Unaudited consolidated financial report for the three months ending 31 March 2025

20 May 2025

4FINANCE HOLDING S.A. REPORTS RESULTS FOR THE THREE MONTHS ENDING 31 MARCH 2025

Strong start to the year: net profit of €14.6 million and Adjusted EBITDA of €43.0 million
Robust balance sheet and cash position
Definitive agreement to sell TBI Bank – subject to customary regulatory approvals

20 May 2025. 4finance Holding S.A. (the 'Group' or '4finance'), one of Europe's largest digital consumer lending groups, today announces unaudited consolidated results for the three months ending 31 March 2025 (the 'Period').

Operational highlights

- In April 2025, the Group's online loan issuance since inception surpassed the €11 billion milestone.
- Online loan issuance volume remained resilient at €127.5 million in the Period, slightly below prior-year levels (€138.6 million in Q1 2024), consistent with a focus on credit quality and sustainable profitability.
- New markets: continuing with deliberate step-by-step approach. Progress in the UK joint venture (ondal.co.uk) is developing as expected, with lending volumes growing at a moderate pace in the Period; the Mexican business (kimbi.mx) remains in the development phase, with a continued focus on risk management.
- Launch of pilot operations in Georgia in February 2025, further diversifying product offering with auto loans.
- TBI Bank loan issuance increased by 20% year-on-year to €301.8 million in the Period, compared with €251.4 million in the prior year period.

Financial Highlights

- Interest income up 13% year-on-year to €117.7 million in the Period, compared with €103.9 million in Q1 2024.
- Cost to income ratio for the Period was 38.2%, an improvement from 43.3% in the prior year period. Cost discipline and operational efficiency remain a focus for the business.
- Group's Adjusted EBITDA for the Period amounted to €43.0 million, up 23% year-on-year, delivering 37% Adjusted EBITDA margin. Online Adjusted EBITDA increased by 23% year-on-year to €12.7 million for the Period. The interest coverage ratio as of the date of this report is 2.1x.
- Group's net profit for the Period was up 53% year-on-year to €14.6 million. Online net profit increased by 17% year-on-year to €3.1 million for the Period.
- Fundamental asset quality indicators at product level remain broadly stable. Group's net impairment charges of €45.5 million in the Period reflect the larger portfolio. Overall cost of risk at 12.2% for Q1 2025, an improvement from 13.4% in the prior year period.
- Net receivables up 2% to €1,347.2 million as of 31 March 2025, compared with €1,315.9 million as at year end 2024.
- Overall gross NPL ratio at 9.7% as of 31 March 2025 (13.4% for online), compared with 9.6% as of 31 December 2024 (12.4% for online). TBI NPL ratio stable at 9.2% as of 31 March 2025 (unchanged from year-end 2024).

Liquidity and funding

- Robust liquidity position, with €73.3 million of cash in the online business at the end of the Period.
- In April 2025, the Group announced the sale of TBI Bank, which is pending regulatory approvals and expected to close in Q4 2025.

Kieran Donnelly, CEO of 4finance, commented:

"We've had a strong start to the year, with net profit up 53% year-on-year to €15 million and Adjusted EBITDA up 23% year-on-year to €43 million in Q1 2025. The demand for credit remains robust, and we continue to prioritise credit quality over volumes.

"Selling TBI Bank will enhance our strategic focus on expanding our Online business and provides financial flexibility to reshape our capital structure."

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Conference call

A conference call with management to discuss these results is scheduled for **Wednesday, 21 May at 14:00 UK time**. To register, please visit www.4finance.com.

The conference call will be recorded for transcription and reference purposes. For those participating in the Q&A session, please note that name and institution details provided in the call registration process may appear in the transcript of the conference call that will be made available at www.4finance.com.

About 4finance

Established in 2008, 4finance is one of Europe's largest digital consumer lending groups with operations in 12 countries.

Leveraging a high degree of automation and data-driven insights across all aspects of the business, 4finance has grown rapidly, issuing over €11 billion since inception in single payment loans, instalment loans and minimum-to-pay loans.

4finance operates a portfolio of market leading brands, through which, as a responsible lender, the firm offers simple, convenient and transparent products to millions of customers who are typically underserved by conventional providers.

4finance has group offices in Riga (Latvia) and Luxembourg, and currently operates in 12 countries globally. The Group also offers deposits, in addition to consumer and SME loans through its TBI Bank subsidiary, an EU licensed institution with operations primarily in Bulgaria, Romania and Greece.

Forward looking statements

Certain statements in this document are "forward-looking statements". These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements.

Rounding

Some numerical figures included in this report have been subject to rounding adjustments. Accordingly, numerical figures shown for the same category presented in different tables may vary slightly, and numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Inside information

This announcement contains inside information as stipulated under the Market Abuse Regulation.

Key financial ratios

	3 months to 31 March 2025	3 months to 31 March 2024	Year Ended 31 December 2024	Year Ended 31 December 2023
Capitalisation				
Net receivables (€m)	1,347.2	1,120.6	1,315.9	1,084.4
Total assets (€m)	2,153.5	1,857.9	2,072.4	1,764.9
Total equity (€m)	309.2	251.1	294.7	241.7
Equity / assets	14.4%	13.5%	14.2%	13.7%
Tangible common equity/tangible assets (1)	11.0%	10.1%	10.7%	10.1%
Equity / net receivables	22.9%	22.4%	22.4%	22.3%
Interest coverage ratio (2)	2.1x	2.0x	2.0x	2.0x
TBI Bank consolidated capital adequacy (3)	21.2%	21.5%	22.3%	22.5%
Profitability				
Net interest margin: (4)				
- Online	99.3%	100.1%	102.1%	101.1%
- TBI Bank	17.7%	17.6%	17.7%	18.1%
- Overall	26.5%	28.4%	27.9%	30.5%
Cost / income ratio (5)	38.2%	43.3%	41.8%	43.4%
Post-provision operating profit margin (6)	22.6%	16.7%	19.4%	18.0%
Normalised Profit before tax margin (7)	19.4%	14.4%	16.8%	15.8%
Normalised Return on average equity (8)	22.8%	18.1%	22.9%	21.3%
Normalised Return on average assets (9)	3.3%	2.5%	3.2%	3.0%
Asset quality				
Cost of risk: (10)				
- TBI	7.7%	6.8%	6.8%	6.2%
- Overall group	12.2%	13.4%	12.8%	13.8%
Net impairment / interest income (11)	37.1%	37.9%	37.0%	37.1%
Gross NPL ratio: (12)				
- Online	13.4%	13.9%	12.4%	14.2%
- TBI	9.2%	9.3%	9.2%	8.6%
- Overall group	9.7%	9.9%	9.6%	9.4%
Overall group NPL coverage ratio (13)	115.0%	108.1%	112.6%	111.5%
Loan loss reserve / gross receivables	11.2%	10.8%	10.8%	10.5%

Definitions and Notes below. For further definitions please see the appendix.

Normalised ratios are adjusted to remove the effect of non-recurring items, discontinued operations, net FX and one-off adjustments to intangible assets.

1. Tangible equity is Total Equity less Intangible Assets. Tangible Assets are Total Assets less Intangible Assets
2. Calculated as described later in the report
3. TBI Bank (Tier One Capital + Tier Two Capital) / Risk weighted assets (calculated according to the prevailing regulations of the BNB)
4. Annualised net interest income / average gross loan principal
5. Operating costs / operating income (revenue)
6. Post-provision operating profit (which does not include non-recurring items, net FX and D&A) / operating income (revenue)
7. Profit before tax / interest income
8. Annualised net profit / average equity (total equity as of the start and end of each period divided by two)
9. Annualised net profit / average assets (total assets as of the start and end of each period divided by two)
10. Annualised net impairment charges / average gross receivables (total gross receivables as of the start and end of each period divided by two)
11. Net impairment charges on loans and receivables / interest income plus relevant fee income (interest income and other income from contracts with customers in Philippines and Lithuania under IFRS 15)
12. Non-performing receivables (including accrued interest) with a delay of over 90 days / gross receivables (including accrued interest)
13. Overall receivables allowance account / non-performing receivables

FINANCIAL REVIEW

Income Statement

The table below sets out the condensed consolidated statement of profit or loss for the three months ending 31 March 2025 and 31 March 2024. Additional reference information on the historic quarterly development of our income statement is shown in the appendix.

	3 months to 31 March		
	2025 (unaudited)	2024 (unaudited)	% change
	(in millions of €)		
Interest Income	117.7	103.9	+13%
Interest Expense	(20.2)	(18.5)	+9%
Net Interest Income	**97.5**	**85.4**	**+14%**
Net F&C Income	13.2	12.1	+9%
Other operating income	5.3	5.8	(9)%
Non-Interest Income	**18.5**	**17.9**	**+3%**
Operating Income (Revenue)	**116.0**	**103.3**	**+12%**
Total operating costs	**(44.3)**	**(44.7)**	**(1)%**
Pre-provision operating profit	**71.7**	**58.6**	**+22%**
Net impairment charges	(45.5)	(41.3)	+10%
Post-provision operating profit	**26.3**	**17.3**	**+52%**
Depreciation and amortisation	(3.5)	(2.3)	+49%
Non-recurring income/(expense)	(1.4)	(1.5)	(12)%
Net FX gain/(loss)	(1.2)	(0.1)	nm
Profit before tax	**20.2**	**13.4**	**+51%**
Income tax expense	(5.6)	(3.8)	+47%
Profit for the period	**14.6**	**9.6**	**+53%**

Interest income

The table below shows key drivers of interest income, i.e. business volumes and interest rates.

	3 months to 31 March		
	2025	2024	% change
Online lending (continuing operations)	**(in millions of €, except percentages)**		
Total value of loans issued	127.5	138.6	(8)%
Average net receivables, of which:	138.7	133.8	+4%
- Principal	128.7	125.0	
- Accrued interest	10.0	8.8	
Annualised interest income yield on net portfolio (1)	139%	143%	
Interest income from online lending (2)	44.9	44.7	+0%
Banking operations			
Total value of loans issued	301.8	251.4	+20%
Average net receivables, of which:	1,192.9	968.8	+23%
- Principal	1,183.2	953.8	
- Accrued interest	9.7	15.0	
Annualised interest income yield on net portfolio (1)	24%	24%	
Interest income from banking operations (3)	71.2	57.1	+25%

Notes: (1) Yields are based on annualised interest income divided by average net loan principal only

(2) Does not include interest income from corporate loans

(3) See appendix for full TBI Bank income statement

Interest income for the Period was €117.7 million, an increase of 13% compared with €103.9 million for the three months ending 31 March 2024. Interest income from online lending was stable year-on-year, with a higher average balance of net receivables offset by a lower average interest yield. Interest income also includes income from loans provided to non-Group companies and income from loans to related parties.

TBI Bank's loan book continued to grow, particularly in Romania, with an increase of 23% in average net receivables year-on-year. Its consumer lending (cash lending, point-of-sale lending and credit cards) has average product APRs between 20% and 50% and SME loans with average interest rates of approximately 8-16% p.a.. TBI Bank also generates separate income, which is reported mainly in the 'net fee and commission' line.

Interest expense

Interest expense for the Period was €20.2 million, a slight increase compared with €18.5 million for the three months ending 31 March 2024. The higher interest expense year-on-year reflects the growth in deposits and term funding and increase in funding costs all at TBI Bank. Any one-off impact from bond buybacks or re-sales are reflected in the 'non-recurring income/expense' line to show a more consistent 'interest expense' result.

Non-interest income

Non-interest income for the period was €18.5 million, an increase of 3% compared with €17.9 million reported for the three months ending 31 March 2024. The net fee and commission income, primarily generated by TBI Bank from insurance sales to its customers, was up 9% year-on-year. Other operating income includes income from services and relevant fee income from the online business (mainly in Philippines and Lithuania) such as income from contracts with customers under IFRS 15.

Total operating costs

Total operating costs reported for the period were €44.3 million, a slight decrease compared with €44.7 million reported for the three months ending 31 March 2024. The decrease in online business costs reflects our ongoing focus on efficiency, particularly in marketing spend. At TBI Bank, higher personnel costs, software & systems expense and professional services costs supported growing revenue.

The table below sets out a breakdown of the Group's total operating costs. Depreciation and amortisation amounts, which include some rental lease amounts per IFRS 16, are shown as a separate line on the income statement.

	3 months to 31 March	
	2025	**2024**
	(in millions of €)	
Personnel costs	23.8	23.7
Software & Systems expense	4.1	2.9
Marketing and sponsorship	3.9	5.6
Legal and consulting	3.4	3.6
Taxes	1.8	1.5
Communication expenses	1.6	1.6
Application processing costs	1.5	1.7
Rent and utilities	0.5	0.3
Bank services	0.4	0.5
Travel	0.4	0.4
Debt collection costs	0.3	0.5
Other	2.7	2.4
Total	**44.3**	**44.7**
TBI Bank	27.4	25.8
4finance online	16.8	19.0
Total Employees		
- Online	617	579
- TBI Bank	1,938	1,864
- Overall group	**2,555**	**2,443**

For the three months of 2025 and 2024, marketing and sponsorship costs accounted for 8.7% and 12.4% respectively, and personnel costs accounted for 53.7% and 53.1% respectively, of total operating costs. The cost to income ratio for the Period was 38.2%, an improvement from 43.3% in the prior year period.

Net impairment charges on loans and receivables

Net impairment charges for the Period were €45.5 million, compared with €41.3 million for the three months ending 31 March 2024. Gross impairment charges increased by less than the growth in loan portfolio (gross portfolio increased by 21% year-on-year). Asset quality indicators remain broadly stable overall, with various product/market specifics being addressed. This includes the Philippines where we saw a market-wide effect on risk indicators, particularly in H1 2024. The online business has seen a recovery in the debt sales market. Forward flow sales of non-performing loans (NPLs) have now resumed in all key European markets. We have also enhanced our strategies for in-house NPL collections across the group.

	3 months to 31 March	
	2025	**2024**
	(in millions of €)	
Impairment charges on loans	48.2	44.2
Over provision on debt portfolio (portfolio sale net proceeds)	(1.2)	(1.2)
Recovery from written-off loans	(1.5)	(1.7)
Net impairment charges	**45.5**	**41.3**

Overall net impairment charges represented 37% of interest income plus relevant fee income for the Period, a decrease from 38% in the prior year period.

Non-recurring income/(expense)

For the first quarter, the Group had net non-recurring expense of €1.4 million. This includes expenses in Spain, impairments for corporate loans and investments partially offset by one-off income in TBI.

Net FX gain/(loss)

Foreign exchange movements resulted in a net loss of €1.2 million for the Period, mainly from hedging and swap costs in CZK, PHP and RON against EUR. In the prior year period, there was a net FX loss of €0.1 million.

Profit before tax

For the reasons stated above, the Group made a profit before tax of €20.2 million for the Period, compared with €13.4 million for the three months ending 31 March 2024.

Income tax expense

The Group's corporate income tax expense was €5.6 million for the Period, compared with €3.8 million for the three months ending 31 March 2024. The following table sets out a breakdown of the Group's corporate income tax.

	3 months to 31 March	
	2025	**2024**
	(in millions of €)	
Current tax	5.5	3.5
Deferred tax	0.1	0.2
Total	**5.6**	**3.8**

Profit for the period

For the reasons stated above, the profit for the Period was €14.6 million, compared with €9.6 million in the prior year period.

Other financial data – EBITDA and Adjusted EBITDA

	Three Months Ended 31 March 2025	Three Months Ended 31 March 2024	Year Ended 31 December 2024
		(in millions of €)	
Profit for the period	14.6	9.6	52.3
Income tax expense	5.6	3.8	13.1
Interest expense	20.2	18.5	77.7
Depreciation and amortisation	3.5	2.3	11.6
EBITDA	**43.8**	**34.2**	**154.7**
Adjustments	(0.8)	0.7	2.4
Adjusted EBITDA (1)	**43.0**	**34.9**	**157.1**

	Three Months Ended 31 March 2025	Three Months Ended 31 March 2024	Year Ended 31 December 2024
		(in millions of €)	
Summary breakdown of Adjustments to EBITDA			
Net FX impact	1.2	0.1	1.7
One-off costs and other prescribed adjustments	(2.1)	0.6	0.5
One-off write-down of intangible assets	-	-	0.2
Total	**(0.8)**	**0.7**	**2.4**

Other financial data – Interest Coverage Ratio

The calculation of the interest coverage ratio for the Group's bonds is shown below. For further details on methodology, please refer to the Q2 2020 results report. The covenants are on an 'incurrence' rather than 'maintenance' basis, so if the ratio is below the 2.0x incurrence threshold it only restricts certain specified actions (such as dividend payments or allowed parameters of incurrence of indebtedness).

	As of date of this report (in millions of €)
Pro-forma last 4 quarters Adjusted EBITDA	165.2
Pro-forma last 4 quarters Fixed Charges	80.4
Bond covenant interest coverage ratio	**2.1x**

Notes: (1) Adjusted EBITDA is a non-IFRS measure that represents EBITDA (profit for the period plus tax, plus interest expense, plus depreciation and amortisation) as adjusted by income/loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS, goodwill write-offs and certain other one-off or non-cash items. Adjusted EBITDA, as presented in this report, may not be comparable to similarly-titled measures that are reported by other companies due to differences in the way these measures are calculated. Additional limitations prescribed in the EUR 2026 bonds limiting TBI Bank contribution to Adjusted EBITDA not reflected here.

Balance sheet

The table below sets out the Group's condensed consolidated statement of its financial position.

	31 March 2025 (unaudited)	31 December 2024
	(in millions of €)	
Cash and cash equivalents, of which:	**372.0**	**294.7**
- Online	73.3	79.1
- TBI bank	298.7	215.6
Placements with other banks	48.0	40.5
Gross receivables due from customers	1,516.8	1,475.6
Allowance for impairment	(169.6)	(159.7)
Net receivables due from customers, of which:	**1,347.2**	**1,315.9**
- Principal	1,329.6	1,294.2
- Accrued Interest	17.6	21.8
Net investments in finance leases	1.0	0.9
Net loans to related parties	38.0	20.7
Net loans to other parties	0.2	2.5
Property and equipment	19.1	18.1
Financial investments	186.3	239.0
Prepaid expenses	4.4	3.4
Tax assets	20.3	25.4
Intangible IT assets	40.4	39.4
Goodwill	27.1	27.4
Other assets	49.4	44.4
Total assets	**2,153.5**	**2,072.4**
Liabilities		
Loans and borrowings	372.6	332.1
Deposits from customers	1,353.0	1,335.2
Income tax liabilities	10.1	11.4
Other liabilities	108.6	99.0
Total liabilities	**1,844.3**	**1,777.7**
Share capital	35.8	35.8
Retained earnings	304.1	289.5
Reserves	(30.7)	(30.6)
Total equity	**309.2**	**294.7**
Total shareholders' equity and liabilities	**2,153.5**	**2,072.4**

Assets

The Group had total assets of €2,153.5 million as of 31 March 2025, compared with €2,072.4 million as of 31 December 2024. The main changes during the Period were increases in cash and cash equivalents, net receivables due from customers (see below), net loans to related parties and decrease in financial investments (mainly government bonds for liquidity management, see TBI appendix).

Loan portfolio

As of 31 March 2025, the Group's net receivables equalled €1,347.2 million, compared with €1,315.9 million as of 31 December 2024, representing an increase of €31.3 million, or 2%, with the majority of growth coming from the bank. TBI Bank contributed €1,208.8 million of net receivables, including fair value adjustments. Further information on the TBI Bank portfolio is available in the appendix, including its finance leases which are shown as a separate balance sheet line item.

The following section includes a summary of the Group's overall loan portfolio. Loans originated in the online business but sold to the bank are shown within the TBI Bank section. Additional reference information on the historic quarterly development of our online portfolio, split by product, is also shown in the appendix.

Overview of the Group's loan portfolio

The following table sets out the classification of the Group's loan portfolio in terms of performing and non-performing loans.

	31 March 2025				31 December 2024			
	Gross Amount	Impairment allowance	Net Amount	% of Gross Amount	Gross Amount	Impairment allowance	Net Amount	% of Gross Amount
	(in millions of €, except percentages)				*(in millions of €, except percentages)*			
Online receivables								
Performing	150.0	(16.3)	133.7	86.6%	152.9	(18.3)	134.6	87.6%
Non-performing [1]	23.3	(18.6)	4.7	13.4%	21.6	(17.2)	4.4	12.4%
Online total	**173.3**	**(34.9)**	**138.4**	**100.0%**	**174.5**	**(35.5)**	**139.1**	**100.0%**
TBI Bank receivables								
Performing	1,219.3	(60.4)	1,158.9	90.8%	1,180.8	(55.7)	1,125.1	90.8%
Non-performing [1]	124.2	(74.3)	49.9	9.2%	120.3	(68.5)	51.7	9.2%
TBI Bank total	**1,343.5**	**(134.7)**	**1,208.8**	**100.0%**	**1,301.1**	**(124.2)**	**1,176.9**	**100.0%**
Overall receivables								
Performing	1,369.3	(76.7)	1,292.6	90.3%	1,333.8	(74.0)	1,259.8	90.4%
Non-performing [1]	147.5	(92.9)	54.6	9.7%	141.8	(85.7)	56.2	9.6%
Overall total	**1,516.8**	**(169.6)**	**1,347.2**	**100.0%**	**1,475.6**	**(159.7)**	**1,315.9**	**100.0%**

Note: (1) Non-performing amounts are those over 90 days past due (no NPLs contributed from the Philippines as loans are written-off at 31 days past due) and shown on a customer level basis for TBI Bank

Online loan portfolio by product

This section presents further detail on the online portfolio and classification by product. The following table shows the Group's online gross performing loan portfolio by product. The Near Prime classification includes the Group's lower APR instalment loan products in Latvia and Lithuania.

	31 March 2025		31 December 2024	
	Amount	% of Portfolio	Amount	% of Portfolio
Online gross performing portfolio by product:	*(in millions of €, except percentages)*			
Single Payment Loans	48.0	32.0%	48.9	32.0%
Instalment Loans	43.9	29.3%	45.0	29.4%
Minimum to pay	40.5	27.0%	43.3	28.3%
Near Prime	17.6	11.7%	15.8	10.3%
Total online gross performing portfolio	**150.0**	**100.0%**	**152.9**	**100.0%**

Online non-performing loan portfolio

As of 31 March 2025, the Group's non-performing online portfolio was €23.3 million, an increase of €1.7 million since 31 December 2024. The gross NPL ratio was 13.4% for online receivables as of 31 March 2025, compared with 12.4% as of 31 December 2024. The NPL ratio has increased slightly due to timing of ad-hoc NPL sales and lower new issuance in some products. Given the customer segment and local repayment dynamics, the loan portfolio in the Philippines is treated as both non-performing as well as written off at 31 days past due, resulting in a relatively lower gross portfolio on balance sheet with no NPLs.

The Group accrues interest whilst it is probable it will be received (typically up to 90 DPD for instalment loans). Non-performing accrued interest was €3.4 million, or 14.8%, of non-performing receivables. Penalties and delay fees are not accrued as receivables and are only recognised as income when payment is received.

The following table sets out an analysis of the Group's online NPL receivables by product.

	31 March 2025	31 December 2024
	(in millions of €, except percentages)	
Online gross non-performing portfolio by product:		
Single Payment Loans	9.3	8.3
Instalment Loans	7.7	6.7
Minimum to pay	5.1	5.4
Near Prime	1.2	1.2
Total online gross non-performing portfolio	**23.3**	**21.6**
Allowance for NPL / NPL receivables	80%	80%
Overall receivables allowance / NPL receivables	150%	164%
Average Loss Given Default rate	68%	67%

Other loans

The increase in net loans to related parties during the Q1 2025 reflects additional funding provided to the Group's UK joint venture to support further growth, with more planned through the rest of the year. It also includes the Group's funding provided to support development of emerging market consumer lending businesses.

Other assets

A breakdown of the Group's other assets is presented in the table below. The majority of the 'receivables from trade partners' are at TBI Bank and includes merchant and debt sales counterparties. The final €6.0 million receivable for disposal of the former Polish business was sold to a non-Polish third party in Q4 2024, with half paid in cash and half due in 2026.

	31 March 2025	31 December 2024
	(in millions of €)	
Receivables from trade partners	42.1	36.8
Remaining PL net purchase price receivable	2.8	2.8
Non-current assets held for sale	1.5	1.5
Security deposits	0.8	0.6
Investments in associates and joint ventures	0.5	0.6
FX hedging - funds on margin	0.3	0.3
Other non-customer receivables	1.4	1.7
Total	**49.4**	**44.4**

Liabilities

The Group had total liabilities of €1,844.3 million as of 31 March 2025, compared with €1,777.7 million as of 31 December 2024, representing an increase of 4% or €66.6 million.

Loans and borrowings

As of 31 March 2025, the Group had loans and borrowings of €372.6 million, compared with €332.1 million as of 31 December 2024. The Group's loans and borrowings accounted for 20% of total liabilities as of 31 March 2025 and 19% of total liabilities as of 31 December 2024.

As of 31 March 2025, 4finance S.A. held €38.0 million of its EUR 2026 bonds and €4.3 million of its EUR 2028 bonds in treasury.

The following table sets out the loans and borrowings by type.

	31 March 2025	31 December 2024
	(in millions of €)	
EUR 2026 Bonds	131.7	126.1
EUR 2028 Bonds	125.6	125.4
TBI Bank (Tier 2 and MREL eligible instruments)	115.3	80.6
Total loans and borrowings [(1)]	**372.6**	**332.1**

Notes: (1) Includes accrued but unpaid interest, net of capitalised issuance costs and Notes owned by the Group

In May 2016, 4finance S.A. issued €100.0 million of 11.25% notes (the *'EUR 2028 bonds'*). The bonds are listed on the Prime Standard regulated market segment of the Frankfurt Stock Exchange and Nasdaq Baltic First North market. In November 2016, a further €50.0 million of EUR bonds were issued at par, and the maturity was extended in 2020, 2021 and 2023. The Group also has cancelled €15.0 million of these bonds, so the outstanding amount is €135.0 million, and they mature in May 2028.

In October 2021, 4finance S.A. issued €175.0 million of 10.75% 5 year notes (the *'EUR 2026 bonds'*). The bonds are listed on the Oslo Stock Exchange and will mature in October 2026. The proceeds from the new issue were used to repay the Group's outstanding $200 million USD bonds.

In March 2025, TBI Bank issued a €34 million debt security, bringing total net outstanding MREL eligible instruments to €113.5 million as of 31 March 2025, with interest rates ranging from 5% to 9% with tenors from 2 to 10 years. Attraction of these instruments allows the bank to meet the regulatory requirement for the MREL ratio (see TBI Bank appendix). TBI Bank intends to increase its MREL eligible liabilities in line with balance sheet growth.

Customer deposits

As of 31 March 2025, the Group had total customer deposits of €1,353.0 million, all of which are at TBI Bank. Further details of TBI Bank's deposits are presented in the appendix.

Other liabilities

A breakdown of the Group's other liabilities is presented in the table below. The majority of the 'accounts payable to trade partners' and 'other liabilities' are at TBI Bank and are non-interest bearing.

	31 March 2025	31 December 2024
	(in millions of €)	
Prepayments in TBI received on customer loans	35.4	28.0
Accounts payable to trade partners	19.9	19.8
Accrued expenses	17.4	17.3
Accrued payables to employees	11.9	15.0
Right-of use liabilities	8.1	6.9
Taxes payable	4.0	3.9
FX hedging liability	0.3	0.3
Other liabilities	11.6	7.8
Total	**108.6**	**99.0**

Equity

As of 31 March 2025, the Group's total equity amounted to €309.2 million, compared with €294.7 million as of 31 December 2024, representing an increase of €14.5 million, or 5%. The Group's equity to assets ratio as of 31 March 2025 was 14%.

The equity to net receivables ratio as of 31 March 2025 was 23%, reflecting the Group's strong capitalisation, with adequate headroom to bond covenants.

Off-balance sheet arrangements

The Group's total off-balance sheet commitments as of 31 March 2025 were €205.9 million. This represents TBI Bank's undrawn lending commitments of €205.6 million and financial guarantees €0.4 million. The Group also enters into currency hedging transactions which may result in additional off-balance sheet assets or liabilities but are designed to limit overall exposure to currency movements.

Condensed Consolidated Statement of Cash Flows for the Period

	3 months to 31 March	
	2025 (unaudited)	2024 (unaudited)
	(in millions of €)	
Cash flows from operating activities		
Profit before tax	**20.2**	**13.4**
Adjustments for:		
Depreciation and amortisation	3.5	2.3
Net loss / (gain) on foreign exchange from borrowings and other monetary items	1.4	(0.9)
Impairment losses on loans	48.2	44.2
Reversal of provision on debt portfolio sales	(1.2)	(1.2)
Write-off and disposal of intangible and property and equipment assets	0.6	0.5
Interest income from non-customers loans	(1.8)	(2.2)
Interest expense on loans and borrowings and deposits from customers	20.2	18.5
Non-recurring finance expense / (income)	-	(0.1)
Other non-cash items, including loss/(gain) on disposals	0.6	0.2
Profit before adjustments for the effect of changes to current assets and short-term liabilities	**91.6**	**74.7**
Adjustments for:		
Change in financial instruments measured at fair value through profit or loss	0.0	0.6
(Increase) in other assets (including TBI statutory reserve, placements & leases)	(3.7)	(2.3)
Increase in accounts payable to suppliers, contractors and other creditors	8.3	4.3
Operating cash flow before movements in portfolio and deposits	**96.2**	**77.4**
Increase in loans due from customers	(85.8)	(86.5)
Proceeds from sale of portfolio	7.6	6.8
Increase in deposits (customer and bank deposits)	17.8	75.6
Deposit interest payments	(11.1)	(10.2)
Gross cash flows from operating activities	**24.8**	**63.2**
Corporate income tax (paid), net of refunds received	(2.1)	(4.8)
Net cash flows from operating activities	**22.7**	**58.4**
Cash flows from / (used in) investing activities		
Purchase of property and equipment and intangible assets	(3.9)	(3.1)
Net cash from (Purchase) / Sale of financial instruments	52.0	(43.0)
Other / related party loans issued	(17.3)	(0.2)
Other / related party loans repaid	2.3	-
Interest received on other / related party loans	0.7	2.3
Disposal of subsidiaries, net of cash disposed	-	(0.3)
Net cash flows from / (used in) investing activities	**33.8**	**(44.3)**

	3 months to 31 March	
	2025 (unaudited)	**2024 (unaudited)**
	(in millions of €)	
Cash flows from / (used in) financing activities		
Loans received and notes issued	36.0	0.7
Interest payments	(4.6)	(4.2)
FX hedging margin	(0.0)	(0.8)
Payment of lease liabilities	(0.9)	(0.8)
Net cash flows from / (used in) financing activities	**30.4**	**(5.1)**
Net increase in cash and cash equivalents	**86.9**	**9.0**
Cash and cash equivalents at the beginning of the period	**137.0**	**133.5**
Effect of exchange rate fluctuations on cash	0.1	0.1
Cash and cash equivalents at the end of the period	**224.0**	**142.6**
Minimum statutory reserve	148.0	141.3
Total cash on hand and cash at central banks	**372.0**	**283.9**

The key drivers of cashflow movements are described elsewhere in this report.

TBI Bank Appendix: Income Statement, Balance Sheet and Key Ratios

The Group finalised the purchase of TBI Bank EAD ('TBI Bank'), via the acquisition of TBI Financial Services B.V., in August 2016. Presented here for illustration and reference are TBI Bank's results for the three months ending 31 March 2025 and three months ending 31 March 2024.

Income statement

The table below sets out the consolidated income statement for TBI Bank, presented on the same basis as the Group's income statement for ease of comparison.

	3 months to 31 March	
	2025	**2024**
	(in millions of €)	
Interest Income	70.9	57.4
Interest Expense	(12.8)	(11.3)
Net Interest Income	**58.1**	**46.1**
Net F&C Income	13.2	12.2
Other operating income	0.4	0.5
Non-Interest Income	**13.7**	**12.6**
Operating Income (Revenue)	**71.8**	**58.7**
Total operating costs	**(26.8)**	**(24.2)**
Pre-provision operating profit	**45.0**	**34.6**
Net impairment losses	(25.3)	(18.0)
Post-provision operating profit	**19.6**	**16.6**
Depreciation and amortisation	(2.7)	(1.6)
Non-recurring income/(expense)	1.1	(0.6)
Net FX gain/(loss)	(0.3)	0.2
Pre-tax profit	**17.7**	**14.6**
Income tax expense	(3.7)	(3.0)
Net profit after tax	**14.0**	**11.6**

Balance sheet

The table below sets out the statement of financial position for TBI Bank. For the purpose of consolidation with the Group's balance sheet, the fair values assessed as part of the Group's updated goodwill calculation under IFRS are used, rather than the book values presented below. Receivables amounts include unamortised premium paid (€4.9 million) for online purchased loans which is also eliminated in consolidation as at 31 March 2025.

	31 March 2025	31 December 2024
	(in millions of €)	
Cash and cash equivalents	302.3	219.5
Placement with other banks	48.0	40.5
Gross receivables due from customers	1,348.4	1,308.0
Allowance for impairment	(134.7)	(124.2)
Net receivables due from customers	**1,213.8**	**1,183.8**
Net investments in finance leases	1.0	1.0
Property and equipment	15.4	15.7
Financial assets	182.4	235.3
Tax assets	5.1	10.3
Prepaid expenses	2.9	2.0
Intangible assets	30.9	31.4
Other assets	44.9	34.4
Total assets	**1,846.7**	**1,773.7**
Loans and borrowings	115.3	80.6
Deposits from customers	1,357.0	1,339.5
Corporate income tax payable	4.3	6.5
Other liabilities	75.3	66.0
Total liabilities	**1,551.8**	**1,492.7**
Share capital	41.7	41.7
Retained earnings	253.4	239.4
Reserves	(0.3)	(0.0)
Total equity	**294.9**	**281.1**
Total shareholders' equity and liabilities	**1,846.7**	**1,773.7**

Financial assets include mainly government and other bonds held by TBI Bank for liquidity management purposes. Government bond holdings were increased due to strong deposit inflows.

To aid comparison with the loan portfolio presented on page 10 of the report, the table below shows a reconciliation from TBI 'standalone' net receivables due from customers to TBI's portfolio contribution to consolidated figures.

(in millions of €)	31 March 2025	31 December 2024
Standalone net receivables due from customers	**1,213.8**	**1,183.8**
Balance of premium paid for Online portfolio	(4.9)	(6.9)
TBI portfolio contribution to consolidation	**1,208.8**	**1,176.9**

Loan portfolio

Below are TBI Bank's receivables, including accrued interest, split by consumer and SME customers.

	31 March 2025	31 December 2024	% Change
Gross receivables by type	*(in millions of €)*		
Consumer	1,160.9	1,131.7	3%
SME (including financial leases)	189.2	178.0	6%
Total gross receivables	**1,350.1**	**1,309.6**	**3%**
Provisions	(135.3)	(124.8)	8%
Total net receivables	**1,214.8**	**1,184.8**	**3%**

As of 31 March 2025, consumer loans made up 87% of TBI Bank's gross loans (86% as of 31 December 2024). Of the overall net loan portfolio, 56% comes from Romania, 32% from Bulgaria, 9% from Greece and the remainder is purchased online portfolios (Lithuania).

The non-performing receivables ratios as of 31 March 2025 by loan type are shown below.

	Consumer	SME (incl. leases)	Overall
Non-performing receivables to gross receivables ratio	10.3%	7.9%	10.0%
Provision coverage[1]	109.0%	31.1%	100.4%

Notes: (1) In addition to provisions, the SME receivables are backed by collateral with average loan-to-value of c.50%.

Customer deposits

TBI Bank's customer deposits and current accounts by client and type are shown below.

	31 March 2025	31 December 2024	% Change
	(in millions of €)		
Customer accounts of consumers	1,288.8	1,266.6	2%
- Current accounts	158.1	150.3	5%
- Term deposits	1,130.7	1,116.4	1%
Customer accounts of SMEs	68.2	72.9	(6%)
- Current accounts	27.8	29.2	(5%)
- Term deposits	40.4	43.7	(7%)

TBI Bank increased deposits and liquidity again in Q1 2025 to support business growth and to increase local currency funding in Romania. The average interest rate paid on term deposits varies by type and currency, ranging from 0.05% to 6.60%. The bank's overall cost of funds for the Period was 3.63%.

Capital and liquidity ratios

TBI Bank continues to have a strong capital, funding and liquidity position. The table below shows TBI Bank's statutory capital, funding and liquidity ratios as of 31 March 2025. The bank's profit for H2 2024 is not yet included in those ratios. The minimum capital adequacy ratio requirement from the Bulgarian National Bank applicable to TBI Bank is now approximately 14.4%. The calculation of capital buffers has been updated in alignment with the BNB during 2024, so the minimum CAR requirement now varies slightly depending on portfolio mix as different buffers are applied depending on the country of exposure. For funding, the minimum MREL ratio requirement was reduced starting 20 February 2025 and is 25.4% as of the end of March 2025.

	Standalone	Consolidated
Common equity Tier 1 ratio	21.6%	20.3%
Capital adequacy ratio	22.5%	21.2%
MREL ratio	31.3%	30.1%
Liquidity ratio	36.0%	
Liquidity coverage ratio	612.6%	655.9%

HISTORIC QUARTERLY RESULTS APPENDIX

For ease of reference, a summary income statement by quarter is presented below.

Income statement ***(in millions of €)***	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**Q1 2025**
Interest Income	**91.7**	**96.2**	**100.9**	**97.2**	**103.9**	**108.8**	**114.0**	**117.7**	**117.7**
Interest Expense	(15.1)	(15.7)	(16.9)	(18.0)	(18.5)	(19.5)	(19.6)	(20.0)	(20.2)
Net Interest Income	**76.6**	**80.5**	**84.0**	**79.1**	**85.4**	**89.2**	**94.4**	**97.7**	**97.5**
Net F&C Income	8.3	9.6	8.8	18.4	12.1	13.5	14.3	14.0	13.2
Other operating income	2.4	2.8	6.3	7.0	5.8	5.5	6.2	6.0	5.3
Non-Interest Income	**10.7**	**12.3**	**15.1**	**25.4**	**17.9**	**19.0**	**20.5**	**20.0**	**18.5**
Operating Income	**87.2**	**92.8**	**99.1**	**104.6**	**103.3**	**108.2**	**114.8**	**117.7**	**116.0**
Total operating costs	**(40.1)**	**(40.4)**	**(43.0)**	**(42.9)**	**(44.7)**	**(44.9)**	**(46.9)**	**(49.0)**	**(44.3)**
Pre-provision operating profit	**47.1**	**52.4**	**56.1**	**61.7**	**58.6**	**63.3**	**68.0**	**68.6**	**71.7**
Net impairment losses	(33.5)	(36.1)	(40.8)	(38.0)	(41.3)	(40.7)	(44.9)	(45.6)	(45.5)
Post operating profit	**13.6**	**16.3**	**15.3**	**23.7**	**17.3**	**22.6**	**23.1**	**23.0**	**26.3**
Depreciation and amortisation	(1.9)	(1.9)	(2.1)	(2.0)	(2.3)	(2.9)	(2.8)	(3.6)	(3.5)
Non-recurring income/(expense)	(0.7)	(0.1)	0.8	2.4	(1.5)	(2.7)	(2.4)	(0.8)	(1.4)
Net FX	(2.2)	(0.1)	(0.6)	(2.1)	(0.1)	(0.9)	(0.9)	0.1	(1.2)
Pre-tax profit	**8.8**	**14.2**	**13.4**	**21.9**	**13.4**	**16.2**	**17.1**	**18.8**	**20.2**
Income tax expense	(3.2)	(3.0)	(3.8)	(4.2)	(3.8)	(2.8)	(2.4)	(4.1)	(5.6)
Net profit after tax	**5.6**	**11.2**	**9.6**	**17.7**	**9.6**	**13.4**	**14.6**	**14.8**	**14.6**
EBITDA	**25.9**	**31.9**	**32.3**	**41.9**	**34.2**	**38.6**	**39.5**	**42.4**	**43.8**
Adjusted EBITDA	**28.1**	**30.7**	**33.1**	**39.4**	**34.9**	**40.2**	**41.1**	**40.9**	**43.0**
Online business key metrics									
Net profit after tax (1)	1.1	2.5	3.6	7.3	2.6	2.2	2.4	4.4	3.1
Proforma Adjusted EBITDA	10.1	10.1	11.8	12.2	10.4	10.5	10.5	12.9	12.7
Loan issuance ***(in millions of €)***									
Total value of online loans issued	**137.0**	**140.0**	**146.7**	**145.7**	**138.6**	**139.7**	**145.3**	**141.6**	**127.5**
Single Payment Loans	93.6	98.0	107.9	108.0	98.8	101.6	105.6	100.6	92.2
Instalment Loans	15.5	16.2	16.5	16.4	17.9	17.8	20.0	18.9	18.1
Near-prime Loans	8.6	7.4	7.0	6.7	7.0	4.6	2.0	5.3	4.8
Minimum to pay	19.3	18.4	15.4	14.5	14.8	15.7	17.7	16.7	12.5
Total value of TBI Bank loans issued	**206.4**	**221.4**	**224.5**	**254.9**	**251.4**	**280.2**	**301.3**	**335.4**	**301.8**
SME	31.0	25.9	24.3	31.3	35.3	36.0	34.3	48.7	43.7
Consumer	175.4	195.6	200.2	223.6	216.0	244.2	267.0	286.7	258.1

Notes:
(1) Internal management view of 'online' net profit, attributing cost of capital of 11% on EUR 75m TBI net purchase price and excluding certain other TBI related costs

Loan portfolio (receivables, including accrued interest)

Note these tables have been adjusted to include online loans owned by TBI Bank within the TBI Bank portfolio.

(in millions of €)	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**Q1 2024**	**Q2 2024**	**Q3 2024**	**Q4 2024**	**Q1 2025**
Single payment loans									
- Performing	49.2	49.9	53.5	52.1	50.1	49.0	52.3	48.9	48.0
- NPL (1)	4.0	5.3	5.7	6.5	7.5	7.5	8.1	8.3	9.3
- Total gross receivables	**53.2**	**55.3**	**59.2**	**58.5**	**57.5**	**56.6**	**60.3**	**57.2**	**57.3**
- Provisions	(12.4)	(13.7)	(15.6)	(16.9)	(17.4)	(17.5)	(17.3)	(17.4)	(16.7)
- Net receivables	**40.8**	**41.6**	**43.6**	**41.6**	**40.1**	**39.1**	**43.0**	**39.8**	**40.6**
- Gross NPL ratio	7.5%	9.7%	9.7%	11.1%	13.0%	13.3%	13.4%	14.5%	16.2%
Instalment loans									
- Performing	31.0	34.4	38.1	39.6	41.9	41.8	44.8	45.0	43.9
- NPL (1)	3.5	3.9	5.0	7.1	7.0	7.2	8.1	6.7	7.7
- Total gross receivables	**34.6**	**38.3**	**43.0**	**46.7**	**48.9**	**49.1**	**52.8**	**51.7**	**51.6**
- Provisions	(5.8)	(6.3)	(8.0)	(9.8)	(10.0)	(10.1)	(10.8)	(10.5)	(10.9)
- Net receivables	**28.7**	**32.0**	**35.1**	**36.9**	**38.9**	**39.0**	**42.0**	**41.2**	**40.7**
- Gross NPL ratio	10.2%	10.3%	11.6%	15.1%	14.4%	14.7%	15.3%	13.0%	15.0%
Minimum to pay receivables									
- Performing	43.3	43.0	41.1	39.3	38.4	39.3	41.8	43.3	40.5
- NPL (1)	5.3	6.4	7.3	7.5	6.7	6.0	5.9	5.4	5.1
- Total gross receivables	**48.6**	**49.4**	**48.4**	**46.8**	**45.1**	**45.3**	**47.7**	**48.7**	**45.6**
- Provisions	(5.0)	(5.8)	(6.0)	(6.6)	(5.8)	(5.5)	(5.8)	(5.3)	(5.1)
- Net receivables	**43.5**	**43.6**	**42.4**	**40.3**	**39.3**	**39.8**	**41.8**	**43.4**	**40.5**
- Gross NPL ratio	10.9%	12.9%	15.1%	16.1%	14.9%	13.1%	12.3%	11.1%	11.1%
Near prime receivables									
- Performing	29.2	22.1	19.5	16.7	15.6	14.2	13.3	15.8	17.6
- NPL (1)	4.2	4.8	4.2	3.4	2.4	1.7	1.2	1.2	1.2
- Total gross receivables	**33.4**	**26.9**	**23.7**	**20.0**	**18.1**	**15.9**	**14.5**	**16.9**	**18.8**
- Provisions	(5.3)	(5.7)	(5.3)	(4.3)	(3.4)	(2.8)	(2.5)	(2.2)	(2.2)
- Net receivables	**28.0**	**21.2**	**18.4**	**15.7**	**14.7**	**13.0**	**12.0**	**14.7**	**16.6**
- Gross NPL ratio	12.5%	17.8%	17.9%	16.8%	13.4%	10.5%	8.2%	6.9%	6.3%
Total Online receivables									
- Performing	152.7	149.4	152.1	147.6	146.0	144.4	152.1	152.9	150.0
- NPL (1)	17.0	20.4	22.3	24.4	23.6	22.4	23.2	21.6	23.3
- Total gross receivables	**169.7**	**169.8**	**174.4**	**172.1**	**169.7**	**166.8**	**175.3**	**174.5**	**173.3**
- Provisions	(28.6)	(31.4)	(34.8)	(37.6)	(36.7)	(35.9)	(36.4)	(35.5)	(34.9)
- Net receivables	**141.1**	**138.4**	**139.5**	**134.5**	**133.0**	**130.8**	**138.9**	**139.1**	**138.4**
- Gross NPL ratio	10.0%	12.0%	12.8%	14.2%	13.9%	13.4%	13.2%	12.4%	13.4%
TBI Bank									
- Performing	763.6	832.7	881.6	949.9	984.7	1,046.1	1,107.9	1,180.8	1,219.3
- NPL (1)	82.9	83.5	91.7	89.7	101.3	103.7	118.9	120.3	124.2
- Total gross receivables	**846.5**	**916.2**	**973.3**	**1,039.6**	**1,086.0**	**1,149.8**	**1,226.8**	**1,301.1**	**1,343.5**
- Provisions	(81.3)	(82.5)	(90.6)	(89.7)	(98.4)	(107.2)	(117.4)	(124.2)	(134.7)
- Net receivables	**765.1**	**833.7**	**882.7**	**949.9**	**987.6**	**1,042.5**	**1,109.4**	**1,176.9**	**1,208.8**
- Gross NPL ratio	9.8%	9.1%	9.4%	8.6%	9.3%	9.0%	9.7%	9.2%	9.2%

Note: (1) Non-performing amounts that are over 90 days past due (and, for TBI, shown on a customer level basis)

DEFINITIONS

Adjusted EBITDA – a non-IFRS measure that represents EBITDA (profit for the period plus tax, plus interest expense, plus depreciation and amortisation) as adjusted by income/loss from discontinued operations, non-cash gains and losses attributable to movement in the mark-to-market valuation of hedging obligations under IFRS, goodwill write-offs and certain other one-off or non-cash items. Adjusted EBITDA, as presented here, may not be comparable to similarly-titled measures that are reported by other companies due to differences in the way these measures are calculated. Further details of covenant adjustments can be found in the relevant bond prospectuses, available on our website www.4finance.com

Cost of risk – Annualised net impairment charges / average gross receivables (total gross receivables as of the start and end of each period divided by two)

Cost/income ratio – Operating costs / operating income (revenue)

Equity/assets ratio – Total equity / total assets

Equity/net receivables – Total equity / net customer receivables (including accrued interest)

Gross income – consists of interest income, net fees & commissions and other operating income

Gross NPL ratio – Non-performing receivables (including accrued interest) with a delay of over 90 days / gross receivables (including accrued interest)

Gross receivables – Total amount receivable from customers, including principal and accrued interest, after deduction of deferred income

Intangible assets – consists of deferred tax assets, intangible IT assets and goodwill

Interest income – Interest and similar income generated from our customer loan portfolio and from corporate/other loans

Loss given default – Loss on non-performing receivables (i.e. 1 - recovery rate) based on recoveries during the appropriate time window for the specific product, reduced by costs of collection, discounted at the weighted average effective interest rate

MREL – minimum requirement for own funds and eligible liabilities, set by the regulator for TBI Bank

Net effective annualised yield – annualised interest income (excluding penalties) / average net loan principal

Net impairment/interest income ratio – Net impairment charges on loans and receivables / interest income plus relevant fee income (interest income and other income from contracts with customers in Philippines and Lithuania under IFRS 15)

Net interest margin – Annualised net interest income / average gross loan principal (total gross loan principal as of the start and end of each period divided by two)

Net receivables – Gross receivables (including accrued interest) less impairment provisions

Non-performing loans (NPLs) – Loan principal or receivables that are over 90 days past due (over 30 DPD in the Philippines)

Normalised – Adjusted to remove the effect of non-recurring items, discontinued operations, net FX and one-off adjustments to intangible assets

Overall provision coverage – Allowance account for provisions / non-performing receivables

Profit before tax margin – Profit before tax / interest income

Return on average assets – Annualised net profit / average assets (total assets as of the start and end of each period divided by two)

Return on average equity – Annualised net profit / average equity (total equity as of the start and end of each period divided by two

Tangible equity – Total equity minus intangible assets

TBI Bank capital adequacy ratio – (Tier One Capital + Tier Two Capital) / risk weighted assets (calculated according to the prevailing regulations of the Bulgarian National Bank)

RECENT DEVELOPMENTS

Recent developments include significant and material information about the Group's development and any changes since its last quarterly report that was published on 28 February 2025.

Acquisitions and disposals

In April 2025, 4finance Holding S.A. repurchased 100% shares of Vivus.bg EOOD (Bulgaria) from TBI Bank EAD.

In April 2025, 4finance Holding S.A. entered into a definitive agreement for the sale of TBI Bank EAD via its subsidiary TBI Financial Services B.V. to Advent, a leading global private equity investor. The transaction is subject to customary regulatory approvals and is expected to close in Q4 2025.

Poland update

On 28 April 2025, 4finance Holding S.A. was added to the local Polish sanction list. As outlined in the company's 17 December 2024 press release, the Group has no business operations in Poland and there is no direct impact. The Group continues to operate as normal in all its markets and is committed to an open dialogue with any stakeholder on this topic. 4finance continues to seek dialogue with the Polish authorities to address the inaccurate claims made and is challenging the decisions.

Regulatory changes

On 27 November 2024 the Swedish parliament adopted a bill concerning strengthening consumer protection against risky lending and over-indebtedness. As a result, starting from 1 March 2025, the nominal interest rate cap for consumer loans in Sweden has been reduced from 40 to 20 percentage points above the reference rate.

As indicated in previous reports, the Swedish government has submitted a new proposal, requiring companies with a Consumer Credit Operations Act license to reapply for a license as either a bank or a credit market company. The parliament is now considering the proposal for an upcoming vote. The legislative amendments are proposed to enter into force on 1 July 2025. Under the proposal, companies with a Consumer Credit Operations Act license will have until the end of July 2026 to apply for a new license and may continue operations until their application is examined. The Group is considering whether to apply for such a license.

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