Consumer lending market review 6M 2025

SIGNET BANK

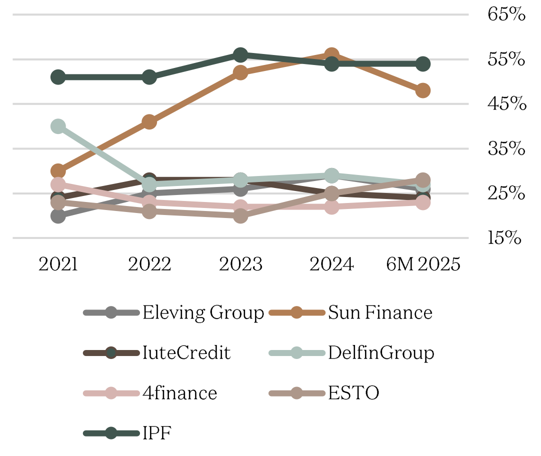
6M 2025 Consumer lending market review

Sector highlights

- Most companies' loan portfolios continued to expand on an annual basis, driven by organic growth, but at slower paces than in previous years. While headline growth rates remained positive, they have moderated y-o-y as firms continue to emphasize credit quality to navigate lingering macroeconomic uncertainties. However, this cautious approach has strengthened portfolio resilience, with companies prioritizing sustainable lending practices.
- Despite high interest rates persisting through much of 2024, the gradual decline in rates throughout 6M 2025 has alleviated some pressure on borrowing costs. Decreasing inflationary pressures have started to ease operational expenses and most companies successfully grew revenues at a faster rate than expenses, leading to improved cost-to-income (C/I) ratios.
- Following four consecutive ECB rate cuts—from 3.00% to 2.00% (depo rate) between January 30 and June 5, 2025—non-bank lenders moved quickly to capitalize on improved funding conditions. During the period, a significant amount of bond refinancings took place. Sun Finance redeemed EUR 50m in 11%, 3y bonds early in March 2025, while IPF redeemed EUR 67m of its EUR 341m, 11%, 5y Eurobond in April 2025.
- The largest bond issuances for the period were as follows: In March 2025, Eleving Group completed a public bond offering with a tap issue, raising EUR 40m for 13%, 5y bonds. In April 2025, Sun Finance issued EUR 50m, 10%, 3.5y bonds. Iute Group issued new EUR 140m, 12%, 4.5y bonds in June 2025 to refinance existing bonds and extend maturities.
- Bond yields have remained relatively steady q-o-q, though lower on y-o-y basis, reflecting several cuts of ECB rates throughout the year. Currently inflation rate is holding around ECB target level of 2%, thus the ECB is cautious to rate cuts in the near term. Overall, this signals stability in bond yield going further, but the upward pressure on yields could occur in case of downbeat macro conditions.

Selected companies

Capitalization ratio

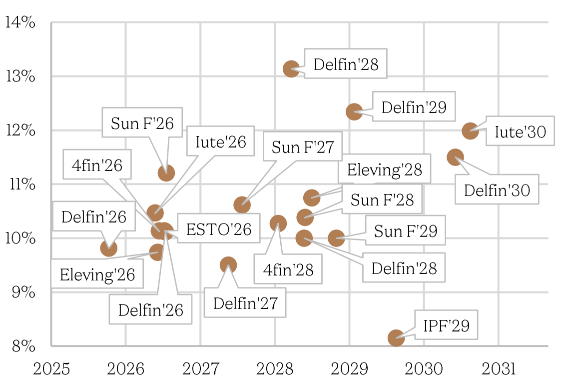


6M 2025 Financial highlights

EURm	Eleving Group	Sun Finance	Delfin Group	Iute Group	4finance	ESTO	IPF[1]
Revenue	117.5	142.2	37.0	59.5	273.6	16.7	347.8
EBITDA	51.3	54.4	11.8	24.2[2]	89.6[2]	8.4	93.9
Net profit	15.2	24.0	3.7	6.7	26.0	4.6	31.0
Net loan portfolio	375.3	171.2	129.0	318.3	1 394.4	80.2	937.8
Total equity	96.7	82.1	36.2	76.9	319.4	15.5	501.6

[1]GBPm
[2]Adjusted EBITDA

Yield to Maturity (YTM)



Important notice

This Review has been prepared by Signet Bank AS, which is supervised by the Financial and Capital Market Commission. The Review is generally marketing communication and does not represent investment research (pursuant to Art. 36 of Delegated Regulation (EU) 2017/565). The Review has been prepared for information purposes only and is not construed as a personal investment advice or recommendation. In this Review the Bank does not make an independent assessment of any financial instruments, nor does it make any predictions about the future value of financial instruments.
The marketing communication has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information derives from sources the Bank considers reliable and complete. However, all information and market data is not warranted as to completeness or accuracy and is subject to change without notice.
Since not all products or transactions are suitable or appropriate for all investors, you shall not enter into any transaction unless you have consulted your independent advisors. The Bank and its employees shall not be liable for any losses or damages which may result from or be in connection with reliance upon the information provided.
MIFID2 notice: Signet Bank AS believes this Review is considered to be a minor non-monetary benefit as the product is free to all investors who wish to receive it and is therefore not an inducement according to Ch. 7 in ESMA's "Question and Answers on MIFID II and MiFIR investor protection topics.
The information contained in the Review is current at the time of the publication of the Review and is subject to change. For more information please contact your Private Banker or contact us via info@signetbank.com.

6M 2025 Eleving Group

Eleving GROUP

Key parameters

Founded: 2012

Headquarters: Latvia

Net portfolio: EUR 375m

Bonds outstanding: EUR 234m

Auditor: BDO Audit (IFRS)

Rating: B from Fitch

Products: Car financing; Consumer loans

Key markets

- Latvia
- Kenya
- Georgia
- Lithuania
- Romania
- Uganda
- Moldova

Financial highlights

- Net loan portfolio reached EUR 375.3m, increasing 9% y-o-y, with consumer loans up 18% y-o-y, driven by strong performance in Romania, Latvia, Armenia, and Sub-Saharan Africa. Vehicle rent/lease portfolio contracted 5% y-o-y, negatively impacted by non-Eurozone currency loan revaluations. The Group is exposed to developing market currencies, many of which tend to follow USD movements. Reported loan portfolio (including currency revaluation) increased by 1.1% since the beginning of the year, while at constant currency rates the increase would amount to 5.5%.
- Net revenues came in at EUR 96.4m (+13% y-o-y), with interest expense up only 2% y-o-y despite a 14% increase in borrowings, as refinancing reduced Eleving's weighted average annual Mintos funding cost to 8.8% at end of Q1 2025 from 10.1% at end of 2024.
- Impairments surged 36% y-o-y to EUR 26.8m, materially outpacing portfolio growth. The increase reflects higher discount debt sales in Balkan states, thus the Group had to shift more focus to in-house recoveries, and temporary challenges in African markets, which management expects to at least partially normalize going forward.
- Impairment OpEx remained stable at EUR 44.4m, aided by a EUR 3m tax reversal in Romania. Excluding tax reversal, OpEx rose 7% y-o-y, reflecting solid cost control. The C/I ratio improved 2.3pp y-o-y to 36.3%.
- Bottom-line momentum was held back by FX losses, which surged to EUR 5.7m (+159% y-o-y) due to developing market currency depreciation, limiting EBITDA and profit from continuing operations to just +4% and +2% y-o-y, respectively. Profit before FX increased by 22% y-o-y.

Other developments

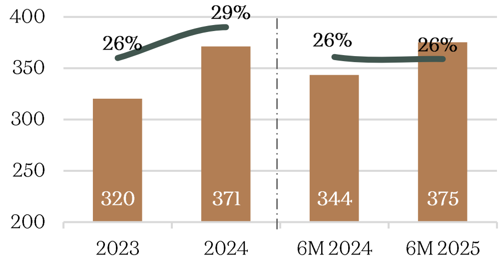
- Eleving distributed EUR 14.8m dividend from 2024 profits, or EUR 0.127 per share, translating to a 7.5% dividend yield at the IPO price of EUR 1.70. This represents a 50% payout ratio from consolidated profits. Semi annual dividend from first half profits will be proposed in September 2025.
- Eleving Group has finalized a bank syndicate for the potential EUR 150m, 9.5%, 5y Eurobond refinancing during the second half of this year. The preliminary discussions with institutional investors are also underway.
- Fitch Ratings improved Eleving Group's Long-Term Issuer Default Rating from "B" with a stable outlook to "B" with a positive outlook.
- The Group is in process to enter a new market this year with licensing already underway but details regarding the products and location are yet to come.

Financial highlights, EUR m

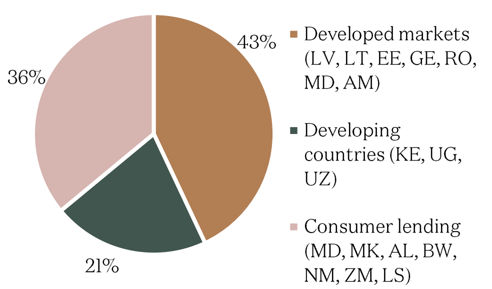
	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	106.0	117.5	+11%	189.3	216.6	+14%
EBITDA	47.0	51.3	+9%	77.5	89.8	+16%
EBITDA margin	44.3%	43.7%	-0.6pp	41%	41%	-
Net profit (cont. operations)	14.9	15.2	+2%	24.5	29.6	+21%
Net loan portfolio	343.5	375.3	+9%	320.3	371.2	+16%
Cash	34.5	25.8	-25%	27.5	34.5	+25%
Total equity[1]	87.7	96.7	+10%	81.9	108.1	+32%
Total borrowings	310.1	353.1	+14%	338.6	339.6	-
EBITDA / Interest expense (>1.25x)	2.4x	2.3x	-0.1x	2.3x	2.4x	+0.1x
Capitalization ratio (>15%)	26.1%	25.9%	-0.2pp	26%	29%	+3pp
Net Leverage (<6.0x)	3.3x	3.6x	+0.3x	3.7x	3.3x	-0.4x

[1]Including subordinated bonds

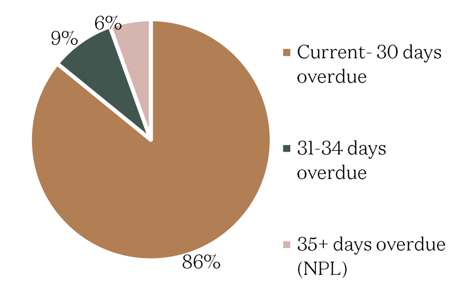
Net loan portfolio and Capitalization ratio, EUR m



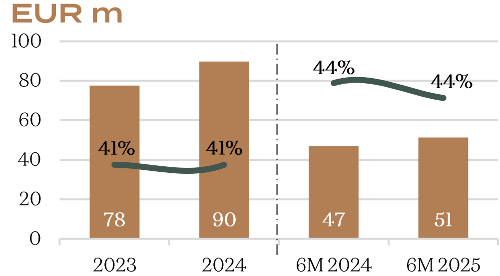
Net loan portfolio split by markets (30.06.2025)



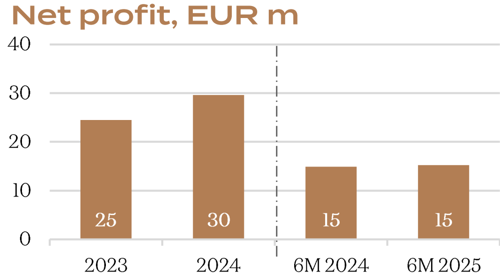
Net car loan portfolio by delay buckets (30.06.2025)



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



6M 2025 Sun Finance

Key parameters

Founded: 2017

Headquarters: Latvia

Net portfolio: EUR 171m

Bonds outstanding: EUR 103m

Auditor: BDO Audit (IFRS)

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

Key markets

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

Financial highlights

- The net portfolio stood at EUR 171.2m at the end of the period, reflecting an increase of 12% y-o-y, as the Group continues its strategic realignment of its geographic footprint from Central Asia. Only the Latin America market experienced notable net portfolio growth from of 45% from 12M 2024. The rest of the markets either remained stable or decreased slightly, with the European market net portfolio decreasing by 1.9% from 12M 2024. As a result of including the Scandinavian market in the Europe market, the share of the Europe market rose to 81.2% from 57.8% in 6M 2024.
- The Group's revenue grew for the period, increasing to EUR 142.2m in 6M 2025 (+6% y-o-y), mainly attributable to growth in loan issuance volumes.
- C/I ratio reached 28.0% for the period, decreasing by 1.6pp y-o-y, mainly driven by administrative cost reductions. The EBITDA/interest expense ratio improved from 5.9x in 6M 2024 to 6.4x in 6M 2025. The Group's EBITDA for 6M 2025 amounted to EUR 54.4m, a 12% y-o-y increase mainly attributable to revenue growth, decline in impairment expenses, and improved cost efficiency. Consequently, the EBITDA margin increased by 2pp y-o-y and reached 38%.
- The Group reported a net profit of EUR 24.0m for 6M 2025, down 10% y-o-y, primarily reflecting a continued decline in other operating income driven by the ongoing effects of strategic geographic realignment and FX losses for the period, which were at EUR -5.4m. Other operating income decreased from EUR 22.2m in 6M 2024 to EUR 12.6m in 6M 2025 (-43% y-o-y). The Group's capitalization ratio decreased from 61% in 6M 2024 to 48% in 6M 2025 (-12pp y-o-y). This decline is primarily attributable to dividend payments. It is worth noting, however, that these dividend payments are in line with those in previous periods.

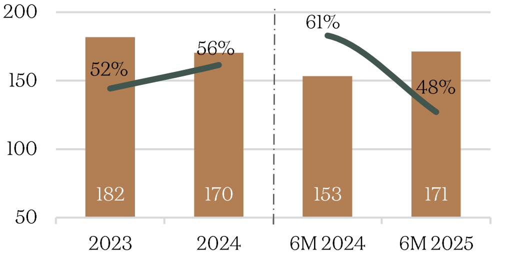
Other developments

- At the end of February 2025, the Group's EUR 26m, 11%, 3y bonds were admitted to trading on the Nasdaq First North market.
- In March 2025, Sun Finance announced the early redemption of its EUR 27m, 11%, 3.5y bonds due in September 2025.
- In March 2025, for the fifth consecutive year, Sun Finance was recognized by The Financial Times as one of the Fastest Growing European Companies.
- In April 2025, Sun Finance issued EUR 50m, 10%, 3.5y bonds to refinance the existing unsecured notes maturing in September 2025.
- In early May 2025, the Group marked another major milestone – EUR 4b in total loans issued worldwide since its inception.
- In The World's Top Fintech Companies 2025 list, compiled by Statista and CNBC, Sun Finance was named as one of the leading companies in the Alternative Financing category.

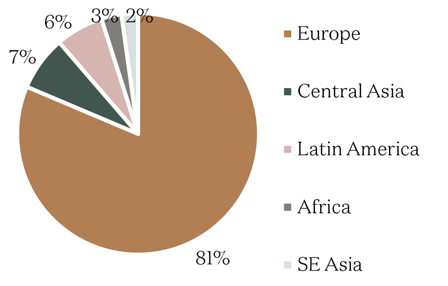
Financial highlights, EUR m

	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	133.6	142.2	+6%	278.7	271.3	-3%
EBITDA	48.4	54.4	+12%	119.6	116.6	-3%
EBITDA margin	36%	38%	+2pp	40%	43%	+3pp
Net profit	26.8	24.0	-10%	72.1	71.6	-1%
Net loan portfolio	153.2	171.2	+12%	181.7	170.3	-6%
Cash	34.8	26.4	-24%	22.6	34.8	+54%
Total equity	94.9	82.1	-13%	94.8	94.9	-
Total borrowings	107.3	153.7	+43%	126.7	131.3	+4%
EBITDA / Interest expense (>1.75x)	5.9x	6.4x	+0.5x	6.5x	6.3x	-0.2x
Capitalization ratio (>20%)	61%	48%	-13pp	52%	56%	+4pp
Unencumbered receivables ratio (>1.4x)	2.2x	2.0x	-0.2x	2.0x	2.2x	+0.2x

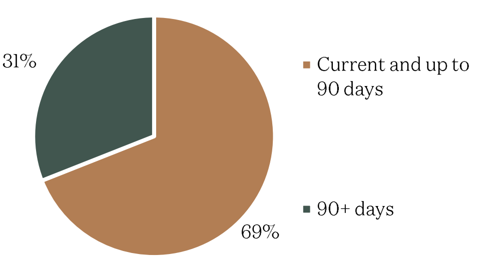
Net loan portfolio and Capitalization ratio, EUR m



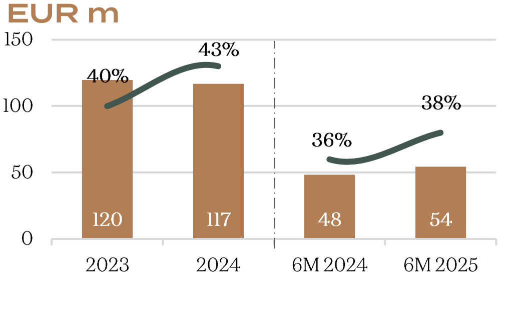
Net loan portfolio split by markets (30.06.2025)



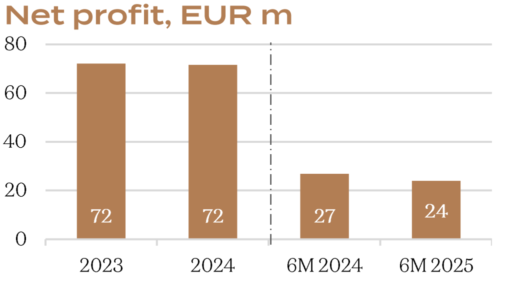
Gross portfolio by delay buckets (31.12.2024)



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



6M 2025 DelfinGroup

delfin group
financing and circular retail

Key parameters

Founded: 2009	**Products:** Pawn broking loans; Consumer loans; Sale of pre-owned goods
Headquarters: Latvia	**Key markets**
Net portfolio: EUR 129m	• Latvia
Bonds outstanding: EUR 54m	• Lithuania
Auditor: KPMG Baltics (IFRS)	

Financial highlights

- The Group disbursed EUR 63m in loans during 6M, representing a 23% y-o-y increase, while Q2 originations alone rose 27% y-o-y. Loan portfolio reached EUR 129m growing 27% y-o-y and 7% q-o-q. Lithuanian consumer loan portfolio in six months already reached EUR 3.4m, constituting nearly 3% of total loan portfolio. Interest income for the period reached EUR 30.3m, increasing by 22% y-o-y.
- Total sales of pre-owned goods (including pawn collateral sales) reached EUR 9.6m during 6M 2025, continuing a steady growth trend with a 2% increase q-o-q and a stronger 25% rise y-o-y.
- Credit loss expense reached EUR 10.0m in 6M 2025 (+43% y-o-y), increasing at a faster pace than the net loan portfolio. As per Group's indications this may be driven by larger discounts on bad debt sales, reflecting the Group's shift toward recovering a greater share of debts in-house. The overall trend in credit loss rate has remained negative for an extended period.
- In 6M 2025, DGR maintained solid control over operating costs. OpEx amounted to EUR 11.7m, up 18% y-o-y. Revenue growth continued to outpace cost growth, bringing the C/I ratio down by 1.2 pp q-o-q and 2.0 pp y-o-y to 44.9% at the end of Q2.
- EBITDA reached EUR 11.8m during 6M 2025 (+12% y-o-y), while net profit stood at EUR 3.7m (+8% y-o-y).

Other developments

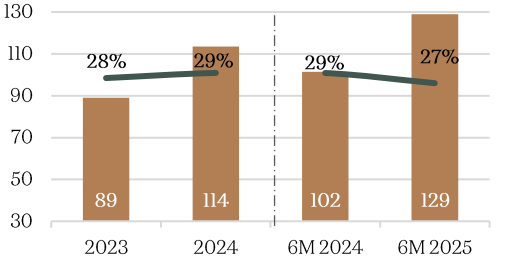
- New Supervisory Board of DelfinGroup was elected on 3 July 2025. From the previous composition Agris Evertovskis and Jānis Pizičs remain in the Supervisory Board. Mārtiņš Ozoliņš and Solvita Kurtiša joins the Supervisory Board.
- INDEXO IPAS, one of the leading pension fund managers and a recent entrant into the banking sector, has announced its intention to make an offer to DGR shareholders and fully integrate DGR into INDEXO group. If the offer takes place, DelfinGroup shareholders will have three options in place: 1) Exchange each DelfinGroup share for 0.136986 INDEXO shares; 2) Sell DelfinGroup shares at a price of EUR 1.30 per share (limited); 3) Not participate and keep DelfinGroup shares.

Financial highlights, EUR m

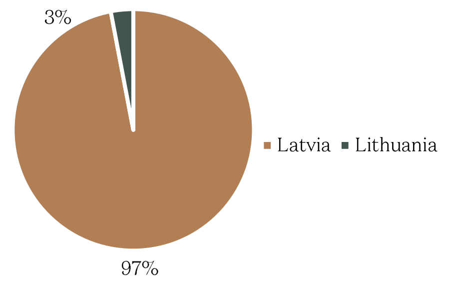
	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	29.1	37.0	+27%	50.4	63.0	+25%
EBITDA	10.5	11.8	+12%	18.2	21.9	+20%
EBITDA margin	36%	32%	-4pp	36%	35%	-1pp
Net profit	3.5	3.7	+8%	6.6	7.3	+11%
Net loan portfolio	101.5	129.0	+27%	89.0	113.5	+28%
Cash	4.4	3.4	-23%	5.5	1.6	-70%
Total equity[1]	33.0	36.2	+10%	26.1	33.9	+30%
Total borrowings	89.4	115.2	+29%	80.1	97.6	+22%
EBITDA / Interest expense (>1.5x)	2.0x	2.0x	-	2.1x	2.0x	-0.1x
Capitalization ratio (>20%)	29%	27%	-2pp	28%	29%	+1pp
Unencumbered receivables ratio (>1.2x)	1.5x	1.4x	-0.1x	1.5x	1.5x	-

[1]Including subordinated bonds

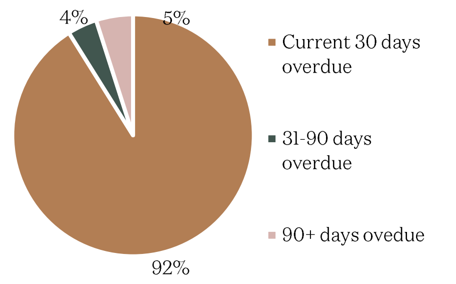
Net loan portfolio and Capitalization ratio, EUR m



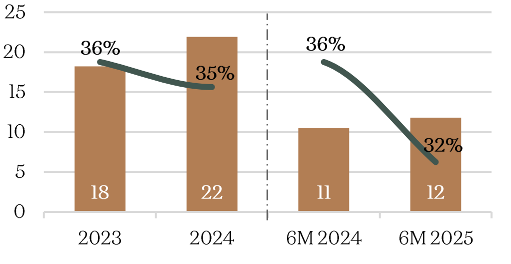
Net loan portfolio split by markets (30.06.2025)



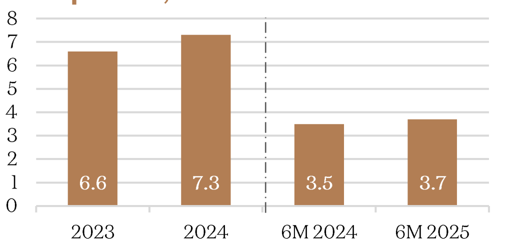
Gross consumer loan portfolio by delay buckets (30.06.2025)



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



6M 2025
IuteGroup

iute

Key parameters

Founded: 2008 **Headquarters:** Estonia **Net portfolio:** EUR 318m **Bonds outstanding:** EUR 187m **Auditor:** KPMG Baltics (IFRS) **Rating:** B- from Fitch	**Products:** Dealer loans; Cash loans; Car loans; Bank **Key markets** • Moldova • North Macedonia • Bulgaria • Albania • Bosnia and Herzegovina

Financial highlights

- During 6M 2025, Iute Group continued to grow its loan portfolio. The Group's net loan portfolio reached EUR 318.3m, representing a 20% increase y-o-y. Loan issuance increased to 184 thousand by the end of the half, up 10.1% y-o-y (6M 2024: 167 thousand). The Group's cost of risk, expressed as net impairment charges to average gross loan portfolio, decreased from 9.1% in 6M 2024, to 8.8% at the end of 6M 2025, underlying the Group's trajectory to improvement of customer quality.
- For the period, the Group' s interest income increased to EUR 49.3m, up 9.2% y-o-y. Net interest and commission fee income is up 5.0% for the period to EUR 32.9m, while the net interest margin (NIM) declined to 22.9% (-2.5pp y-o-y) as a result of decreasing APRs. The Group continues to emphasize enhancing loan portfolio quality by extending loan maturities and targeting more creditworthy customers. Cost of debt for the Group remains high and continues to increase, with the interest expense at EUR 16.5m, up 18.5% y-o-y.
- Adjusted cost-to-revenue ratio decreased to 37.7% (6M 2024: 43.8%), with increased costs offset by rising interest income. Although the APR trend remained downward, profitability is supported by productivity gains through digitalization.
- The Group reported net operating income of EUR 29.4m, up 7.7% y-o-y. Net profit during the period increased to EUR 6.7m, increasing by 64% y-o-y, This puts the Group firmly on track to reach its full-year net profit target of EUR 13m. The capitalization ratio during 6M 2025 decreased to 24.2% from 25.0% at the end of 6M 2024, but still exceeding Eurobond covenant of at least 15% with notable margin. The ICR has slightly improved over the year, standing at 1.6x at the end of 6M 2025.

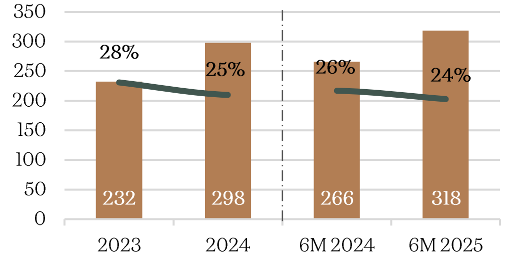
Other developments

- Wallet services and digital insurance brokerage continue to grow significantly faster than lending business – further acceleration is expected by the management.
- Energbank's digitalization turnaround in progress, with corresponding increase in revenue and improvement of OpEx-to-revenue ratio starting in 6M 2025.
- The Group expanded its insurance offering with the start of partnerships with Allianz and GrECoin Albania.
- In June 2025 Iute successfully issued new EUR 140m, 12%, 5y bonds. The partial refinancing of around EUR 78m of the EUR 125m, 11%, 5y bonds has thus been completed ahead of schedule.
- Fitch confirmed B- (Stable Outlook) Long-Term Issuer Default Rating (IDR) and B- Senior Secured Debt Ratings for Corporate Bonds 2021/2026 and 2025/2030 in July 2025.

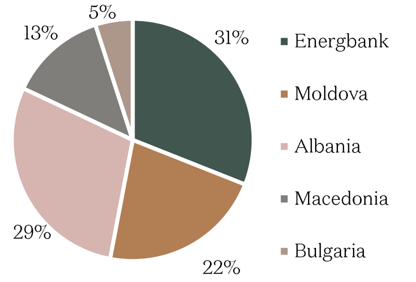
Financial highlights, EUR m

	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	53.6	59.5	*+11%*	105.7	113.1	*+7%*
Adjusted EBITDA	20.5	24.2	*+18%*	46.7	47.7	*+2%*
Adjusted EBITDA margin	38%	41%	*+3pp*	44%	42%	*-2pp*
Net profit	4.1	6.7	*+64%*	10.3	9.0	*-12%*
Net loan portfolio	265.7	318.3	*+20%*	232.2	297.6	*+28%*
Cash	66.2	76.7	*+16%*	71.7	53.7	*-25%*
Total equity	69.4	76.9	*+11%*	63.8	74.5	*+17%*
Total borrowings	314.3	371.8	*+18%*	293.0	327.9	*+12%*
EBITDA / Interest expense (>1.5x)	1.5x	1.6x	*+0.1x*	1.7x	1.7x	*+0.0x*
Capitalization ratio (>15%)	26%	24%	*-2pp*	28%	25%	*-3pp*

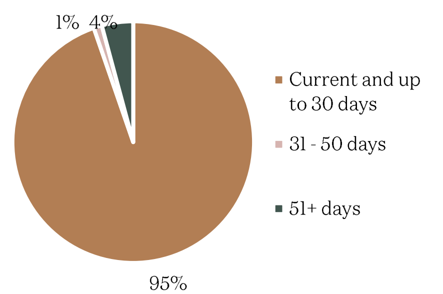
Net loan portfolio and Capitalization ratio, EUR m



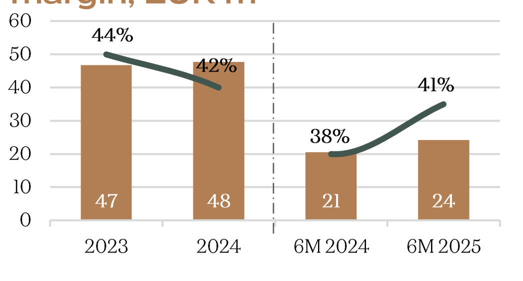
Net loan portfolio split by markets (30.06.2025)



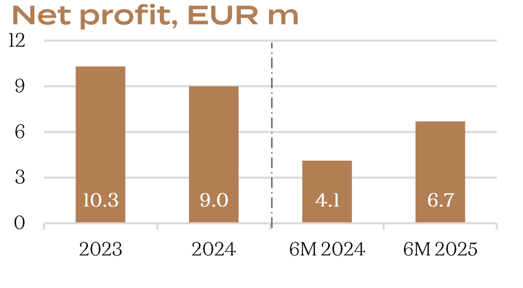
Net loan portfolio by delay buckets (30.06.2025)



Adj. EBITDA and Adj. EBITDA margin, EUR m



Net profit, EUR m



6M 2025
4finance

Key parameters

Founded: 2008

Headquarters: Latvia

Net portfolio: EUR 1 394m

Bonds outstanding: EUR 310m

Auditor: PKF Audit & Conseil (IFRS)

Rating: B2 Moody's, B Fitch

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

Key markets

- Spain
- Latvia
- Greece
- Philippines
- Romania
- Bulgaria
- Czech Republic

Financial highlights

- The Group's total loan issuance continued to grow during the period and reached EUR 909.9m (+12% y-o-y). However, online loans issued decreased by 8.0% y-o-y to EUR 256.7m, with the Group continuing to reflect a focus on efficiency and profitability rather than volume growth. TBI continued double-digit loan issuance growth of 23% y-o-y, amounting to EUR 653.2m. TBI Bank's loan book continued to grow rapidly, particularly in Romania, with an increase of 22% in average net receivables y-o-y.
- Loan portfolio increased to EUR 1 349.4m (+19% y-o-y), with TBI bank accounting for 90.2% of the portfolio. The overall cost of risk for the Group was at 11.9% for 6M 2025, an improvement from 13.0% in the prior year. The Group's NPL ratio continues to increase and is at 10.2% for 6M 2025, up 0.6pp y-o-y.
- Net interest income for 6M 2025 amounted to EUR 194.2m growing 11% y-o-y. The net fee and commission income, primarily generated by TBI Bank from insurance sales to its customers, was up 8% y-o-y. Revenue reached EUR 273.6m, increasing 10% y-o-y. Adjusted EBITDA for the period amounted to EUR 89.6m, up 19% y-o-y.
- Cost to income ratio for the period was 39.2%, an improvement from 42.4% in the prior year period. Cost discipline and operational efficiency remain a focus for the business. The achieved operational efficiency drove net profit to EUR 26.0m in 6M 2025, increasing 14% y-o-y.
- The Group's capitalization ratio was flat y-o-y. For the period, the ICR improved to 2.1x, complying with the bond covenant requirement of 2.0x.

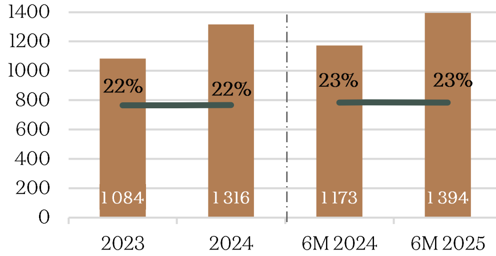
Other developments

- The Group offered EUR 135m, 11%, 12y bond investors a put option in February 2025 for up to EUR 15m at par, but no valid requests were received during the notice period.
- In April 2025, the Group's online loan issuance since inception surpassed the EUR 11b milestone.
- In April 2025, the Group announced the sale of TBI Bank, which is pending regulatory approvals and expected to close in Q4 2025. Although the exact purchase price has not been disclosed, TBI Bank's book value at the end of 2024 stood at EUR 281m.
- New markets progressed selectively: the UK JV shows positive economics and rising volumes, Georgia launched auto loans in Feb 2025, while Mexico remains challenging. The Group continues exploring other emerging markets.

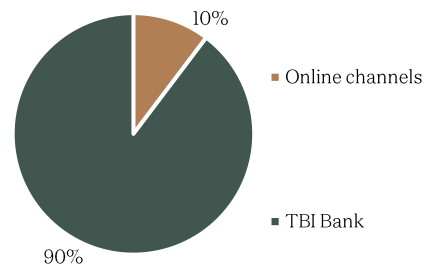
Financial highlights, EUR m

	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	249.7	273.6	*+10%*	449.4	528.1	*+18%*
Adjusted EBITDA	75.1	89.6	*+19%*	132.0	156.4	*+19%*
Adjusted EBITDA margin	30%	33%	*+3pp*	29%	30%	*+1pp*
Net profit	22.9	26.0	*+14%*	44.1	52.3	*+19%*
Net loan portfolio	1 173.4	1 394.4	*+19%*	1 084.4	1 315.9	*+21%*
Cash	258.0	366.0	*+42%*	261.6	294.7	*+13%*
Total equity	264.6	319.4	*+21%*	241.7	294.7	*+22%*
Total borrowings	329.4	370.0	*+12%*	301.6	332.1	*+10%*
EBITDA / Interest expense (>2.0x)	2.0x	2.1x	*+0.1x*	2.0x	2.0x	*+0.0x*
Capitalization ratio	23%	23%	*+0pp*	22%	22%	*+0pp*

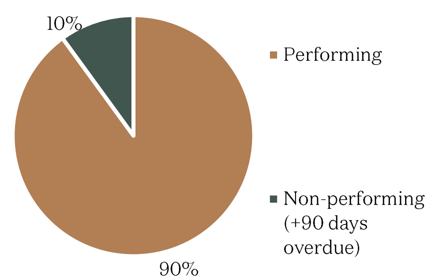
Net loan portfolio and Capitalization ratio, EUR m



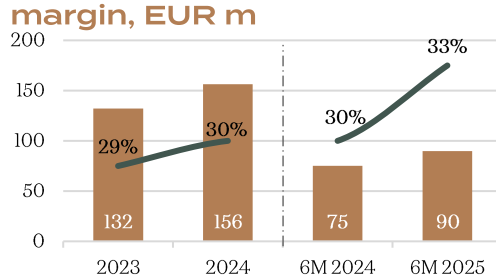
Net loan portfolio split by markets (30.06.2025)



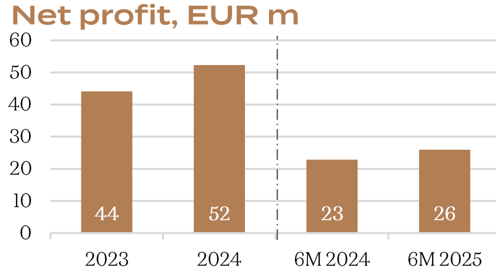
Gross loan portfolio by delay buckets (30.06.2025)



Adj. EBITDA and Adj. EBITDA margin, EUR m



Net profit, EUR m



6M 2025 ESTO Holdings

esto

Key parameters

Founded: 2017

Headquarters: Estonia

Net portfolio: EUR 80m

Bonds outstanding: EUR 20m

Auditor: KPMG Baltics (IFRS)

Products: Buy now pay later (BNPL)

Key markets

- Estonia
- Latvia
- Lithuania

Financial highlights

- During 6M 2025, ESTO's revenue reached EUR 16.7m, up 12% y-o-y, supported by record lending issuance, particularly in Latvia and Lithuania. The Group's net interest income rose 24% y-o-y to EUR 9.1m, while interest expense increased 10% to EUR 3.8m. In addition, net fee and commission income surged 166% y-o-y, reaching EUR 1.0m for the period.
- The Group's GMV (gross merchandise value) decreased to EUR 82.3m (-1% y-o-y). During the half, every month delivered record lending issuance. Volume of transactions stood at a record EUR 590.0m (+23% y-o-y) and the Group issued EUR 47.7m in loans (+15% y-o-y). Net loan portfolio increased to EUR 80.2m (+20% y-o-y). Cost-to-loan decreased to 4% (-1pp y-o-y).
- ESTO's main business categories recorded percentually double digit increases in both income and expenses. C/I ratio reached 25% (+2pp y-o-y), however the increase most likely reflects expansion-related costs in Latvia and Lithuania. Personnel expenses rose by 27% y-o-y, D&A by 16% y-o-y and other OpEx by 35% y-o-y.
- For the half, the Group achieved a record EBITDA of EUR 8.4m for the half, growing 37% y-o-y, and improved its EBITDA margin by 9pp y-o-y to 50%.
- The Group's net profit during 6M 2025 exhibited double-digit growth, reaching EUR 4.6m, with an increase of 72% y-o-y. The Group's capitalization ratio continued to increase, with it standing at 28% at the end of the period (+6pp y-o-y).

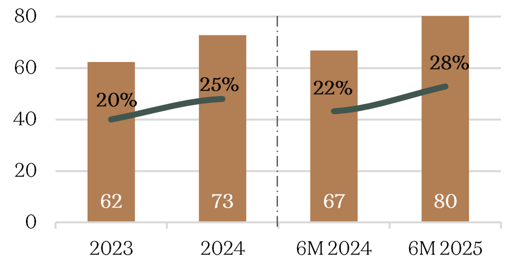
Other developments

- In February 2025, ESTO successfully secured a EUR 5m overdraft facility from Citadele, marking it to be ESTO's second active funding cooperation with a bank.
- The Group implemented advanced AI tools for fraud detection and collections, with improving payment metrics; stable provisioning supported earnings outperformance, reflecting proactive ECL adjustments and refined scoring models.
- Every month delivered record lending issuance during the period, Latvia and Lithuania were breakout markets, in some months pushing close to 50% growth and accounting for more than one third of Group issuance.
- During the period, the Group launched broker distribution in Latvia and Lithuania; onboarded ~650 new merchants, including key players like OnOff and Denim Dream and LPP brands.

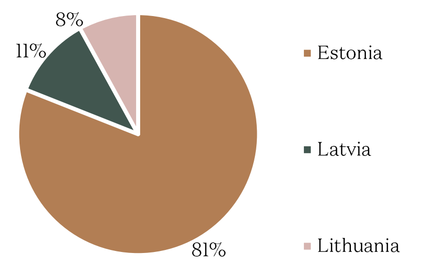
Financial highlights, EUR m

	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	14.9	16.7	*+12%*	24.1	31.1	*+29%*
EBITDA	6.2	8.4	*+37%*	8.7	14.2	*+63%*
EBITDA margin	41%	50%	*+9pp*	36%	46%	*+10pp*
Net profit	2.7	4.6	*+72%*	2.9	6.8	*+139%*
Net loan portfolio	66.8	80.2	*+20%*	62.3	72.8	*+17%*
Cash	1.9	1.2	*-36%*	2.4	2.5	*+6%*
Total equity	10.6	15.5	*+47%*	6.7	11.9	*+78%*
Total borrowings	62.9	68.9	*+10%*	59.9	66.3	*+11%*
EBITDA / Interest expense (>1.25x)	1.6x	2.2x	*+0.6x*	1.5x	2.0x	*+0.5x*
Capitalization ratio (>20%)	22%	28%	*+6pp*	20%	25%	*+5pp*

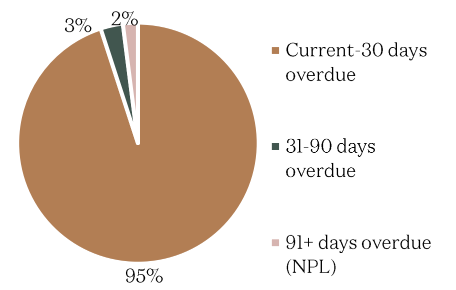
Net loan portfolio and Capitalization ratio, EUR m



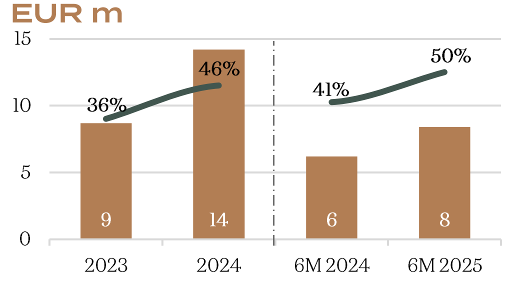
Net loan portfolio split by countries (30.06.2025)



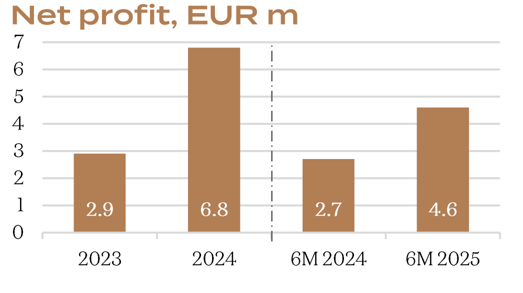
Net loan portfolio by delay buckets (30.06.2025)



EBITDA and EBITDA margin, EUR m



Net profit, EUR m



6M 2025 International Personal Finance

Key parameters

Founded: 1997

Headquarters: United Kingdom

Net portfolio: GBP 938m

Bonds outstanding: GBP 396m

Auditor: Deloitte (IFRS)

Rating: Ba3 Moody's, BB Fitch

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

Key markets

- Mexico
- Spain
- Australia
- Romania
- Baltics
- Poland
- Czech Republic
- Hungary

Financial highlights

- In 6M 2025 the Group's net loan portfolio decreased by 12% y-o-y to GBP 938m. All market portfolios were in the green zone with European home credit +12% y-o-y, Mexico home market credit 4% and IPF digital +16% y-o-y. Despite positive development of Group's loan portfolio, revenues declined by 5% y-o-y. The Group's annualised revenue yield decreased by 2.1ppts to 53.3% (6M 2024: 55.4%), driven mainly by the flow-through of lower rate caps in Poland and temporary changes in the lending mix in Mexico home credit. The Group expects the yield to recover in 2026 as credit card lending, which carries a higher yield than loans, increases in Poland.
- Group's annualised cost-income ratio had increased by 2.9pp to 61.9% (6M 2024: 59.0%), due wholly to reduced revenue in Poland following the contraction in the business over the last two years. Excluding Poland, the Group's annualised cost-income ratio was 56.1%, up from 55.2% at June 2024.
- Pre-exceptional EPS grew by 12.7% y-o-y to 14.2p per share (6M 2024: 12.6p), reflecting higher profit, a lower tax rate and a reduced number of shares in issue following successful completion of the GBP 15m share buyback programme in the H2 2024. Reported EPS of 14.2p per share (6M 2024: 8.8p) increased by 61.4% y-o-y. Group's interest coverage remains stable at 2.7x with capitalization ration slightly down by 2 pp to 54%, reflecting share buybacks and growth in receivables.

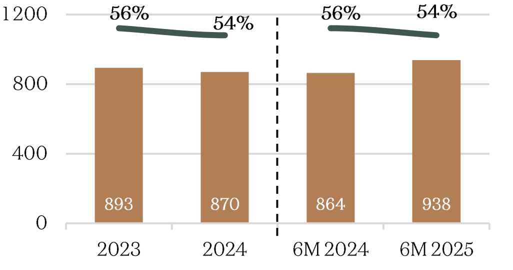
Other developments

- Fitch maintained its rating at BB with a Stable outlook, while Moody's confirmed its Ba3 rating, also with a Stable outlook.
- The board (IPF) has announced a potential takeover bid from US-based lender BasePoint Capital LLC (BasePoint). The offer will provide IPF shareholders with a cash consideration of GBP 2.20 per share and the right to receive a declared dividend of GBP 0.038. This brings the total offer value to GBP 2.238 per share – 54.3% higher than the six-month volume-weighted average price (as of 29 July) and 72% higher than the 2024 closing price (GBP 1.30). This translates to total acquisition value of GBP 489m with 2024 multiples at P/E 8.2x and P/B 1.0x.

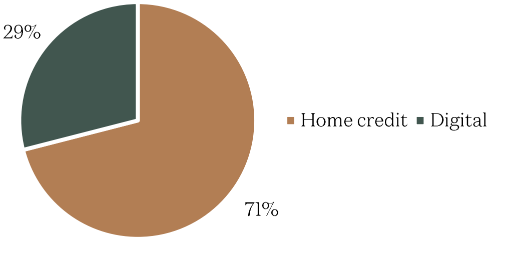
Financial highlights, GBP m

	6M 2024	6M 2025		FY 2023	FY 2024	
Revenue	371.7	347.8	-6%	767.8	726.3	-5%
EBITDA	80.4	93.9	+17%	180.4	162.9	-10%
EBITDA margin	22%	27%	+5pp	25%	22%	-3pp
Net profit	19.7	31.0	+57%	48.0	60.9	+27%
Net loan portfolio	864.4	937.8	+12%	892.9	870.0	-3%
Cash	86.5	38.0	-56%	42.5	27.6	-35%
Total Equity	480.4	501.6	+4%	501.9	466.3	-7%
Total borrowings	544.4	565.6	+4%	511.8	515.9	+1%
EBITDA / Interest expense (>2.0x)	2.7x	2.7x	+0.0x	2.5x	2.6x	+0.1x
Capitalization ratio	56%	54%	-2pp	56%	54%	-2pp

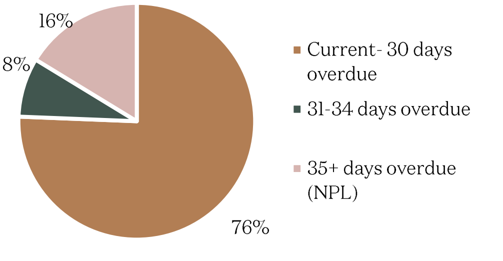
Net loan portfolio and Capitalization ratio, GBP m



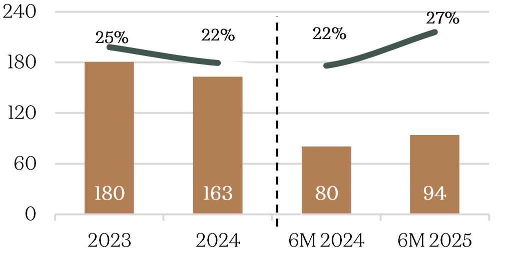
Net loan portfolio split by products (30.06.2025)



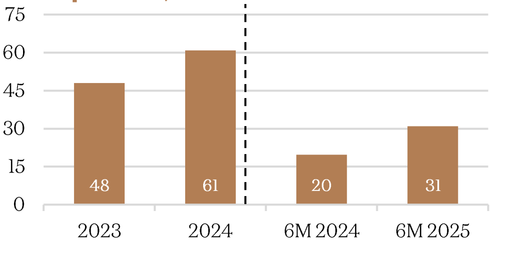
Home credit net loan portfolio quality (30.06.2025)



EBITDA and EBITDA margin, GBP m



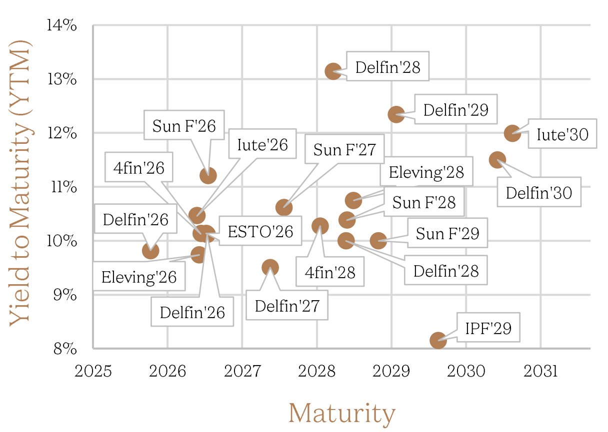
Net profit, GBP m

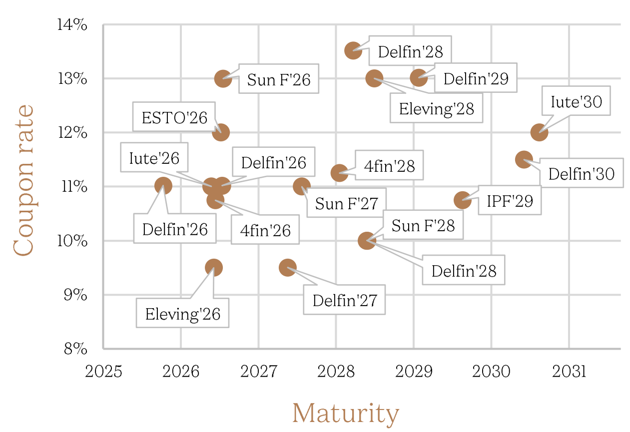


Current bond issues

Company	Issuer	ISIN	Maturity	Coupon	Issue size, EUR	YTM[1]	BID Price	Call option	Collateral	Listing
Eleving	Eleving Group S.A. (Luxembourg)	XS2393240887	18.10.2026	9.50%	150m	9.74%	99.75	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%	90m	10.74%	106.00	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)	LV0000802692	30.11.2026	11.00% + 3M EURIBOR	27m	10.62%	100.75	Call @102% (30.06.2024) @100.5% (31.08.2026)	Senior Unsecured	Nasdaq First North
		LV0000803187	30.11.2027	11.00%	26m	11.21%	102.00	Call @102% (31.05.2027) @100% (30.06.2027)	Senior Unsecured	Nasdaq First North
		LV0000103307	29.09.2028	10.00%	50m	10.38%	100.00	Call @102% (31.03.2027) @101% (31.03.2028) @100.5% (28.04.2028)	Senior Unsecured	Nasdaq First North
		LV0000106581	28.02.2029	10.00%	50m	10.00%	100.00	No Call (30.09.2026) Call @101% (30.09.2028) @100 after	Senior Unsecured	-
iute	IuteCredit Finance S.à r.l. (Luxembourg)	XS2378483494	06.10.2026	11.00%	125m	10.47%	100.50	Call @105.5% (06.10.2025); @102.75% after	Secured	Frankfurt Stock Exchange and Nasdaq Tallinn
		XS3047514446	06.12.2030	12.00%	140m	11.99%	100.00	Call @106% (06.06.2028); @103% (06.06.2029); @100 after	Secured	Frankfurt Stock Exchange and Nasdaq Tallinn
delfin group	AS DelfinGroup (Latvia)	LV0000803914	25.09.2028	10.00%	15m	10.00%	100.00	Call @102% (20.09.2025)	Senior Unsecured	Nasdaq Riga
		LV0000802718	25.02.2026	9.00% + 3M EURIBOR	15m	9.83%	100.50	Call @101% (25.02.2024)	Senior Unsecured	Nasdaq First North
		LV0000860146	25.11.2026	9.00% +3M EURIBOR	15m	10.12%	101.00	Call @101% (25.05.2024)	Senior Unsecured	Nasdaq First North
		LV0000106649	25.09.2027	9.50%	25m	9.50%	100.00	Call @101% (25.09.2026)	Senior Unsecured	-
		LV0000802700	25.07.2028	11.50% + 3M EURIBOR	5m	13.14%	100.90	Call @101% (on every coupon payment day)	Subordinated	Nasdaq First North
		LV0000870145	25.05.2029	11.00% +3M EURIBOR	5m	12.34%	102.00	Call @101% (on every coupon payment day)	Subordinated	-
		LV0000106631	25.09.2030	11.50%	5m	11.50%	100.00	Call @101% (on every coupon payment day)	Subordinated	-
4FINANCE	4finance S.A. (Luxembourg)	XS1417876163	23.05.2028	11.25%	135m	10.27%	102.25	Call @104% (23.12.2018); @103% (23.11.2024); @102% (23.05.2025); @100% (23.05.2026)	Senior Unsecured	Frankfurt Stock Exchange and Nasdaq First North
		NO0011128316	26.10.2026	10.75%	175m	10.14%	100.60	Call @105.375% (26.04.2025); @102.688% (26.10.2025); @101.344% (26.04.2026); @100% after	Senior Unsecured	Euronext Oslo and Frankfurt Stock Exchange
	International Personal Finance plc (United Kingdom)	XS2835773255	14.12.2029	10.75%	341m	8.11%	109.27	Call @104.68% (14.06.2026); @102.1805% (14.06.2027); @100% after	Senior Unsecured	London Stock Exchange and Frankfurt Stock Exchange
esto	ESTO Holdings OÜ (Estonia)	EE3300005065	20.11.2026	12.00%	15m	10.14%	102.00	Call @102% (20.11.2024); @101% (20.11.2025);@100% (20.08.2026)	Secured	-

[1]Source: Bloomberg, Signet Bank, Nasdaq Riga. Data as of 23 September 2025





Signet Bank AS

Antonijas street 3
Riga, LV 1010, Latvia

Phone: +371 67080 000
Email: info@signetbank.com

www.signetbank.com