

# FZ Capital

## Bond Investor presentation

May 2025

# Disclaimer

This Presentation (the Presentation) has been prepared by SIA FZ Capital (the Issuer) solely for use in connection with the contemplated offering of the Bonds (the Bonds) and may not be reproduced or redistributed in whole or in part to any third party. The arranger for the Bonds is Signet Bank AS (the Arranger).

This Presentation is for information purposes only. The Bonds have their own terms and conditions that should be considered before making an investment decision. A prospective investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

## No liability

The information in this Presentation has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Issuer undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as “aims”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “assumes”, “seeks”, and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation is provided for personal use and for tentative reference only.

## No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Bonds. Nothing in this Presentation shall be construed as giving of investment advice by the Issuer or any other person.

Each potential investor must determine the suitability of the investment conflict-of-interest its own circumstances. conflict-of-interest should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear conflict-of-interest the risks associated with this investment. If you are in any doubt as to whether to invest in the Bonds, you should consult a qualified independent adviser.

## General restrictions and distribution

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction.

This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

## Conflict of interest

By presenting this material the Arranger has a conflict-of-interest situation as the Arranger can receive a fee for the placement of the Bonds. The Arranger's Policy for Prevention of Conflicts of Interest is available on the Arranger's website: <https://www.signetbank.com/mifid/>.

The Issuer or its affiliates may, subject to applicable laws, purchase the Bonds. It should be noted that under specific circumstances their interests may conflict with those of other Bondholders.

## Target market

The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a Distributor) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

- FZ Capital at a glance
- Business overview
- Financial highlights
- Transaction overview

# | FZ Capital at a glance

One of Latvia's most seasoned real estate-secured lenders, with a balanced, diversified, and growing portfolio, is issuing secured bonds to support further growth.

### Business description

- Established in 2005, FZ Capital is a profitable licensed non-bank lender specializing in real estate-secured financial solutions with a 31% profit margin over the last 10 years.

### Products

- Business Loans
- Consumer Loans
- Lines of credit

### Strong portfolio management

- FZ Capital maintains a conservative portfolio loan-to-value (LTV) ratio of 39%.
- Over 20 years of operations, FZ Capital has had less than 1% of loans written off from issued loans.

### Highly experienced and motivated management

- Management with 15+ years of experience at FZ Capital

### Strong strategic investor

- Owners of some of the largest online and offline non-bank lenders in Europe ready to support the further growth of the business.

### Key financials (Last 3 years)

€k	2022	2023	2024
Revenue	1 131	1 416	1 871
EBITDA	795	1 012	1 325
Profit before tax	373	447	695
Net loan portfolio	7 348	8 747	10 363
Equity	1 634	1 831	1 658
Interest bearing liabilities	6 146	7 365	8 851
Interest coverage ratio	1.87	1.82	2.10
Profit margin <sup>1</sup>	33.0%	31.6%	37.5%
Portfolio LTV <sup>2</sup>	40.7%	41.0%	38.6%

<sup>1</sup> Profit margin = Profit before tax / Revenue

<sup>2</sup> Portfolio LTV = Weighted average of individual LTV ratios, weighted by outstanding loan amounts.

**20 years**  
of operations

**32%**  
revenue growth  
'24 y-o-y

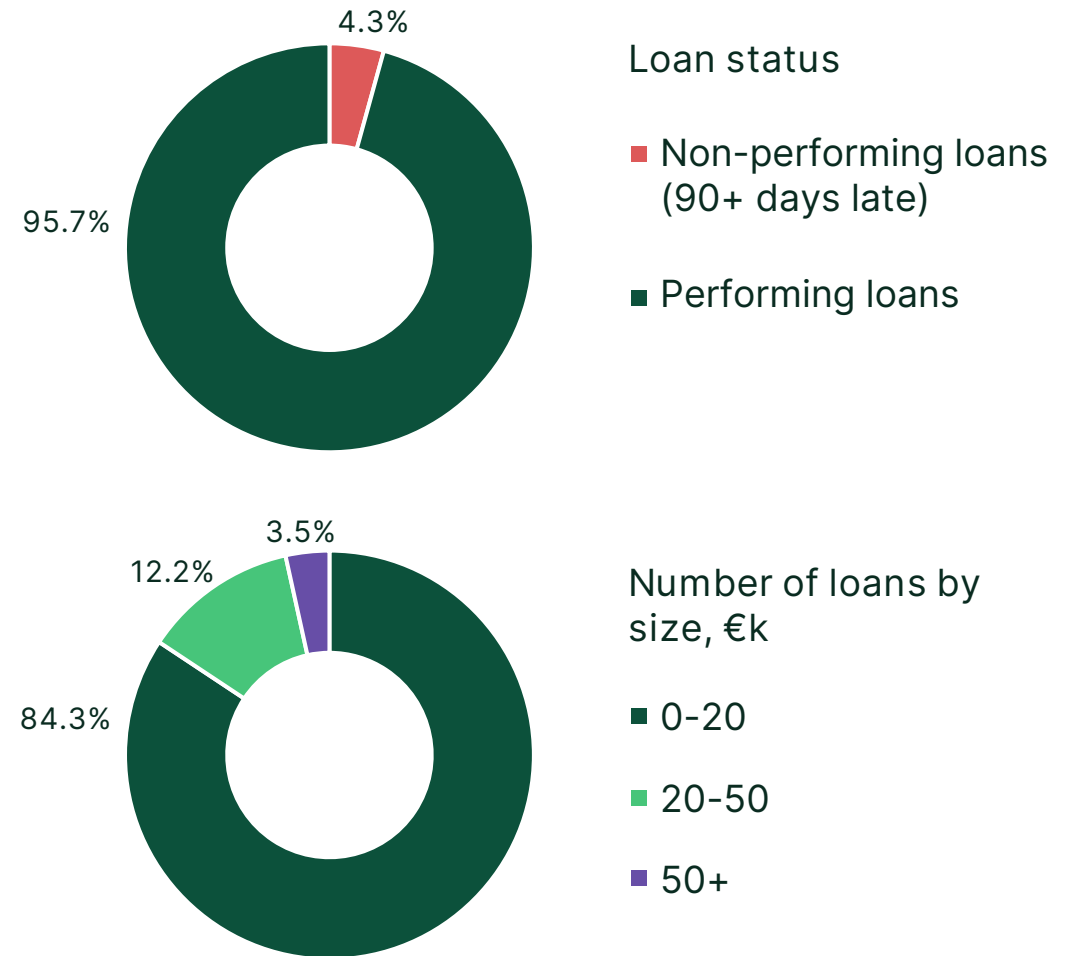
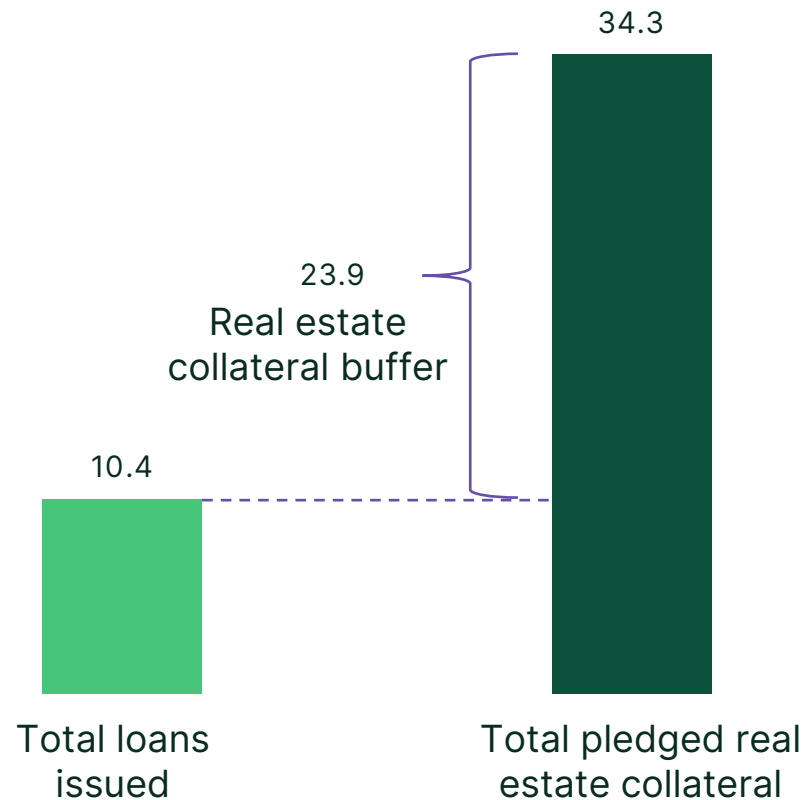
**4%**  
NPL ratio

**57%**  
Profit before tax  
growth '24 y-o-y

**39%**  
portfolio LTV  
**10M+**  
net portfolio  
size

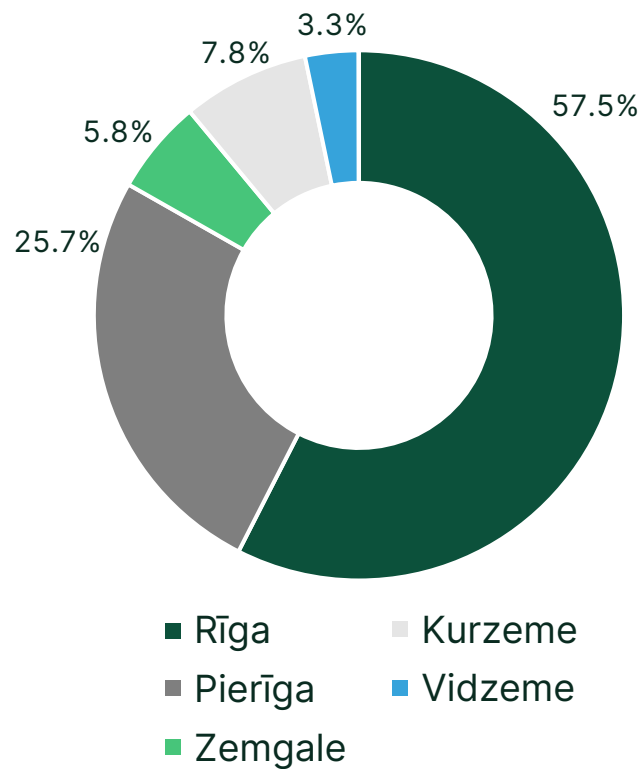
FZ Capital has built a secure, diversified and high quality loan portfolio (low NPLs, low LTV and high collateral buffer, low portfolio concentration)

Portfolio vs pledged real estate collateral, €m

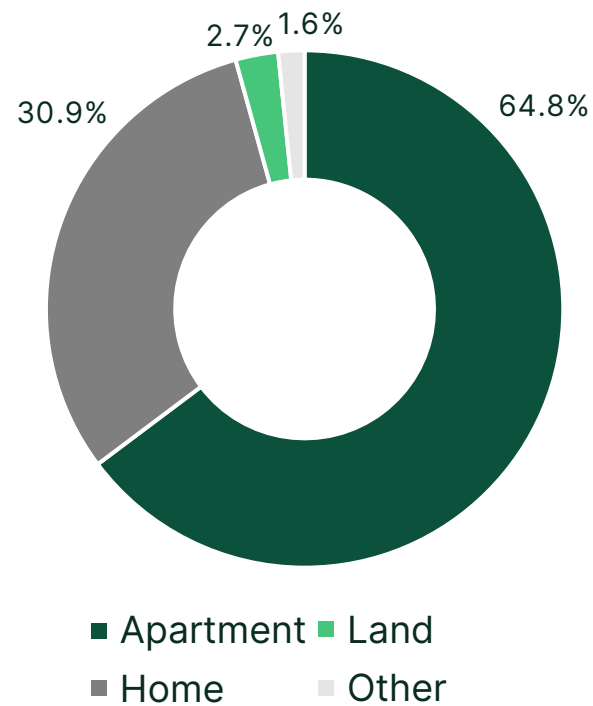


FZ Capital has a diversified collateral portfolio, including different types of properties from various regions and with varying valuations

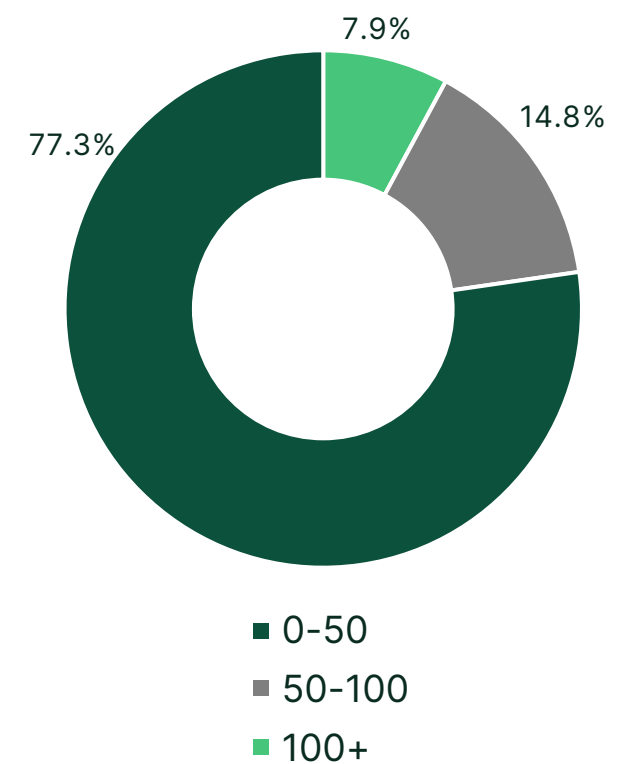
### Property regions

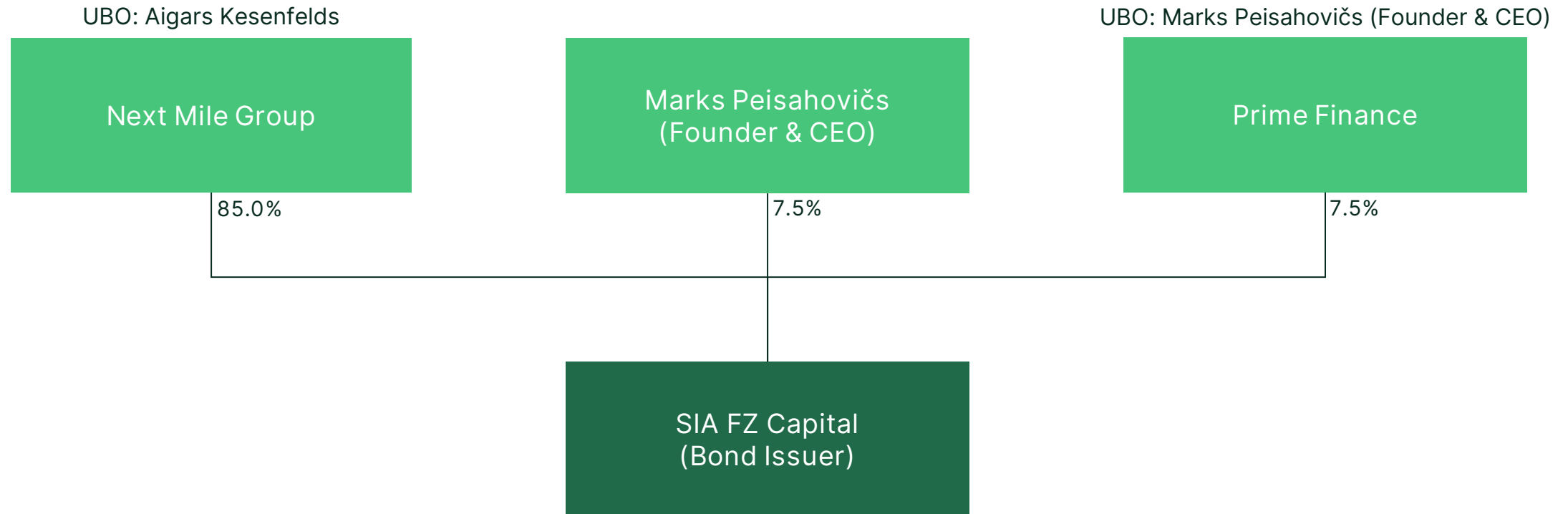


### Property types



### Property values, €k







FZ Capital has an experienced management team with a strong commitment to the company's growth.

Marks Peisahovičs  
Founder & CEO



R•EVOLUTION

RE/MAX

- ❑ In 2003, worked in the Netherlands at RE/MAX, a real estate company.
- ❑ From 2004 to 2007, served as Head of the Project Department at the real estate development firm R.Evolution.
- ❑ Founded FZ Capital in 2005 and has successfully led the company for 20 years.
- ❑ Possesses a deep understanding of financing and real estate.

Maksims Melņikovs  
Head of Credit



OranžNami ISMA  
ANNO 1994

- ❑ Graduated from ISMA in 2004 with a bachelor's degree in Business Management.
- ❑ From 2004 to 2013, worked as a real estate agent at Oranžnami.
- ❑ Has been with FZ Capital since 2013, and has served as Head of Credit since 2016.
- ❑ Brings extensive experience in credit management and the real estate market.

# | Business overview

FZ Capital provides loans secured by real estate collateral to both businesses and individuals.



### Business Loans

- ❑ Interest rate from 12% p.a.
- ❑ LTV up to 70% (weighted average 38%)
- ❑ Loan size from EUR 1 000 to EUR 200 000 (average EUR 17 284)
- ❑ Flexible repayment schedule



### Consumer Loans

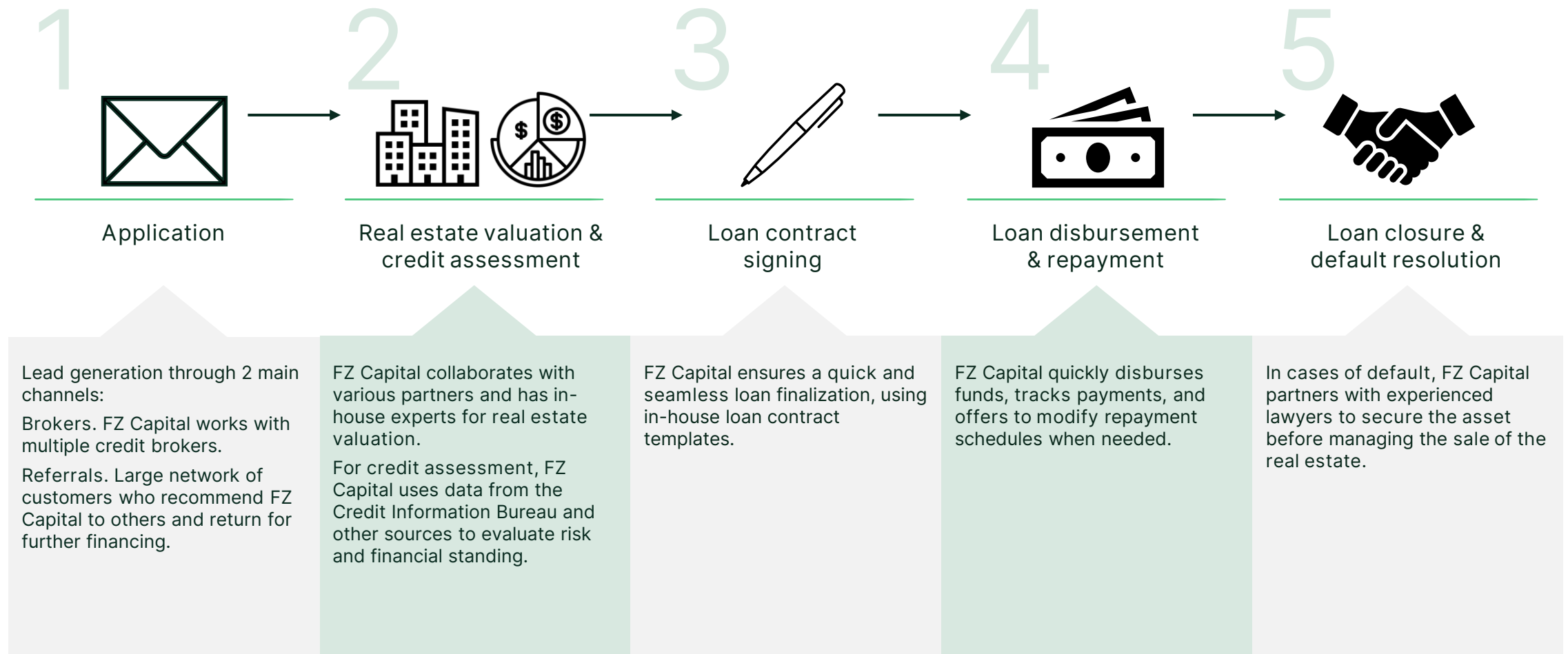
- ❑ Interest rate from 12% p.a.
- ❑ LTV up to 70% (weighted average 36%)
- ❑ Loan size from EUR 1 000 to EUR 40 000 (average EUR 12 519)
- ❑ Flexible repayment schedule



### Lines of Credit

- ❑ Interest rate from 12% p.a.
- ❑ LTV up to 70% (weighted average 52%)
- ❑ Limit size from EUR 5 000 to EUR 200 000 (average EUR 70 928)
- ❑ Flexible repayment schedule

FZ Capital is experienced in managing the entire loan lifecycle.



FZ Capital has an efficient and prudent debt collection process, ensuring timely recovery while maintaining strong relationships with its clients.

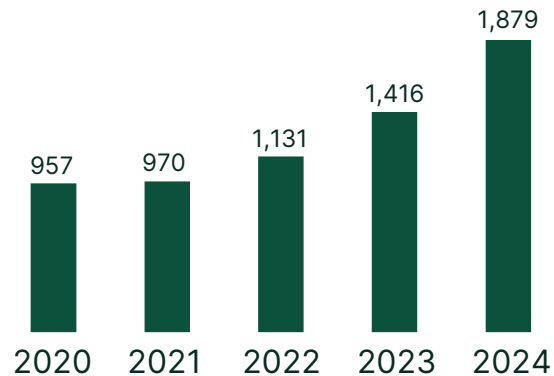


Over 20 years of operations, less than 1% of the total issued amount on secured loans has been written off.

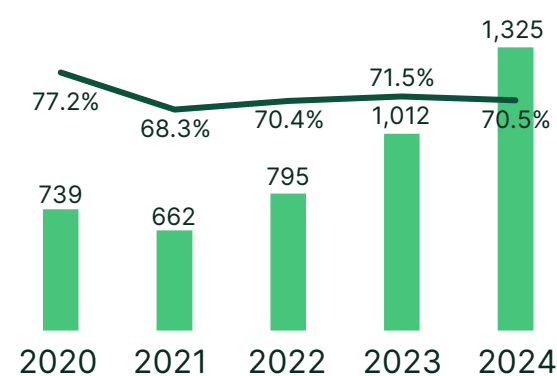
# | Financial highlights

FZ Capital has achieved profitable growth while maintaining strong operational efficiency and solid collateral base.

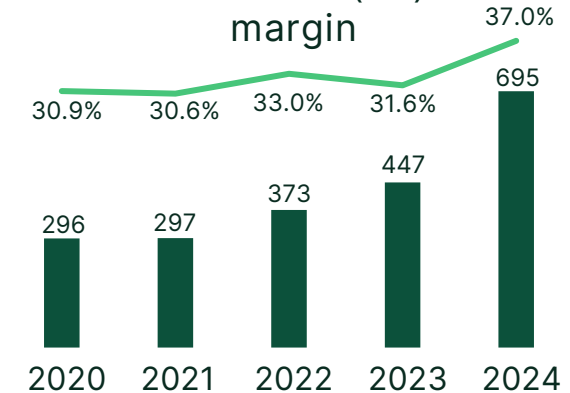
Total revenue (€k)



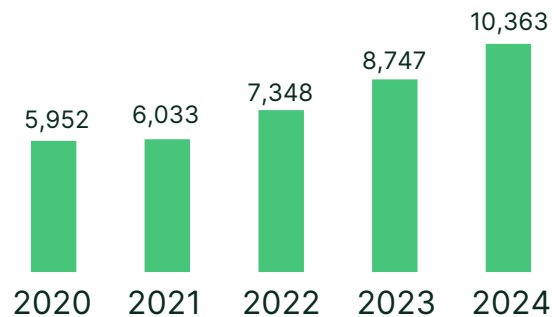
EBITDA (€k) &amp; EBITDA margin



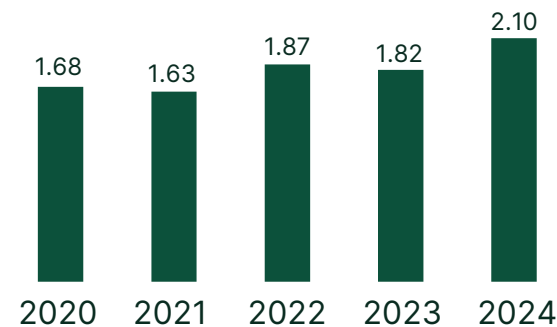
Profit before tax (€k) &amp; PBT margin



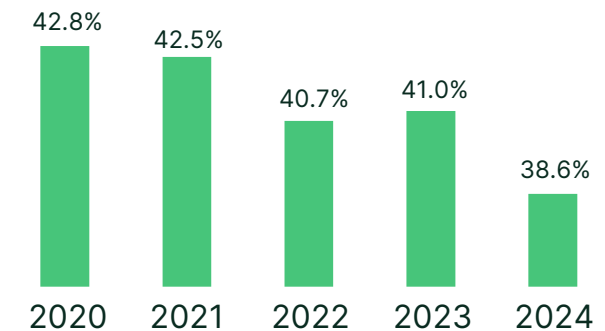
Net loan portfolio (€k)



Interest coverage ratio



Portfolio LTV



€k	Audited 2022	Audited 2023	Unaudited 2024
Interest revenue	1,130.7	1,415.5	1,879.0
Interest expense	(425.3)	(555.0)	(632.3)
Net interest revenue	705.4	860.5	1,246.7
Operating expense	(336.1)	(405.9)	(556.8)
Other operating income	24.7	54.9	203.5
Other operating expense	(20.8)	(62.2)	(198.5)
Profit before tax	373.3	447.4	694.9
Tax	(51.8)	(50.3)	(175.1)
Net Profit	321.5	397.2	519.8

- Interest revenue has grown by 32.7% from 2023 to 2024, while interest expense has increased by 12.3% in the same period, reflecting portfolio growth and a positive spread between portfolio yield and borrowing costs
- Profit before tax has grown by 55.3% from 2023 to 2024, and the Issuer has been profitable for the last 15 years.
- The profit before tax (PBT) margin was 37.0% in 2024, 6.0% higher than the 31.0% average over the last 10 years.

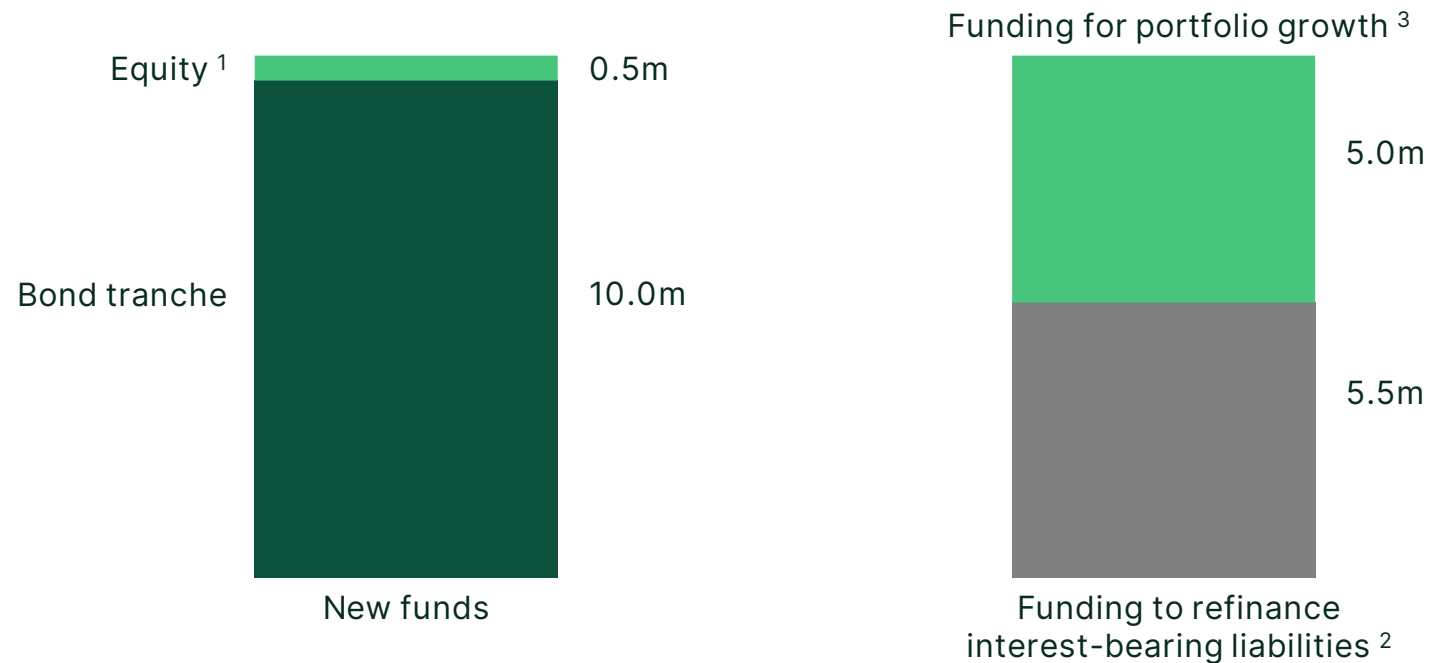


€k	Audited 2022	Audited 2023	Unaudited 2024
Assets			
Intangible assets	55.0	55.0	55.0
Property and equipment	1.3	6.6	3.9
Total non-current assets	56.3	61.6	58.9
Property for sale	383.0	390.3	263.3
Loans and receivables <sup>1</sup>	7,348.3	8,746.5	10,134.2
Other receivables	4.2	2.6	1.7
Cash and cash equivalents	34.9	30.4	146.3
Total current assets	7,770.4	9,169.8	10,545.5
<b>TOTAL ASSETS</b>	<b>7,826.7</b>	<b>9,231.4</b>	<b>10,604.5</b>
Shareholder's equity			
Share capital	500.8	500.8	500.8
Retained earnings	1,133.4	1,330.5	1,150.3
Total equity	1,634.2	1,831.4	1,651.2
Liabilities			
Loans and borrowings	6,145.6	7,364.6	8,850.6
Other liabilities	46.9	35.4	102.7
Total liabilities	6,192.5	7,400.0	8,953.3
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,826.7</b>	<b>9,231.4</b>	<b>10,604.5</b>

- The net portfolio has grown by 18.6% from 2023 to 2024, while the LTV ratio has decreased from 40.7% to 38.6% over the same period.
- FZ Capital has consistently met its debt obligations, building trust with existing debtholders and Signet Bank as the senior creditor.
- Loans and receivables account for 96.1% of FZ Capital's balance sheet, providing solid collateral coverage for the Notes investors.

<sup>1</sup> The actual figure for loans and receivables as at 31 December, 2024 differs from the balance sheet item due to a portfolio revaluation in line with IFRS 9 standards. A net portfolio value of EUR 10,363 thousand has been audited and confirmed by BDO. Starting in 2025, FZ Capital will publish a fully audited annual report prepared in accordance with IFRS standards.

Proceeds from Notes issue and additional equity investment by shareholders will be used to refinance existing interest-bearing liabilities and to support the Issuer's ongoing portfolio growth



<sup>1</sup> FZ Capital has increased its equity by €0.5m prior to the Notes issue.

<sup>2</sup> FZ Capital will retain a €1.0m credit line with Signet Bank to support operational needs.

<sup>3</sup> The funding will be used for profitable investments in the loan portfolio over the next 6 to 12 months.

# | Terms and conditions

## Bond terms

Issuer	FZ Capital SIA
Type of notes	Secured notes
Collateral	2nd ranking commercial pledge on assets of the Issuer
Issue size	Up to € 10,000,000
Program size	Up to € 30,000,000
Coupon rate	8%, paid monthly
Maturity	3 years, bullet
Call option	@101% after 1st year; @100% last 6 months before maturity
Put option	In case of Change of Control @101%
Nominal value	€ 1,000
Type of placement	Private placement with minimum subscription of € 100,000
Financial covenants	<ul style="list-style-type: none"> <li>Capitalization ratio<sup>1</sup> &gt;20%</li> <li>Portfolio coverage ratio<sup>2</sup> &gt; 1.2x</li> <li>Interest coverage ratio<sup>3</sup> &gt; 1.25x</li> </ul>
Use of proceeds	<ul style="list-style-type: none"> <li>Refinancing of existing loans</li> <li>Financing growth of loan portfolio</li> <li>General corporate purposes</li> </ul>
Arranger	Signet Bank AS
Collateral Agent	ZAB Eversheds Sutherland Bitāns SIA
Listing	Planned listing on Nasdaq First North within 18 months from the issue date

- Use of proceeds: To refinance the existing loans and to finance the company's growth, business expansion in line with the Issuer's strategy, and for other general corporate purposes

<sup>1</sup> Capitalization ratio = (Equity + Subordinated Debt) / Net Loan Portfolio

<sup>2</sup> Portfolio coverage ratio = (Net Loan Portfolio + Cash – unpaid principal amount of the credit line) / Secured notes

<sup>3</sup> Interest coverage ratio = EBITDA / Net Finance Charges

FZ Capital represents a secure investment opportunity, supported by a robust portfolio, long-standing track record, experienced team, and a reliable strategic investor.

1



#### Well structured portfolio

- 39% portfolio LTV
- 4% NPL ratio

2



#### Long history of profitable operations

- 20 years of operations
- 31% average PBT margin last 10 years

3



#### Experienced management team

- CEO 20 years in charge
- Head of credit 12 years at the company

4



#### Strong strategic investor

- Investments in some of the largest non-bank lenders in Europe

# Risk factors

In the next slide is a list of risk factors that are material for the assessment of the market risk associated with the Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Should one or more of the risks described below materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer and the Group. Moreover, if any of these risks materialize, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the investors could lose all or part of their investments.

Before deciding to purchase the Notes, potential investors should carefully review and consider the following risk factors, in addition to all other information presented in the terms, and consult with their own professional advisors, if necessary. Moreover, potential investors should bear in mind that several of the described risk factors can occur simultaneously and together with other circumstances could have a potentially stronger impact on the Issuer and the Group. This is not an exclusive list of risk factors, and additional risks, of which the Issuer is not presently aware, could also have a material adverse effect on the Issuer and the Group.

## Important note

The risks indicated in this section, if some or all of them materialize, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario.

This section may not feature all the potential risks, which may affect the Issuer.

# List of risk factors

## ❑ Risks related to the economic and regulatory environment

- Macroeconomic risk
- Global pandemic risk
- Geo-political risk
- Licensing and regulatory risk

## ❑ Risks related to the Issuer's business and industry

- Risks related to credit assessment
- Consumer and counterparty risk
- Risks related to deterioration in debt recovery
- Working capital risk
- Financial leverage risk
- Risks related to incurring additional indebtedness
- Liquidity risk
- Operational risk
- Privacy and data protection breach risk
- IT system and process risk
- Cybersecurity risk
- Funding risk
- Employee risk
- Operational management risk

- Competition risk
- Decreased demand risk
- Risk relating to industry trends
- E-commerce risk
- Risks relating to potential acquisitions
- New product risk
- Expansion risks
- AML/CFT and Sanctions breach risk
- Brand reputation risk
- Fraud risk
- Risks relating to third-party service dependency
- Litigation risk
- Risks relating to the potential decline in real estate collateral value
- Risks relating to retaining company premises
- Risks relating to changes in underwriting standards
- Interest rate spread risk

## ❑ Risks related to Notes

- Cashflow and debt servicing risk
- Notes repayment risk
- Foreign exchange risk
- Tax risk

- Early redemption risk
- Resolutions of Noteholders risk
- Subordination risk
- Price risk
- Liquidity risk
- Delisting risk
- Risk that some investors might have more preferential terms than others

## ❑ Risks related to Collaterals

- Risks associated with certain limitations relating to the validity and enforceability of the Collateral
- Risks associated with Parallel Debt
- Risks associated with the market value of the Collateral
- Risks associated with the Collateral Agent Agreement
- Risks associated with the limitations and procedures concerning enforcement of the Collateral
- Risks related to amendments to Applicable Laws
- Risks related to actions of the Collateral Agent
- Risks associated with the intercreditor agreements

# Thank you!

Contact us!

Kr.Barona iela 5-2, Rīga

+371 67224400

[info@fzcapital.lv](mailto:info@fzcapital.lv)