Hipocredit

Bond investor presentation

August 2026

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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.

Agenda

Hipocredit at a glance

One of Latvia's largest **non-bank mortgage lenders**, with a balanced and diversified portfolio, is issuing **secured bonds** to support further growth

Business description

- **Operating since 2014**, Hipocredit is a **profitable licensed non-bank lender** that provides **real estate-secured** financing with a **15% average portfolio yield** in the last 3 years

Products

- Business Loans
- Consumer Loans
- Lines of credit

Strong portfolio management

- Hipocredit keeps a **conservative portfolio loan-to-value (LTV) ratio of 50%**
- This buffer allows **full recovery** of principal and accrued interest, even in default scenarios

Secured funding structure

- Bonds backed by a **first-ranking commercial pledge** over the loan portfolio and assets

Strong strategic investor

- Owners of some of the **largest online and offline non-bank lenders in Europe** supporting the growth of the business

Key financials

€k	2023	2024	2025	H1 2025	H1 2026
Revenue	**1,994**	**2,407**	**2,281**	**1,000**	**1,114**
EBITDA	1,563	1,865	1,504	762	853
Profit before tax[1]	**563**	**661**	**312**	**156**	**273**
Net loan portfolio	**14,067**	**17,152**	**15,837**	**16,364**	**15,912**
Equity	2,199	2,295	2,498	2,452	2,751
Interest bearing liabilities	11,904	14,979	14,585	14,052	13,770
Interest coverage ratio	1.60	1.57	1.26	1.35	1.37
Profit margin[2]	**28.2%**	**27.4%**	**13.7%**	**15.6%**	**24.5%**
Portfolio LTV[3]	**51.4%**	**51.0%**	**48.2%**	**46.8%**	**50.1%**

[1] 2025 EBITDA and profit before tax include a one-off provision of €290 thousand, of which the Issuer expects to recover the majority in 2026
[2] Profit margin = Profit before tax / Revenue
[3] Portfolio LTV = Weighted average of individual LTV ratios, weighted by outstanding loan amounts

12 years
of operations

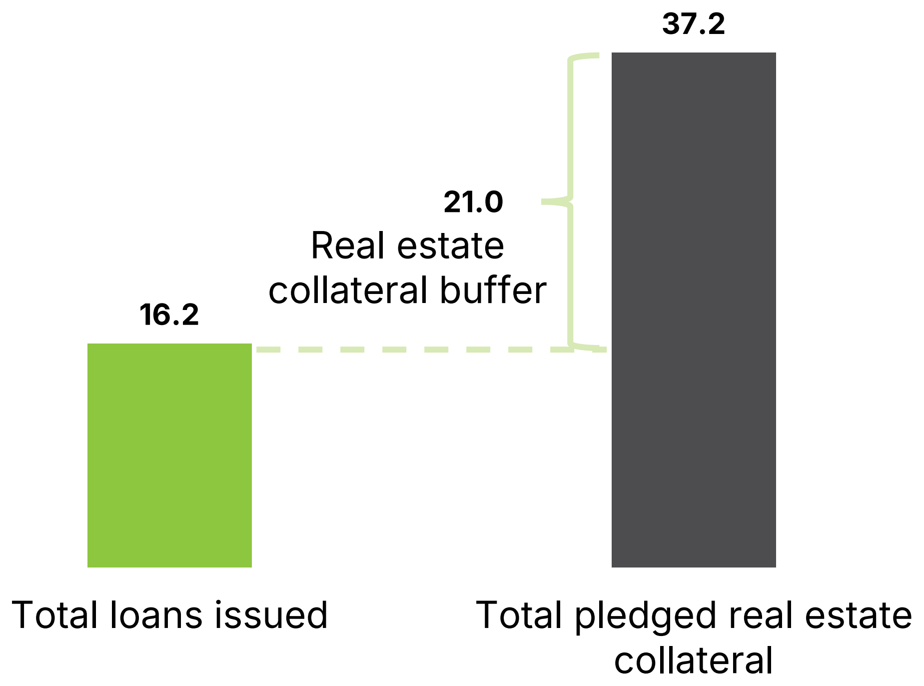
50%
portfolio LTV

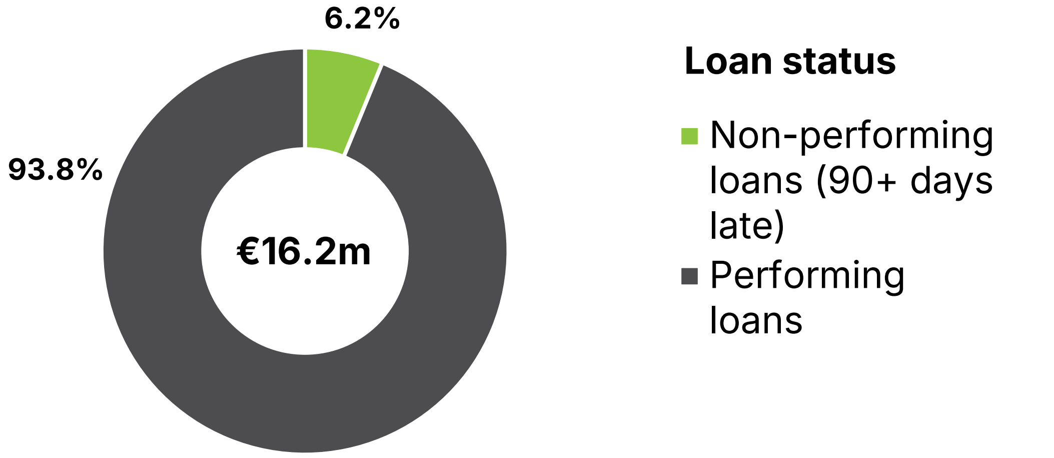
77%
EBITDA margin

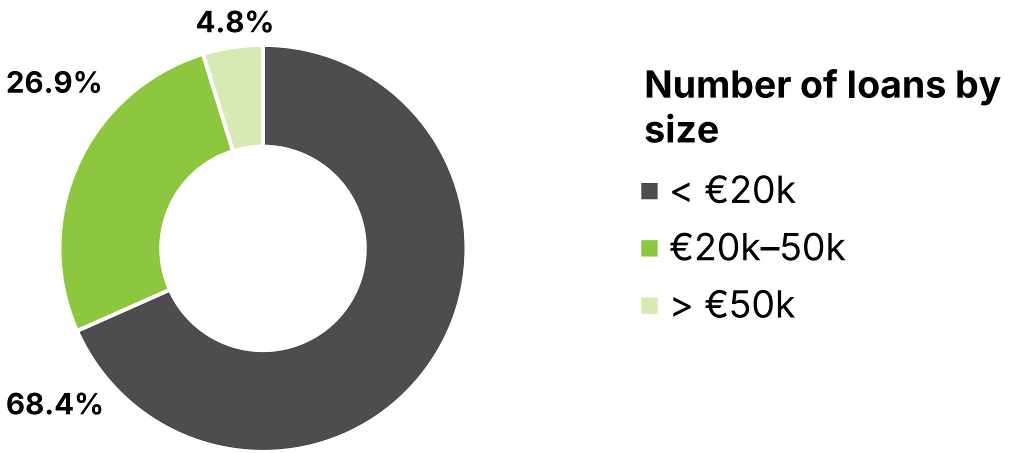
15M+
net portfolio size

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

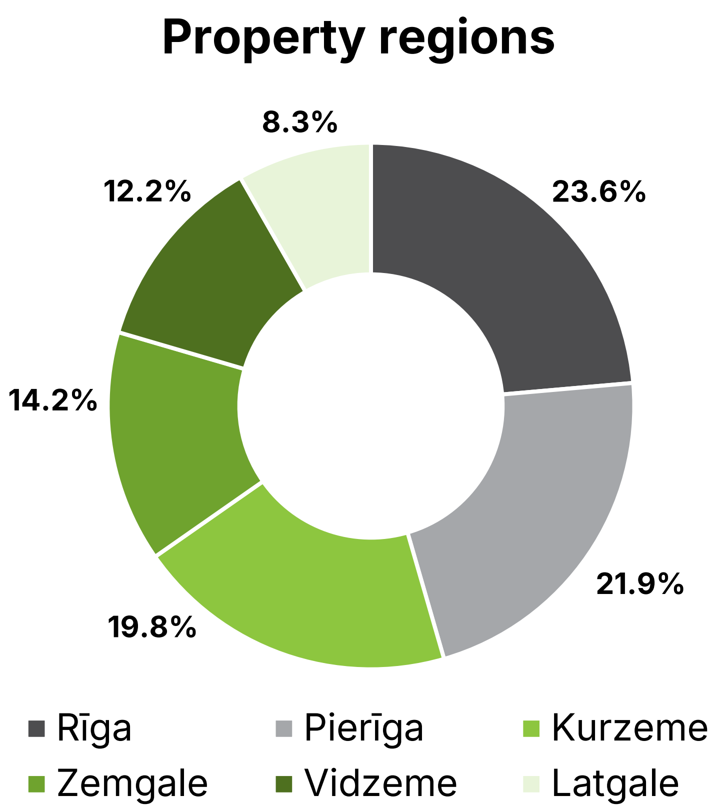
Portfolio vs pledged real estate collateral, €m

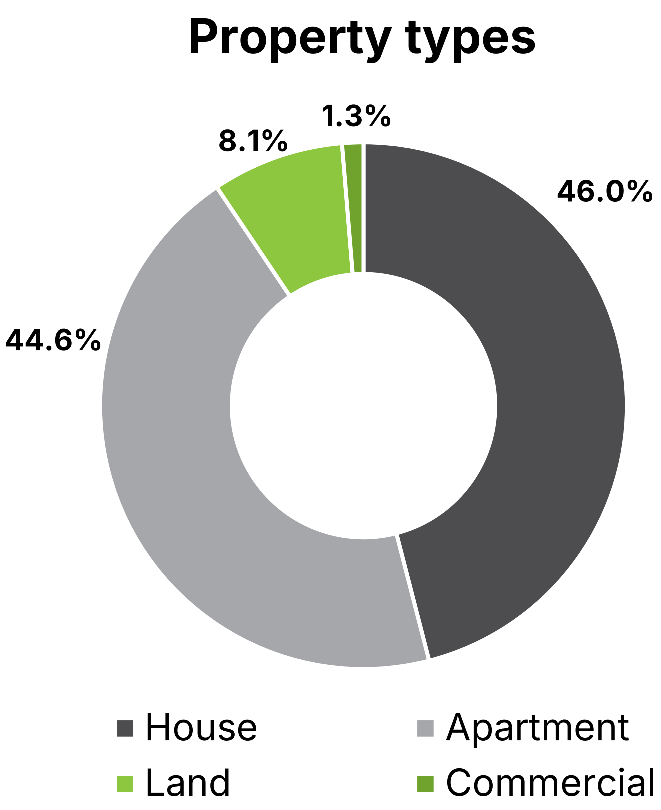


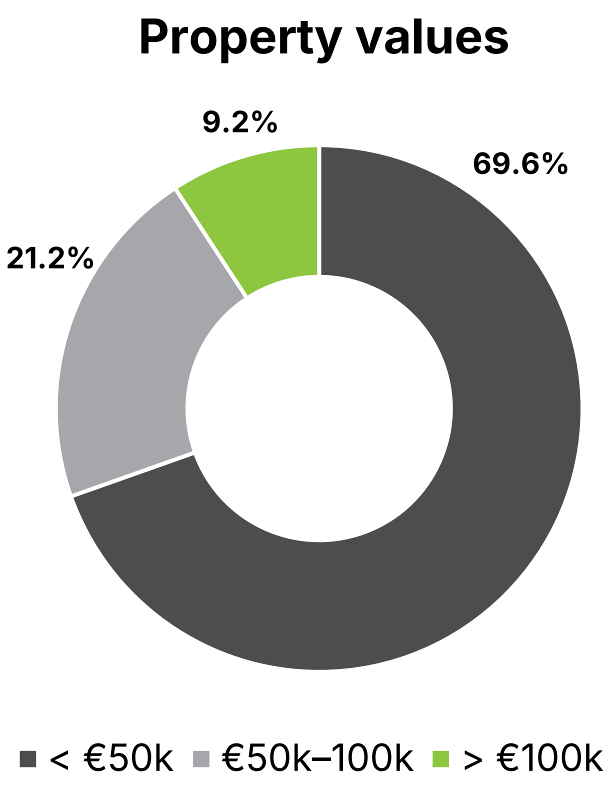




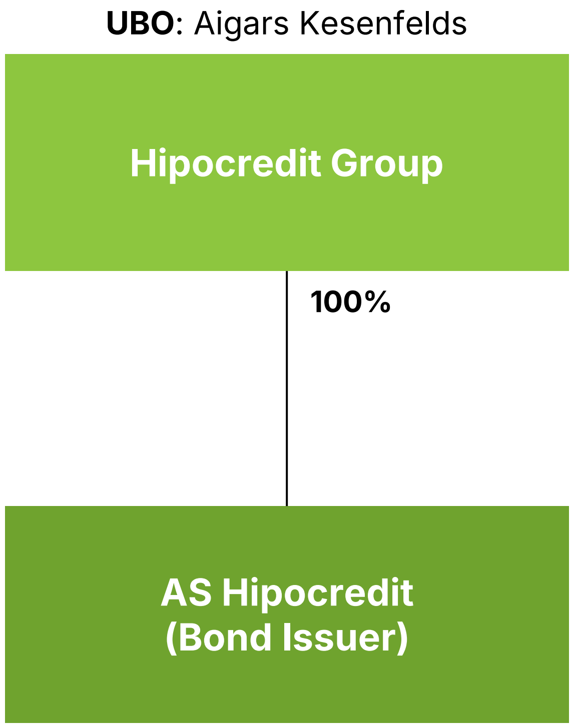
Hipocredit has a **diversified collateral portfolio**, including different types of properties from various regions and with varying valuations







Legal structure



Transaction

In July 2026, SIA Hipocredit Group acquired 100% of AS Hipocredit from its previous shareholders

Strategy

The Issuer targets **profitable, sustainable growth** while maintaining **portfolio quality**

Owners

The new owners bring **extensive financial services experience** and a track record of developing some of **Europe's largest non-bank lenders**, supporting the Issuer with **capital and know-how**

Bond issue

The Bonds are being raised to partially refinance the Issuer's existing loans and to fund the Issuer's growth and business expansion in line with the Issuer's strategy, and for other general corporate purposes

Hipocredit is **managed by an experienced industry professional**, with a strong commitment to the Issuer's growth.

Pēteris Burbergs

CEO

GRAND CREDIT · Sefinance · BIF BIZNESA IZAUGSMES FONDS

- **10+ years of experience in senior non-bank lending roles**, with a focus on real estate-backed and mortgage lending
- Deep understanding and experience in **credit underwriting, risk assessment** and **lending-product development**
- Responsible for daily operations, strategic development and risk management

Business overview

Hipocredit provides **loans secured by real estate collateral** to both businesses and individuals

Business Loans

- **Interest rate** from **12%** p.a.
- **LTV** up to 70%
- **Loan size** from €1 000 to €1 000 000
- **Flexible** repayment schedule

Consumer Loans

- **Interest rate** from **12%** p.a.
- **LTV** up to 70%
- **Loan size** from €1 000 to €100 000
- **Flexible** repayment schedule

Lines of Credit

- **Interest rate** from **12%** p.a.
- **LTV** up to 70%
- **Limit size** from €5 000 to €1 000 000
- **Flexible** repayment schedule

Hipocredit is experienced in managing the entire **loan lifecycle**

1 Application

Applications are submitted through 3 main channels:

Online. Customers can apply directly through the Issuer's website

Branch office. Applications are accepted in person at the Issuer's branch

Intermediaries. The Issuer receives applications through cooperating credit intermediaries

2 Real estate valuation & credit assessment

Collateral is valued through an **independent external valuation**, validated by the **comparison method** to determine LTV

Credit assessment includes fraud and blacklist checks and analysis of the borrower's **income and indebtedness**

Credit risk is contained through **~50% average LTV** and verified stable income

3 Loan contract signing

Upon a positive credit decision, the Issuer ensures a **fast, frictionless signing** process covering the pledge-registration agreement and the agreement on credit terms and conditions

4 Loan disbursement & repayment

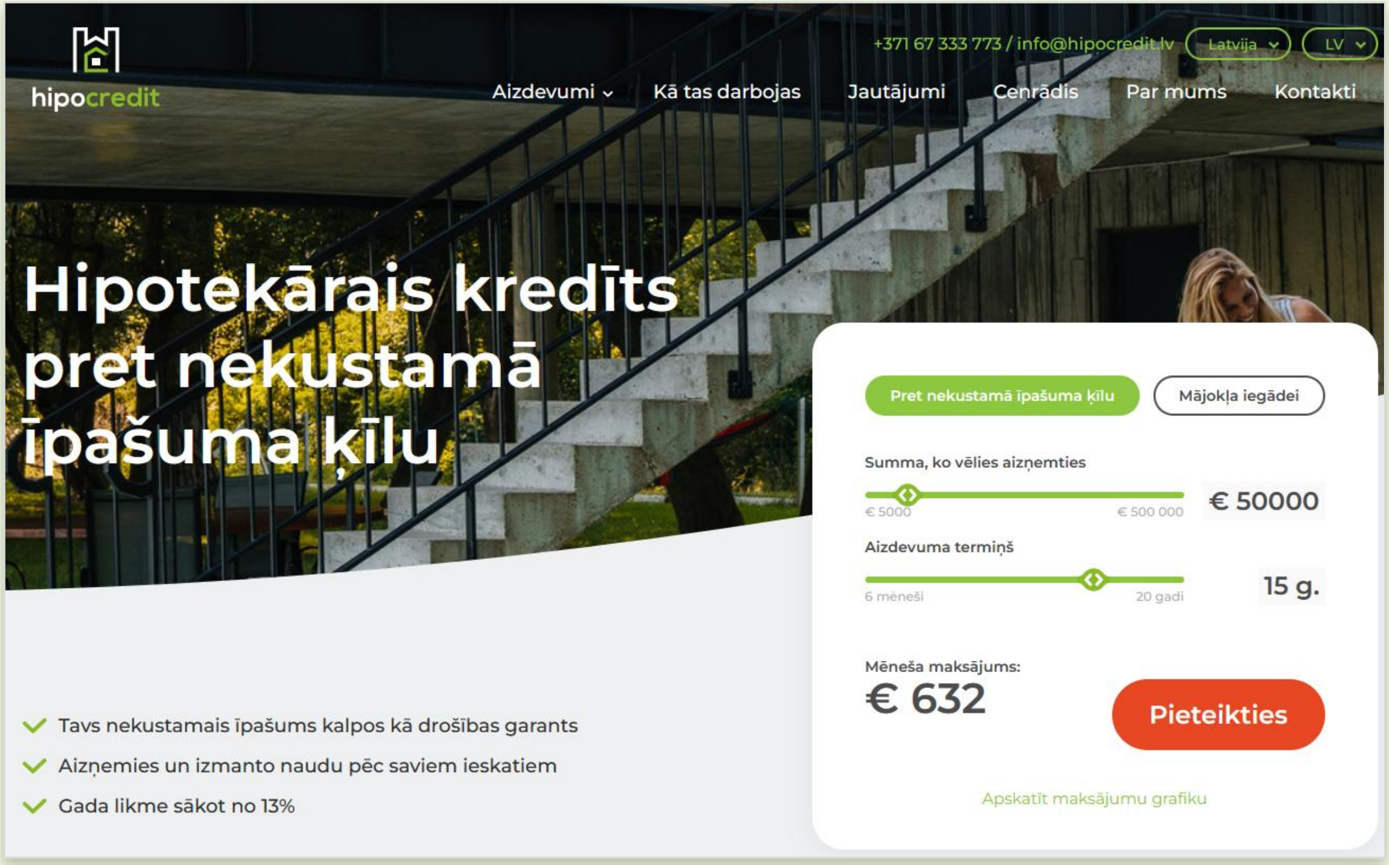
Once collateral registration is completed, the loan is **disbursed to the borrower's bank account**

Missed payments are addressed early through **reminders and direct contact**, with the Issuer prepared to **negotiate repayment terms and timing** before any formal steps

5 Loan closure & default resolution

In cases of default, the Issuer manages recovery **in-house**, working closely with **lawyers, notaries and sworn bailiffs**, from loan termination through court ruling to **auction of the pledged property**

One of the ways customers apply is through the Issuer's website **hipocredit.lv**, with a name that matches exactly what customers are looking for



Hipocredit has an efficient and prudent debt collection process, **historically recovering >99% of defaulted principal** while prioritizing voluntary repayment with its clients

1

Active communication

Hipocredit resolves missed payments early via **SMS, emails and phone calls**

2

Fees and renegotiation

Hipocredit applies **late-payment fees** while contacting the borrower to **negotiate the terms and timing of repayment**

3

Termination and legal recovery

If the borrower does not engage, Hipocredit **terminates the loan agreement**, invoices the full balance payable, and proceeds to **legal recovery**

4

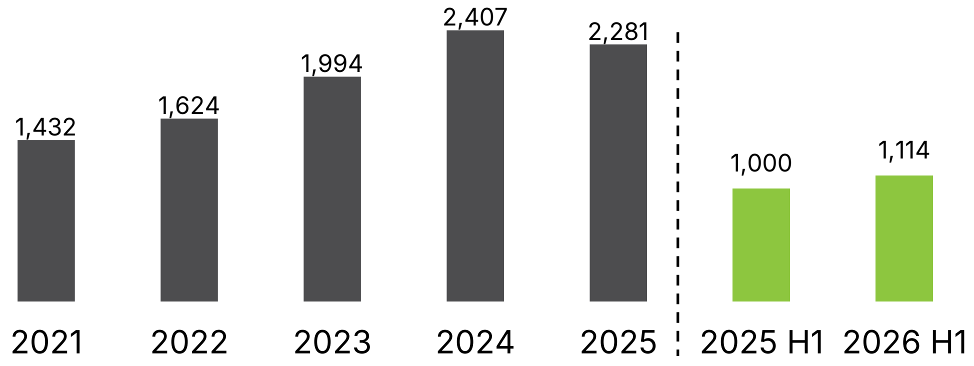
Property sale by auction

Once a court ruling takes effect, Hipocredit transfers the case to a **sworn bailiff**, who initiates the **auction of the pledged property**

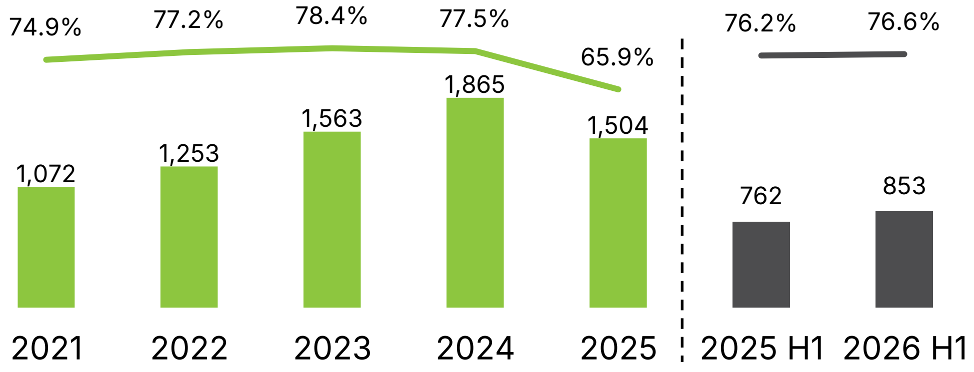
Financial highlights

Hipocredit has achieved **profitable growth**, while preserving **operational efficiency** and a solid **collateral base**

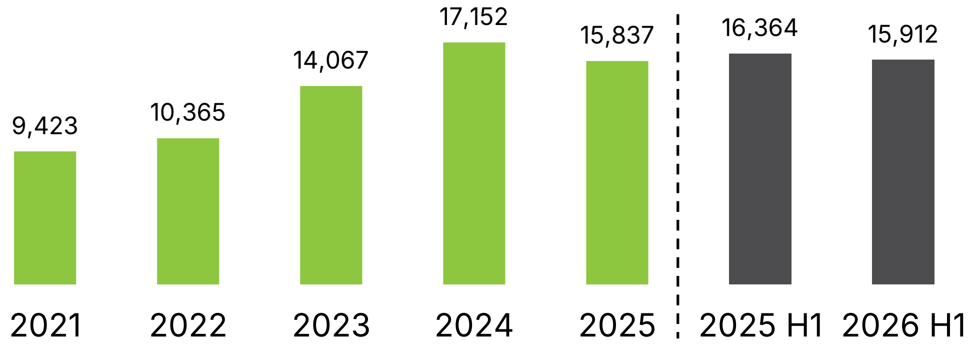
Total revenue (€k)



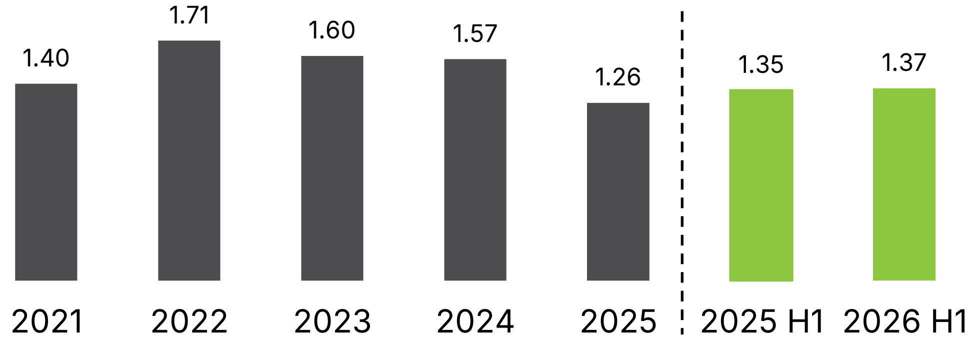
EBITDA (€k) & EBITDA margin[1]



Net loan portfolio (€k)



Interest coverage ratio[1]



[1] 2025 EBITDA and interest coverage ratio are negatively affected by a one-off provision of €290 thousand, of which the Issuer expects to recover the majority in 2026

Income statement

€k	Audited 2023	Audited 2024	Audited 2025	H1 2025	H1 2026
Interest & fee income	**1,994.4**	**2,407.0**	**2,280.6**	**1,000.0**	**1,114.4**
Operating expenses[1]	(463.6)	(570.9)	(779.7)	(238.7)	(252.5)
Other income and expense	10.7	9.8	0.9	-	(9.2)
EBIT	**1,541.5**	**1,845.9**	**1,501.8**	**761.3**	**852.7**
Interest expense	(978.2)	(1,185.3)	(1,189.6)	(605.1)	(580.0)
Profit before tax	**563.3**	**660.6**	**312.3**	**156.3**	**272.7**
Tax	(0.2)	(113.8)	(109.4)	(54.7)	(20.3)
Net Profit	**563.0**	**546.8**	**202.9**	**101.6**	**252.4**

[1] 2025 operating expenses include a one-off provision of €290 thousand, of which the Issuer expects to recover the majority in 2026

- 2025 was a **transition year**: the ongoing sale process, accompanying multiple management changes and a one-off provision[1] weighed on the Issuer's results, though it **remained profitable** with **PBT of €312k**
- With the **sale now complete**, the Issuer expects **renewed growth in both portfolio and profitability** under its new ownership
- The recovery is already visible in **H1 2026**: interest & fee income **up 11.4%** and **PBT up 74.5%** year-on-year, reaching **€273k**

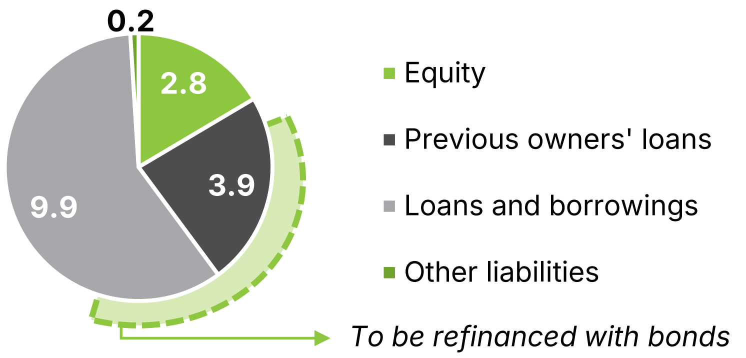
Balance sheet

€k	Audited 2023	Audited 2024	Audited 2025	H1 2025	H1 2026
Intangible assets	3.9	-	4.1	-	3.6
Property and equipment	0.8	0.5	0.8	1.1	0.5
Total non-current assets	**4.7**	**0.5**	**4.9**	**1.1**	**4.1**
Property for sale	-	-	524.5	-	524.5
Portfolio	14,067.1	17,151.9	15,836.9	16,363.7	15,911.8
Other receivables	56.6	56.7	225.7	31.7	86.8
Cash and cash equivalents	56.3	624.9	620.2	221.4	158.3
Total current assets	**14,180.0**	**17,833.5**	**17,207.3**	**16,616.8**	**16,681.4**
TOTAL ASSETS	**14,184.7**	**17,834.0**	**17,212.1**	**16,618.0**	**16,685.5**
Share capital	500.0	500.0	500.0	500.0	500.0
Retained earnings	1,699.0	1,795.4	1,998.3	1,897.0	2,250.7
Previous owner's loans	2,355.0	3,695.0	3,700.0	3,500.0	3,900.0
Total adjusted equity	**4,554.0**	**5,990.4**	**6,198.3**	**5,897.0**	**6,650.7**
Loans and borrowings	9,548.9	11,284.3	10,885.1	10,552.0	9,869.6
Other liabilities	81.7	559.2	128.7	169.0	165.2
Total liabilities	**9,630.7**	**11,843.5**	**11,013.8**	**10,721.0**	**10,034.8**
TOTAL EQUITY AND LIABILITIES	**14,184.7**	**17,834.0**	**17,212.1**	**16,618.0**	**16,685.5**

[1] During the first week of July 2026, previous owner's loans increased by €2.0m (total: €5.9m) to pay off existing loans and borrowings

- Proceeds from the bond issue will be primarily used to **refinance existing liabilities:**
  - **previous owner's loans**[1] (repaying €5.1m, with €0.8m remaining)
  - **existing bank facility** (repaying €0.7m, with €1.0m remaining)
- Rest of the proceeds will be used for general corporate purposes, including funding the loan portfolio growth
- 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 Issuer's **capital structure**, new shareholders will inject **€0.4m of equity** and raise **subordinated bonds** in the amount necessary to maintain a healthy **Capitalization Ratio in line with industry standards**

Funding structure (€m, 30.06.2026)



Terms and conditions

Bond terms

Issuer	**AS Hipocredit**
Security type	Senior Secured bonds
Collateral[1]	1st ranking commercial pledge over the Issuer's loan portfolio and assets
Offer type	**Public offer** in Latvia, Estonia and Lithuania
Issue size[2]	Up to €8,000,000
Coupon rate	8% p.a.
Yield to maturity[3]	**9% p.a.**
Issue price[3]	97.38% (€973.80 per 1 bond)
Nominal value / minimum investment	€1,000 / 1 bond (€973.80)
Maturity	20.08.2029 (3 years)
Principal repayment	Maturity date, bullet
Call option	@101% after 1st year; @100% last 6 months before maturity
Put option	In case of Change of Control, Listing Failure or De-listing @101%
Financial covenants[4]	• Capitalization ratio[5] ≥ 20% • Portfolio coverage ratio[6] ≥ 1.2x • Interest coverage ratio[7] ≥ 1.25x
Use of proceeds	• Partial refinancing of Existing Loans • Funding loan portfolio growth • General corporate purposes
Arranger	Signet Bank AS
Legal Advisor	ZAB Sorainen
Collateral Agent	ZAB Eversheds Sutherland Bitāns SIA
Listing	Nasdaq Riga First North within 6 months from the Issue Date

[1] Excluding loans pledged under the Bank's and Mintos collaterals
[2] Can be increased to €12,000,000 if the 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 – outstanding principal amount of all secured borrowings) / outstanding bonds
[7] Interest coverage ratio = EBITDA / Net Finance Charges

Use of proceeds:

1 **€5.9m+ towards refinancing:**

- €5.1m previous owner's loans
- €0.7m+ existing bank facility

2 **€2.1m+ for general corporate purposes:**

- Funding the portfolio growth
- Other general corporate purposes

Hipocredit represents a **secure investment opportunity**, supported by a **well structured portfolio**, **history of profitable operations**, **robust credit processes**, and **a strong strategic investor**

1

Well structured portfolio

- 50% portfolio LTV
- 15% average portfolio yield
- Well diversified by region, property type and size

2

History of profitable operations

- 8 years of profitable operations
- EBITDA margin above 65% in every year since 2021

3

Secured bonds

- First-ranking commercial pledge over the Issuer's loan portfolio and assets

4

Strong strategic investor

- Built and scaled some of the largest non-bank lenders in Europe

How to invest?

1 **You will need a securities account.** If you don't have one, you can open it at any Baltic financial institution that provides investment services

2 You can subscribe for the Bonds by submitting subscription orders to any Baltic financial institution where you hold a securities account

This can be done through an internet bank or any other method accepted by your financial institution[1]

3 You can submit your subscription orders from **4 August until 17 August 2026**

Swedbank, Luminor, SEB, LHV, Redgate Capital

Swedbank, Luminor, SEB, Citadele, Signet Bank, BluOr Bank

Swedbank, Luminor, Artea, Citadele, Evernord, Orion Capital Markets | Investment Banking

1st day of subscription period — **4 August**

Last day of subscription period — **17 August**

Settlement and issue date — **19 August**

[1] Please consult with your financial institution on its accepted methods for submitting a subscription order

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
  - 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
  - Risks relating to the potential Competition Council decision on the Issuer's Acquisition
- Risks related to the Bonds
  - Cancellation of the Offering
  - Cashflow and debt servicing risk
  - Bonds repayment risk
  - Foreign exchange risk
  - Tax risk
  - Early redemption risk
  - Resolutions of the Bondholders risk
  - Price risk
  - Secondary Market Liquidity risk
  - Delisting 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 the 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 actions of the Collateral Agent

Thank you!

Contact us!

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