

FZ Capital bond issue

Opportunity to invest in secured bonds of one of Latvia's most seasoned real estate-secured lenders

FZ CAPITAL

SIGNET BANK

About FZ Capital

- Established in 2005, FZ Capital is a licensed non-bank lender specializing in real estate-secured financial solutions.
- The Company offers business loans, consumer loans and lines of credit in Latvia as its main products.
- FZ Capital has an experienced management team with a strong commitment to the Company's development – Marks Peisahovičs (Founder and CEO) and Maksims Melņikovs (Head of Credit), who are equipped with extensive experience in both the real estate market and credit management.
- The Company's shareholders are SIA Next Mile Group (85%) (UBO: Aigars Kesenfelds, owner of some of the largest non-bank lenders in Europe) and Marks Peisahovičs (15%), who has founded and successfully led the Company for 20 years.
- The presence of an experienced strategic investor within the industry showcases the support for further growth of the business.

Loan portfolio and collateral

- FZ Capital has built a secure, diversified and high-quality loan portfolio. More than 77% of the total number of loans are below EUR 20 thousand, which limits exposure to any single debtor.
- FZ Capital maintains a conservative portfolio loan-to-value (LTV) ratio of around 40% and the collateral is well-diversified, including different types of properties from various regions in Latvia.
- The quality of the loan portfolio remains strong, with a non-performing loan ratio (loans more than 90 days past due) of 2.7% at the end of FY 2025. Over 20 years of operations, FZ Capital has had less than 1% of issued loans written off.
- Historically, client acquisition has been driven by credit broker partnerships, referrals, and recurring customers. In 2025, FZ Capital launched mycredit.lv, adding a direct online channel for lead generation alongside the existing broker-led strategy.
- Active communication with clients is at the core of the debt collection process, ensuring resolution of missed payments early.

Financial highlights

- Since the bond issuance in May 2025, the Company has efficiently deployed the raised capital, as shown by growth in net loan portfolio, reaching EUR 14.9m (+47.4% vs 2024) while keeping the portfolio LTV at a conservative level of 42.1% as of 31 December 2025.
- The Company has grown its revenue considerably in the past 3 years, recording top-line growth of 24% in 2025, 33% in 2024 and 25% in 2023. EBITDA has more than doubled in the last 3 years, reaching EUR 1.9m in 2025 (+45.7% vs 2024).
- Interest expenses have grown at a significantly lower rate in the last 3 years, resulting in a substantial increase in profitability, reflected by a profit (PBT) margin 38.7% (+2.0 pp vs 2024) in 2025. Notably, the Company has been achieving consistent profitability for the past 15 years.
- The loan portfolio accounted for 96.6% of the Company's balance sheet as of 31 December 2025 and has a significant real estate collateral buffer, providing solid collateral coverage for the Notes investors.
- Following the change of shareholders in 2025, which marked the beginning of a more accelerated loan portfolio growth phase and a shift in funding structure from subordinated loans to bond financing, the Company's Capitalisation ratio declined to 21.4% - in line with industry practices and above the 20% covenant threshold.
- The Company has consistently met its debt obligations, building trust with existing bondholders and Signet Bank as the senior creditor.
- By continuing the secured bond issue, FZ Capital aims to scale its lending operations while maintaining strong risk management practices. Growth will be driven by increasing market penetration in Latvia and exploring opportunities in other Baltic markets.

Financial highlights

EUR, thousands	FY 2022 (audited)	FY 2023 (audited)	FY 2024 (audited)	FY 2025 (unaudit.)
Revenue	1 131	1 416	1 879	2 338
EBITDA	795	1 012	1 324	1 929
Profit before tax	373	447	689	904
Profit margin ¹	33.0%	31.6%	36.7%	38.7%
Net loan portfolio	7 348	8 747	10 134	14 937
Cash	35	30	146	255
Equity	1 634	1 831	1 645	3 038
Subordinated debt	5 146	5 365	5 851	155 ²
Total borrowings	6 146	7 365	8 851	12 382
Equity / Net loan portfolio	22.2%	20.9%	16.2%	20.3%
Capitalization ratio ³	92.3%	82.3%	74.0%	21.4%
Interest coverage ratio ⁴	1.87	1.81	2.09	2.31
Portfolio LTV ⁵	40.7%	41.0%	38.6%	42.1%

¹ Profit before tax / Revenue

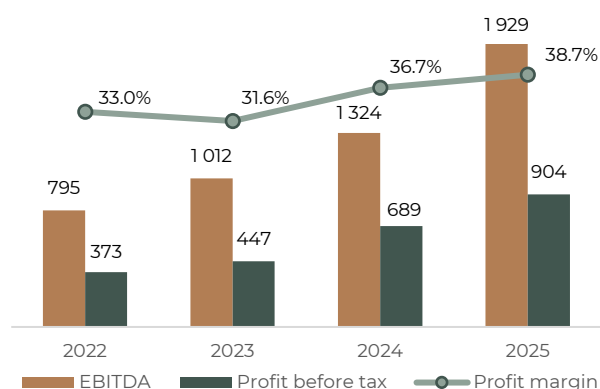
² Bond proceeds were used to refinance existing subordinated debt as part of the M&A transaction structure

³ (Equity + Subordinated debt) / Net loan portfolio

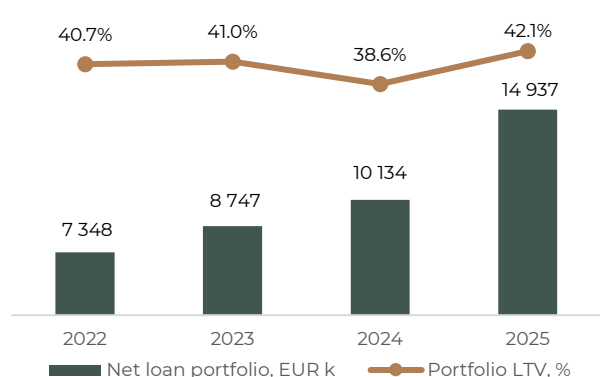
⁴ EBITDA / Net Finance Charges

⁵ LTV ratio of all loans within the Net Loan Portfolio, weighted by the outstanding principal balance of each loan

Profitability breakdown, EUR k



Net portfolio development



Term Sheet

Issuer	SIA FZ CAPITAL
Security type	Secured bonds
Offer type	Private placement
Collateral	2 nd ranking commercial pledge on assets of the Company
Tranche Issue size	EUR 5 000 000
Bond program	Up to EUR 30 000 000
Coupon rate	8%
Coupon frequency	Monthly
Maturity	16.04.2029 (3 years)
Principal repayment	Maturity date, bullet
Call Option	Year 1 - no call Year 2 - @101% 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 18 months after the Issue Date
Use of proceeds	<ul style="list-style-type: none"> Financing growth of loan portfolio General corporate purposes
Covenants ¹	<ul style="list-style-type: none"> Capitalization Ratio² > 20% Portfolio Coverage Ratio³ > 1.20x Interest Coverage Ratio⁴ > 1.25x
Arranger	Signet Bank AS
Collateral Agent	ZAB Eversheds Sutherland Bitāns SIA

1 Full list of covenants and terms can be found in the Terms of the Issue
 2 Capitalization ratio = (Total shareholder's equity + Subordinated Debt) / Net loan portfolio
 3 Portfolio Coverage Ratio = (Net Loan Portfolio + Cash – unpaid principal amount of the credit line) / Secured bonds
 4 Interest Coverage Ratio = EBITDA / Net Finance Charges

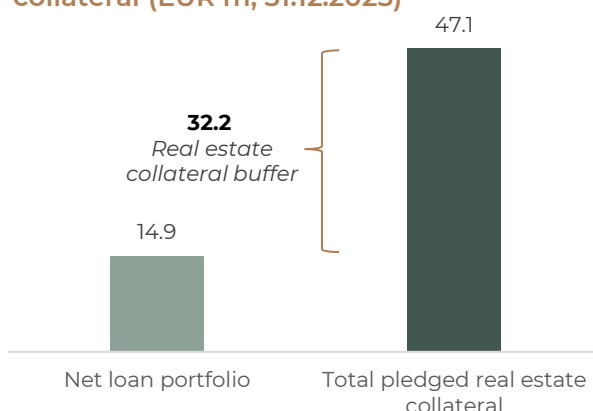
Key investment highlights

- Well diversified high-quality portfolio** with a conservative LTV ratio of 42% and a 3% NPL ratio in 2025
- Long track record** of 20 years with profitable operations, averaging a 31% PBT margin during the last 10 years
- Experienced management team** with the CEO in charge since inception and the head of credit for 12 years
- Presence of a strong strategic investor** brings conviction and guidance in executing the Company's growth strategy, given the investor's experience in building some of the largest non-bank lenders in Europe

New bond issue and funding profile

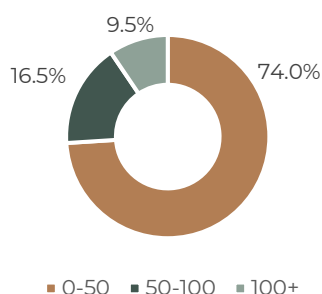
- The Company is launching the third tranche of up to EUR 5.0 million under its EUR 30.0 million secured bond programme, following the successful placement and deployment of EUR 13.7 million across two prior tranches.
- Proceeds from the bond issue will be used to finance the Company's growth & business expansion in line with the Company's strategy, and for other general corporate purposes.
- Since the launch of its bond programme in May 2025, FZ Capital has primarily funded its lending operations through bond issuances and its credit facility with Signet Bank, supplementing the Company's initial shareholder equity base. Signet Bank acts as senior lender, with a current credit line of EUR 1 million.

Loan Portfolio and pledged real estate collateral (EUR m, 31.12.2025)

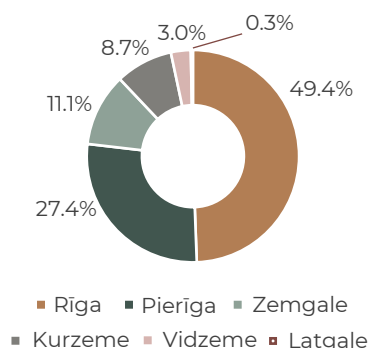


Portfolio collateral breakdown (31.12.2025)

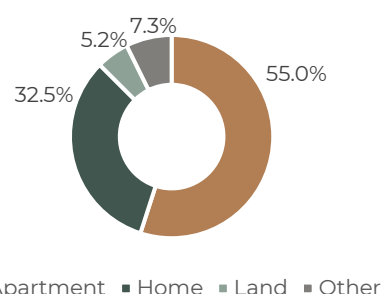
By property values, EUR k



By property regions



By property types



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Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence SIA FZ Capital are macroeconomic risk, the global pandemic risk, geopolitical risk, licensing and regulatory risk, 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 products 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.

When investing funds in bonds, investors undertake the following risks related to debt securities: Cashflow and debt servicing risk, Notes repayment risk, subordination risk, delisting risk, liquidity risk, price risk, foreign exchange risk, early redemption risk, tax risk, resolutions of Noteholders risk, risk that some Investors might have more preferential terms than others.

Risks related to the 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 action of the Collateral Agent, risks associated with the intercreditor agreements.

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