AS Hipocredit public bond offering

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

hipocredit

SIGNET BANK

About Hipocredit

- Established in 2014, AS Hipocredit (Company) is a licensed non-bank lender specializing in real estate-secured financial solutions.
- The Company offers mortage-backed business loans, consumer loans and lines of credit as its main products to both private individuals and legal entities.
- Experienced management committed to the Company's growth, led by CEO Pēteris Burbergs, with 10+ years in non-bank lending focused on real estate-backed and mortgage lending, and deep expertise in credit underwriting, risk assessment and product development.
- The Company is 100% owned by SIA Hipocredit Group (Group), which acquired AS Hipocredit from its previous shareholders in July 2026. The Group is ultimately owned by Aigars Kesenfelds, whose extensive experience in financial services and successful track record in developing non-bank lending businesses provides strong strategic backing.

Loan portfolio and collateral

- Hipocredit has built a secure, diversified and high-quality loan portfolio (EUR 15.9 million as of June 2026). More than 68% of the Company's total number of loans are below EUR 20 thousand, which limits exposure to any single debtor.
- Hipocredit maintains a conservative portfolio loan-to-value (LTV) ratio of around 50% 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 6.2% as of June 2026. Over 12 years of operations, Hipocredit has had less than 1% of issued loans written off.
- Applications are sourced through 3 channels: directly online via hipocredit.lv (a brand name matching customer search intent), in person at the Company's branch office, and through cooperating credit intermediaries, giving the Company a diversified, multi-channel origination base.
- Debt collection is managed in-house through a structured 4-step process: active communication (SMS, email, phone calls) to resolve missed payments early, followed by late fees and renegotiation, termination and legal recovery, and, where required, property sale by auction via a sworn bailiff.

Financial highlights

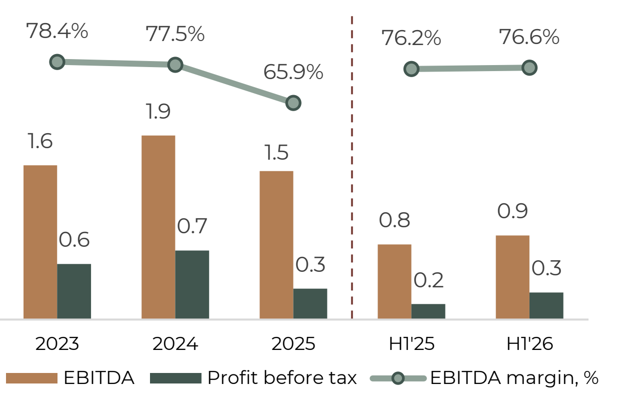
- Hipocredit has achieved profitable growth since inception, while preserving operational efficiency and a solid collateral base, growing its revenue at a CAGR of 12.3% since 2021.
- In H1 2026, the Company grew its revenue by 11.3% y/y, reaching EUR 1.1 million, while EBITDA grew by 11.9% in the same period to reach EUR 0.9 million (76.6% margin).
- The Company has been operating with an EBITDA margin of 65%+ since 2021. The decrease in profitability in 2025 is due to a one-off provision of EUR 0.3 million, of which the Company expects to recover the majority in 2026.
- 2025 was a transition year ahead of the Company's sale, during which the loan portfolio contracted from EUR 17.2 million to EUR 15.8 million as management underwent multiple changes and the one-off provision weighed on the portfolio. With the M&A transaction now complete, the Issuer expects renewed growth in both portfolio and profitability under its new ownership.
- The loan portfolio accounts for 95.4% of the Company's balance sheet and has a significant real estate collateral buffer, providing solid collateral coverage for the bonds investors.
- The secured bond issue supports both refinancing of existing liabilities and continued growth, scaling lending operations in Latvia while maintaining strong risk management practices.

Financial highlights

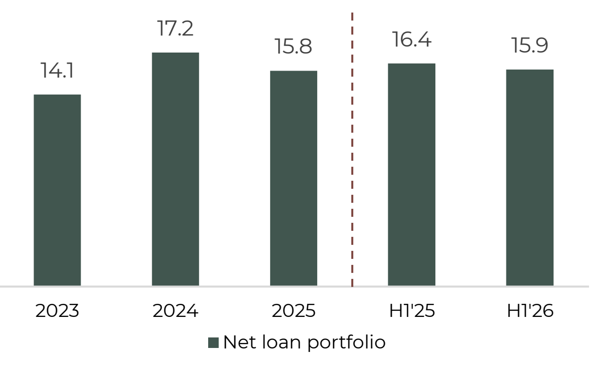
EUR millions	FY 2023 (audited)	FY 2024 (audited)	FY 2025 (audited)	H1'25 (unaudit.)	H1'26 (unaudit.)
Revenue	2.0	2.4	2.3	1.0	1.1
EBITDA	1.6	1.9	1.5	0.8	0.9
EBITDA margin	78.4%	77.5%	65.9%	76.2%	76.6%
Profit before tax	0.6	0.7	0.3	0.2	0.3
Net loan portfolio	14.1	17.2	15.8	16.4	15.9
Cash	0.1	0.6	0.6	0.2	0.2
Total assets	14.2	17.8	17.2	16.8	16.7
Equity	2.2	2.3	2.5	2.5	2.8
Previous owner's loans	2.4	3.7	3.7	3.5	3.9
Loans and borrowings[1]	9.5	11.3	10.9	10.6	9.9
Capitalization Ratio[2]	32.4%	34.9%	39.2%	36.4%	41.8%
Interest Coverage Ratio[3]	1.6x	1.6x	1.3x	1.4x	1.4x

[1]Does not include previous owner's loans
[2] (Equity + Subordinated debt) / Net loan portfolio
[3] EBITDA / Net Finance Charges

Profitability breakdown, EUR millions



Net portfolio development, EUR millions



Source: Financial reports and information provided by the management

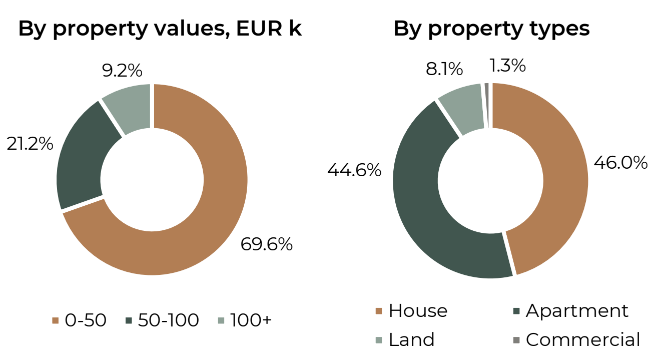
AS Hipocredit public bond offering

Term Sheet

Issuer	AS Hipocredit
Security type	**Senior Secured bonds**
Collateral[1]	1st ranking commercial pledge over the Company's loan portfolio and assets
Offer type	Public offer in Latvia, Estonia and Lithuania
Issue size[2]	**Up to EUR 8 000 000**
Coupon rate	8% p.a.
Yield to maturity[3]	**9% p.a.**
Issue price[3]	97.38% (EUR 973.80 per 1 bond)
Nominal value / min. investment	EUR 1 000 / 1 bond (EUR 973.80)
Coupon frequency	Monthly
Maturity	20.08.2029 (3 years)
Principal repayment	Maturity date, bullet
Call Option	Year 1 - no call Year 2 - @101% 6 months before maturity - @100%
Put Option	In case of Change of Control, Listing Failure or De-listing @101%
Listing	Listing on Nasdaq Riga First North within 6 months after the Issue Date
Use of proceeds	▪ Partially refinancing Existing Loans ▪ General corporate purposes
Covenants[4]	▪ Capitalization Ratio[5] > 20% ▪ Portfolio Coverage Ratio[6] > 1.20x ▪ Interest Coverage Ratio[7] > 1.25x
Arranger	Signet Bank AS
Legal Advisor	Sorainen ZAB SIA
Collateral Agent	ZAB Eversheds Sutherland Bitāns SIA

1 *Excluding loans pledged under the Bank's and Mintos collaterals*
2 *Can be increased to EUR 12 million if applicable regulatory threshold is lifted*
3 *YTM of 9% is offered exclusively during the initial subscription period, after which the bonds will be sold at face value corresponding to YTM of 8%*
4 *Full list of covenants and terms can be found in the Information Document*
5 *Capitalization ratio = (Equity + Subordinated Debt) / Net Loan Portfolio*
6 *Portfolio Coverage Ratio = (Net Loan Portfolio + Cash – unpaid principal amount of all Secured Borrowings) / Secured bonds*
7 *Interest Coverage Ratio = EBITDA / Net Finance Charges*

Portfolio collateral breakdown (30.06.2026)



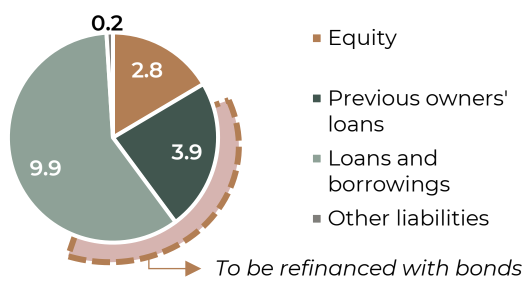
Key investment highlights

1. **Well-structured portfolio** with a conservative 50% LTV, a 15% average yield, and strong diversification across region, property type and size
2. **Long track record** of 8 consecutive years of profitable operations (65%+ EBITDA margin since 2021)
3. **Secured bonds** backed by a first-ranking commercial pledge over the Issuer's loan portfolio and assets
4. **Presence of a strong strategic investor** brings conviction and guidance in executing the Company's growth strategy

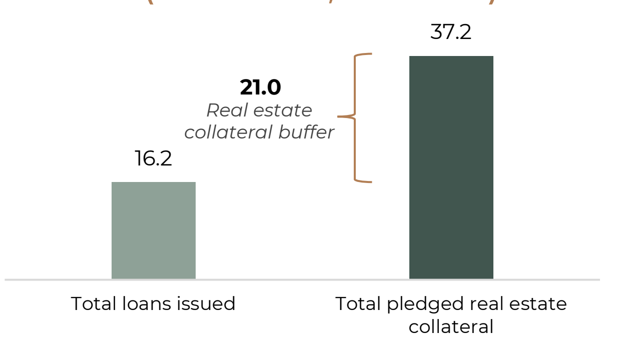
Bond issue and funding profile

- The Company is launching a public secured bond issue of up to EUR 8 million to partially refinance existing loans (EUR 5.9 million) and to fund the Company's growth (EUR 2.1 million).
- The bonds will carry a 9% yield during the initial subscription period (2 weeks from 04.08), after which they will be offered at face value, yielding 8%.
- The Company has historically funded its operations through the Mintos P2P lending platform, shareholder loans and the bank facility, and plans to add secured bonds to the financing structure, establishing a well-diversified capital structure.
- Following the bond issue, funding will comprise the secured bonds, the remaining bank facility, Mintos funding, equity and subordinated debt from the new shareholders
- To support the Company's capital structure, the new shareholders will invest EUR 0.4 million of equity and raise subordinated bonds in the amount necessary to maintain a healthy Capitalization Ratio in line with industry standards.

Funding profile (EUR millions, 30.06.2026)



Loan Portfolio and pledged real estate collateral (EUR millions, 30.06.2026)



Source: Financial reports and information provided by the management

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Risk factors

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence AS Hipocredit are macroeconomic risk, the global pandemic risk, geopolitical risk, licensing and regulatory risk, credit risk, risks related to deterioration in debt recovery, funding, liquidity and leverage risk, operational risk, IT, cybersecurity and data protection risk, employee risk, operational management risk, competition risk, decreased demand risk, risk relating to industry trends, new product risk, growth risk, AML/CFT and Sanctions breach risk, brand reputation risk, fraud risk, risks relating to third-party service dependency, litigation risk, risks relating to the real estate collateral, risks relating to retaining company premises, risks relating to changes in underwriting standards, interest rate spread risk, risks relating to implementation of the Issuer's Acquisition before Competition Council clearance and risks relating to the potential Competition Council decision on the Issuer's Acquisition.

When investing funds in bonds, investors undertake the following risks related to debt securities: Cancellation of the Offering, Cashflow and debt servicing risk, Notes repayment risk, delisting risk, secondary market liquidity risk, price risk, foreign exchange risk, early redemption risk, tax risk, resolutions of Noteholders risk, risk that Investors may not receive proportional allocation of the Bonds.

Risks related to the collaterals: Risks associated with certain limitations relating to the validity and enforceability of the Collaterals, risks associated with Parallel Debt, Risks associated with the market value of the Collaterals, risks associated with the Collateral Agent Agreement, Risks associated with the limitations and procedures concerning enforcement of the Collaterals, Risks related to amendments to Applicable laws, risks related to action of the Collateral Agent.

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