

# Sun Finance bond issue

Opportunity to invest in Sun Finance bonds with a fixed coupon rate of 10%



## About Sun Finance

- Sun Finance is one of the fastest-growing online consumer lending companies in Europe.
- Operates in 9 markets across 4 continents – Latvia, Sweden, Spain, Poland, Kazakhstan, Sri Lanka, Philippines, Mexico and Kenya structured in regional HUBs for more effective management and performance analysis.
- The Group provides its services mostly online and through selected offline channels, having recorded EUR 4.1bn+ in issued loans as of the end of June 2025.
- The Group's core products are microloans with duration up to 30 days, open-ended line of credit and instalment loans with term up to 120 months.
- In March 2025, Sun Finance Group has been recognized by the Financial Times as one of the 1,000 fastest-growing fintech companies in Europe for the fifth consecutive year.
- The Group is led by a highly experienced management team who has been with Sun Finance since its inception.
- The Group's shareholders are AS ALPPES Capital 35% (Aigars Kesenfelds as ultimate beneficial owner), other investors holding 38% and founders / management - 27%.

## Loan portfolio

- A well diversified loan portfolio, with presence in nine markets across four continents. At the end of June 2025, the net loan portfolio reached EUR 171.2m (+12% Y/Y), following the Group's strategic realignment of its geographic footprint.
- During the first 6 months of 2025, the Group retained Europe as its main geographical market (81% of net portfolio), while increasing exposure to Latin America, whose share increased by 2 percentage points to 6%.
- Efficient debt management process, with focus on regular debt sales (and forward flow deals) ensure regular and predictable cash flows and a lean portfolio.

## Financial highlights

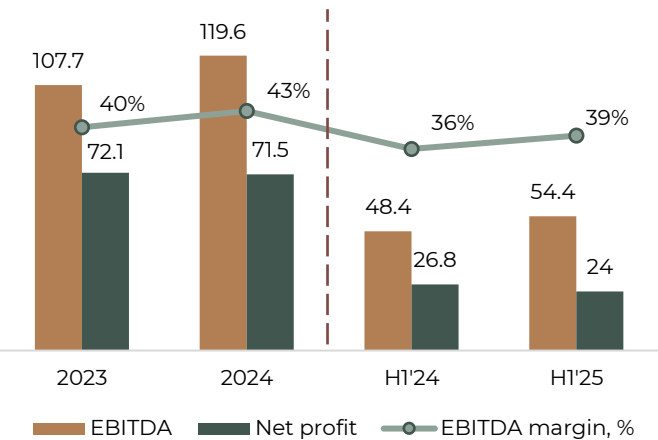
- The Group generated revenue of EUR 142.2m in H1'25, representing a 6.4% increase compared to H1'24, mainly attributable to growth in loan issuance volumes.
- EBITDA for the period reached EUR 54.4m, representing a margin of 38.3% and 12.3% increase vs H1'24, supported by revenue growth, decline in impairment expenses, and improved cost efficiency.
- Despite the increase in operating profitability, net profit saw a 10% decrease from H1'24, amounting to EUR 24.0m. However, this drop is primarily driven by the depreciation of operating currencies of the Group and the subsequent recognition of FX losses in the income statement.
- The Group's financial position remained robust in H1'25, with the capitalization ratio recorded at 48% as of June 2025 - well above the covenant threshold of 20%.
- To reduce financing costs, in April this year the Group carried out a new bond issue of EUR 50 million with a rate of 10% and maturity of 3.5 years (LV0000103307), which was used to redeem early the bond issue of the same size and a coupon rate of 11% + 3M EURIBOR (LV0000860112).
- As of the end of June 2025, Sun Finance meets all financial covenants under its bond terms with a comfortable reserve.

## Financial highlights

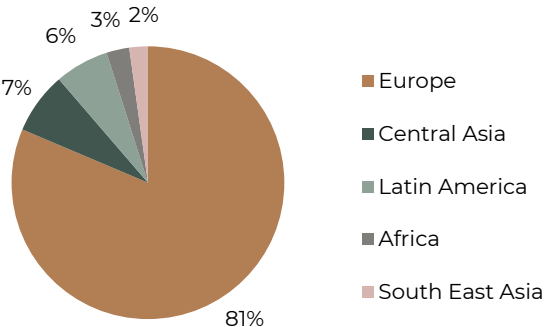
| EUR million                    | FY 2023<br>(audited) | FY 2024<br>(audited) | H1'24<br>(unaudited) | H1'25<br>(unaudited) |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Interest income                | 278.7 <sup>1</sup>   | 271.3                | 133.6                | 142.2                |
| EBITDA                         | 119.6                | 116.6                | 48.4                 | 54.4                 |
| EBITDA margin                  | 40.1%                | 43.0%                | 36.2%                | 38.3%                |
| Net profit                     | 72.1                 | 71.5                 | 26.8                 | 24                   |
| Net loan portfolio             | 181.7                | 170.3                | 153.2                | 171.2                |
| Cash                           | 22.6                 | 34.8                 | 31.9                 | 26.4                 |
| Total Equity                   | 94.8                 | 94.9                 | 92.7                 | 82.1                 |
| Total borrowings               | 126.7                | 131.3                | 107.3                | 153.7                |
| Capitalization ratio           | 52.2%                | 55.7%                | 60.5%                | 47.9%                |
| Interest Coverage Ratio        | 6.5x                 | 6.3x                 | 5.9x                 | 6.4x                 |
| Unencumbered Receivables ratio | 2.0x                 | 2.2x                 | 2.2x                 | 2.0x                 |

<sup>1</sup> In 2023, the Group reclassified interest income from discontinued operations as other operating income, thus, reducing previously reported interest income from EUR 298.3m to EUR 278.7m

## Profitability breakdown, EUR m



## Net portfolio breakdown (Jun 2025)



Indicative Term Sheet

|                               |   |
|-------------------------------|---|
| Issuer                        | Sun Finance Treasury Ltd (Malta)  |
| Security type                 | Senior Unsecured  |
| Offer type                    | Private placement   |
| Guarantee                     | Holding company and all material Group subsidiaries   |
| Issue size                    | EUR 50,000,000  |
| Coupon rate                   | 10%   |
| Coupon frequency              | Monthly   |
| Term / Maturity               | 28 February 2029  |
| Principal repayment           | Maturity date, bullet   |
| Offer to existing bondholders | <ul style="list-style-type: none"><li>1.5% roll-over premium for existing bondholders (ISIN LV0000802692; maturity 30.11.2026)</li><li>1:1 exchange ratio</li></ul>   |
| Call Option                   | Year 1 - no call<br>Starting from year 2 - @101%<br>6 months before maturity - @100%  |
| Put Option                    | Change of Control - @101%   |
| Nominal value                 | EUR 1,000   |
| Minimum subscription          | EUR 100,000   |
| Listing                       | Listing on Nasdaq Riga First North within 12 months after the Issue Date  |
| Use of proceeds               | Refinancing of existing bonds and financing further geographic and product line expansion   |
| Covenants <sup>1</sup>        | <ul style="list-style-type: none"><li>Capitalization Ratio<sup>2</sup> of at least 20%</li><li>Interest Coverage Ratio<sup>3</sup> at least 1.75x</li><li>Unencumbered receivables<sup>4</sup> ratio of at least 1.4x</li></ul> |
| Arranger                      | Signet Bank AS  |

1 Full list of covenants and terms can be found in the Terms of the Issue  
2 Capitalization ratio = Total shareholder's equity / Net loan portfolio  
3 Interest Coverage Ratio = TTM EBITDA / TTM Net financial charges  
4 Unencumbered receivables = Net unencumbered loan portfolio / Total unsecured financial indebtedness

Sun Finance bond issues

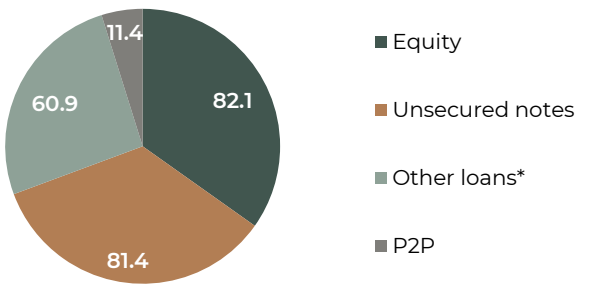
| ISIN         | Issue size | Maturity date | Coupon           | Security type    | Status |
|--------------|------------|---------------|------------------|------------------|--------|
| LV0000103307 | EUR 50m    | 29.09.2028    | 10%              | Senior Unsecured | -      |
| LV0000803187 | EUR 25.6m  | 30.11.2027    | 11%              | Senior Unsecured | -      |
| LV0000802692 | EUR 27m    | 30.11.2026    | 11% + 3M EURIBOR | Senior Unsecured | -      |
| LV0000860112 | EUR 50m    | 30.09.2025    | 11% + 3M EURIBOR | Senior Unsecured | Repaid |
| LV0000802494 | EUR 20m    | 30.06.2024    | 11%              | Senior Unsecured | Repaid |
| LV0000802445 | EUR 15m    | 30.09.2022    | 11%              | Senior Unsecured | Repaid |
| LV0000802395 | EUR 10m    | 20.08.2021    | 11%              | Senior Unsecured | Repaid |

Source: Financial reports and information provided by the management

Key investment highlights

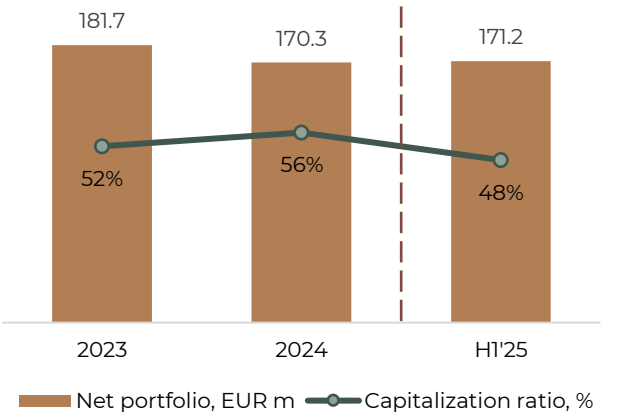
- 1. **Highly profitable and stable financial performance coupled with strong equity base**, with capitalization ratio historically around 50%
- 2. **Notable player in online consumer lending industry**. Broad geographical diversification reduces single market risk
- 3. **Technological edge** with a scalable, efficient and lean platform and unique, proprietary and proven risk tools
- 4. **Extensive capital market experience** with 3 bonds listed on First North and 4 successful redemptions

Funding profile (EUR m, Jun 2025)



\* Include loans from shareholders, management and other investors and lease liabilities

Net portfolio and Capitalization ratio



Net portfolio, EUR m Capitalization ratio, %

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