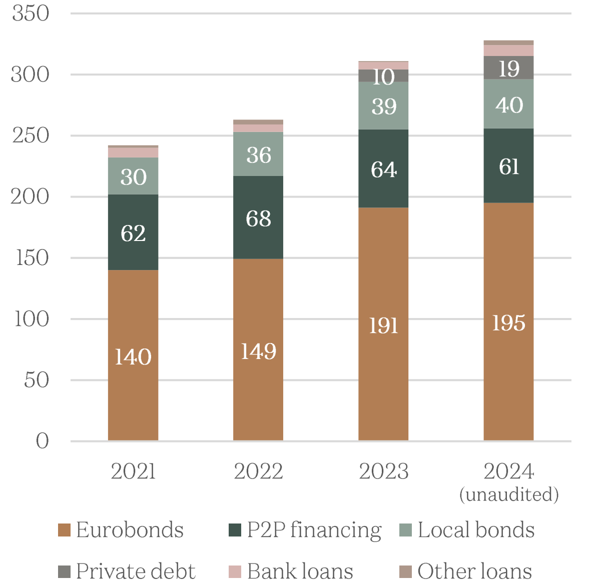
Key investment highlights

1. **Strong «know-how» in the industry** enables swift geographical expansion
2. **Stable top-line and profitability growth** with an attractive return on investment for bondholders
3. **Rating upgrade** from «B-» to «B» by Fitch Ratings proves debt repayment capacity
4. **Experienced issuer** with a track record of meeting financial covenants with considerable margin
5. **Listed company with market cap of EUR 198m,** whose IPO was the largest in Nasdaq Riga history

Funding profile and the bond issue

- Eleving Group is an experienced issuer in the domestic and European debt capital markets, with 5 successfully redeemed issuances and 2 outstanding bonds issues.
- Most of the Group's borrowings are in the form of Eurobonds (ca. 61% of total debt), of which EUR 150m matures in Q4 2026.
- To limit FX exposure, Eleving has privately placed EUR 21.5m African notes in local currencies, with average annual interest rates ranging from 14-16%.
- The Group leverages P2P lending platform Mintos for financing, drawing ca. 21% of total borrowings from the source.
- The tap issue will be carried out via public offering in all Baltic states and Germany, with listing in corresponding exchanges following after.
- The proceeds from the Tap issue will be directed towards financing of general corporate purposes.
- During 2024, Fitch Ratings upgraded the Group's credit rating from «-B» to «B» with stable outlook, further enhancing the Group's ability to attract significant investor demand.

Debt profile (EURm)



Notes: 1 Full list of guarantors and pledgors can be found in the Prospectus
2 Full list of covenants can be found in the Prospectus
Source: Financial reports and information provided by the management

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Eleving GROUP

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Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence Eleving Group S.A. (Group) are: Group may face difficulties in assessing the credit risk of potential customers; Group is exposed to the risk that its customers or other contractual counterparties may default or that the credit quality of its customers or other contractual counterparties may deteriorate; a decrease in the residual values or the sales proceeds of returned vehicles could have a material adverse effect on the value of the collateral of Group's finance leases, used car rent and sale and lease back; Group's operations in various countries subject it to foreign exchange risk; substantial change in the underwriting standards; Group is dependent upon its information technology systems to conduct its business operations; the continued expansion of Group's portfolio depends, to an increasing extent, upon its ability to obtain adequate funding; Group's business depends on services provided by third parties such as banks, local consumer credit agencies, IT service providers and debt-collection agencies; Group's current interest rate spread may decline in the future, which could reduce its profitability; Group's ability to recover outstanding debt may deteriorate if there is an increase in the number of its customers facing personal insolvency procedures; Group operates in an evolving industry, which makes it difficult to evaluate its future prospects and may increase the risk that it will not be successful; Group may make acquisitions or pursue business combinations that prove unsuccessful or strain or divert its resources; rapid growth and expansion may place significant strain on Group's managerial and operational resources and could be costly; damage to Group's reputation and brand or a deterioration in the quality of its service may impede its ability to attract new customers and retain existing customers; the international scope of Group's operations may contribute to increased costs; the introduction of Group's new products and services may not be successful; Group's business depends on a strategically located branch footprint; Group's business depends on marketing affiliates to assist it in obtaining new customers; Group's vehicle finance business depends on partnerships (e.g. vehicle dealers) and brokers to assist it in obtaining new customers; a decrease in demand for Group's financial products and failure by it to adapt to such decrease could result in a loss of revenues; Group may be unable to protect its proprietary technology or keep up with that of its competitors and Group may become subject to trademark infringements and intellectual property disputes, which are costly to defend and could harm its business and operating results; Group is subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and respond to cyber incidents; Group's success is dependent upon its management and employees and its ability to attract and retain qualified employees; If Group fail to geographically diversify and expand its operations and customer base, its business may be adversely affected; failure to keep up with the rapid changes in e-commerce and the uses and regulation of the Internet could harm Group's business; significant, rapid or unforeseen economic or political changes in the economies in which Group operate could reduce demand for its products and services and result in reduced income; the unstable regulatory and legal framework and the volatility of the emerging economies in which Group operate could reduce demand for its products and services and result in reduced income; Group's operations could be subject to civil unrest and other business disruptions, which could adversely impact its future income and financial condition and increase its costs and expenses; risks related to Group's financial situation; legal and regulatory risk; internal control risk.

When investing funds in bonds, investors undertake the following risks related to debt securities: Group may not be able to generate sufficient cash to service all of its indebtedness, including the Bonds, and may be forced to take other actions to satisfy its obligations under its debt agreements, which may not be successful; Group may be unable to repay or repurchase the Notes at maturity; investors may face foreign exchange risks by investing in the Notes; Group may choose to repurchase or redeem the Notes when prevailing interest rates are relatively low, including in open market purchases; an increase in interest rates could result in a decrease in the relative value of the Notes.

The risks indicated in this section may reduce Eleving Group S.A. ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect Eleving Group S.A.