

AS Sun Finance Group

Unaudited results
9M 2024



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One of the fastest-growing online lending platforms in Europe, driven by tech innovation, efficient risk management, and advanced data science solutions

9

Operating countries

~1,400

Employees across the Group

24.0m+

Loan applications since inception

18.8m+

Registered customers

EUR 3.4bn+

Loans issued

EUR 77m

Bonds listed on Nasdaq First North

9M 2024 HIGHLIGHTS

Throughout the period, the Group continued to demonstrate strong financial performance while realigning its geographic scope of operations. In 9m 2024, the Group recorded an interest income of €200.6m (-9.3% vs 9M 2023), delivered EBITDA of €75.7m (37.8% margin), while the net loan portfolio reached €159.4m (-16.9% vs 9M 2023).

In March, Sun Finance was once more recognised as one of the Fastest Growing European Companies by The Financial Times, maintaining its position in the ranking for the 4th consecutive year - a notable achievement not only for the Baltic region but also at the European level.

Within the same month, the Group's 3.5-year senior unsecured bonds (LV0000802692), with a coupon rate of 11% + 3M EURIBOR and maturity in November 2026, were admitted to trading on the Nasdaq First North market.

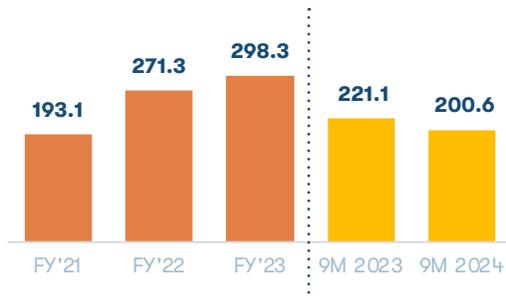
In April, the Group achieved a significant milestone, reaching €3 billion in loans issued to customers since the company's inception.

Towards the end of May, the Group registered a new senior unsecured bond issue of up to €40 million to refinance the 3-year €20 million bonds maturing on 30 June 2024, as well as to support new product development and further geographic expansion. The new bond issue, maturing in November 2027, has been organized as a private placement with an 11% coupon rate, paid monthly.

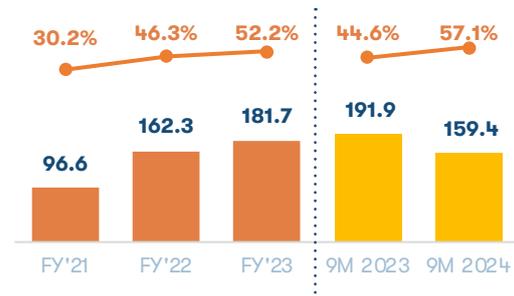
During the period, the Group also concluded the testing phase and launched active operations in Sri Lanka, further expanding its presence in the Southeast Asia region.

9M 2024 HIGHLIGHTS

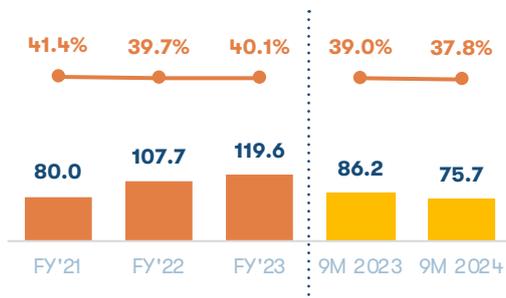
Interest income (€M)*



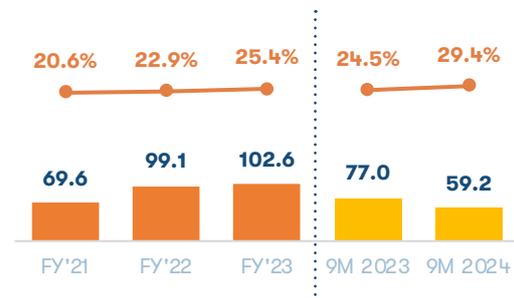
Net Portfolio (€M) (capitalisation ratio, %)



EBITDA (€M) (EBITDA margin, %)



Operating profit (€M) (Cost/income ratio, %)



*A reclassification from Interest income to Other operating income has been performed

Interest income

€200.6m

↓ 9.3% PoP

The Group's interest income reached **€200.6m** in 9M 2024, a 9.3% decrease compared to **€221.1m** in 9M 2023. The slight decline is attributed to the strategic decision to reduce the exposure in the Central Asia market.

Net portfolio

€159.4m

↓ 16.9% PoP

Net portfolio amounted to **€159.4m** at the end of the period, representing a 16.9% decline vs 9M 2023, also primarily affected by the scale back of the Central Asia market. However, a strong growth has been delivered by other operational regions, especially Europe.

Cost/income

29.4%

↑ 489 bps PoP

Cost/income ratio reached **29.4% for the period**, up by 489 bps compared to 9M 2023. New product development and the shift in geographic scope of operational markets contributed to the increase in the ratio.

EBITDA

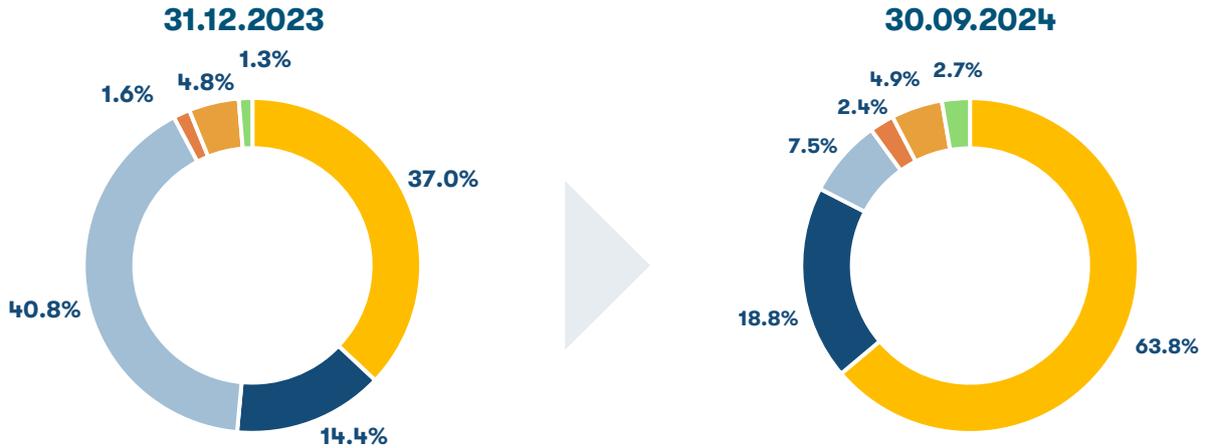
€75.7m

37.8% margin

EBITDA for the period amounted to **€75.7m**, with a margin of **37.8%**, being a 12.1% decrease compared to 9M 2023. The primary cause of the decline was a reduction in revenue.

PORTFOLIO ANALYSIS – GROUP & REGIONS

Portfolio Analysis



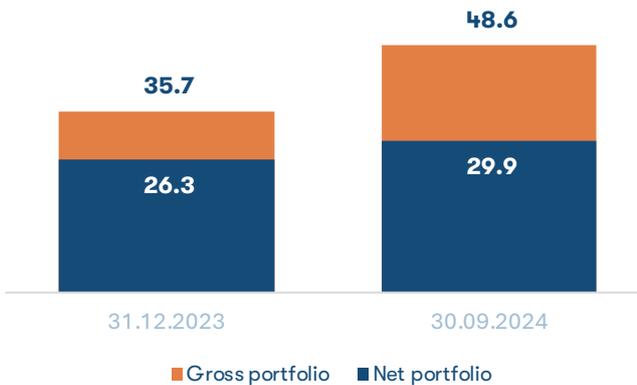
● Europe HUB
 ● Scandinavian HUB
 ● Central Asia HUB
 ● South East Asia HUB
 ● Latin America HUB
 ● Africa

Portfolio – Europe HUB (€M)



- Despite being the Group’s most mature and stable market in terms of operations and industry development, the European HUB has demonstrated continuous growth
- The portfolio quality has been consistently preserved at a high level

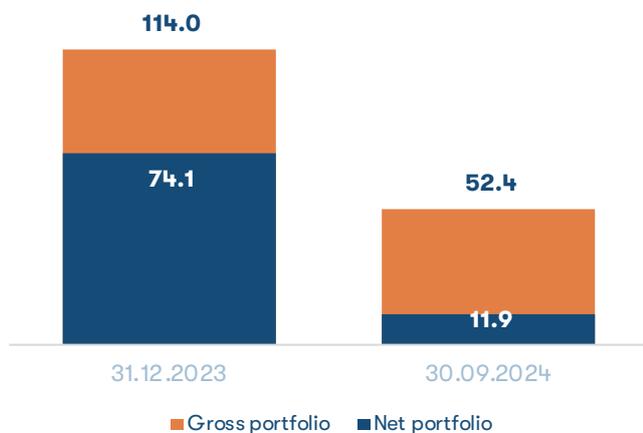
Portfolio – Scandinavia HUB (€M)



- The Scandinavian HUB maintains robust financial performance, with upward trends in loan issuance level, revenue and profitability
- Given the continuously strong demand in the market, we closely monitor customer dynamics to ensure stable portfolio quality and growth

PORTFOLIO ANALYSIS – GROUP & REGIONS

Portfolio – Central Asia HUB (€M)



- During the period, the Group maintained focus on its long-term strategic plan to reduce exposure in the Central Asia HUB, resulting in a portfolio decline

Portfolio – South East Asia HUB (€M)



- The market demonstrates steady growth in loan issuance volumes, revenue and profitability
- Having concluded a validated testing stage, the Group has launched lending operations in Sri Lanka, further expanding its presence in the region

Portfolio – Latin America HUB (€M)



- A strong customer demand has been observed, leading to increased issuance volumes; however, the portfolio balance at the end of the period was affected by currency fluctuations
- We continue to closely monitor customer dynamics to sustain a healthy portfolio quality

PORTFOLIO ANALYSIS – GROUP & REGIONS

Portfolio – Africa HUB (€M)



- Following the acquisition in Q3'23, the Group has closely monitored customer dynamics in the market and worked on risk strategy improvements to ensure healthy loan portfolio development
- The market consistently demonstrates growth in terms of business volumes and profitability

FINANCIAL PERFORMANCE

Consolidated Statement of Comprehensive Income

	Notes	9M 2024 (€M)	9M 2023 (€M)
Interest income		200.6	221.1
Interest expense		(13.4)	(13.0)
Net interest income		187.2	208.1
Impairment and write-off expense		(85.9)	(95.8)
Operating costs	1	(65.8)	(60.2)
Other operating income		26.4	29.6
Other operating expense		(0.9)	(9.8)
Net foreign exchange result		(1.4)	(2.3)
Profit before tax		59.5	69.6
Corporate income tax for the reporting period		(18.9)	(17.8)
PROFIT FOR THE PERIOD		40.7	51.8

(1) Operating costs

	9M 2024 (€M)	9M 2023 (€M)
Direct costs	23.2	18.0
Personnel costs	16.1	15.2
Indirect costs	15.8	12.9
Marketing and sponsorship	9.2	12.4
Amortisation and depreciation	1.4	1.3
Other costs	0.1	0.4
TOTAL	65.8	60.2

FINANCIAL PERFORMANCE

Consolidated Statement of Financial Position

	Notes	30.09.2024 (€M)	31.12.2023 (€M)
Tangible and Intangible assets		18.0	17.6
Other non-current assets		6.5	2.9
Loans and advances to customers	2	159.4	181.7
Cash and cash equivalents		32.7	22.6
Other receivables	3	25.7	29.7
TOTAL ASSETS		242.3	254.6
Share capital and Share premium		0.4	0.4
Retained earnings, reserves and NCI		90.7	94.4
Total equity		91.1	94.8
Loans and borrowings	4	117.4	126.7
Taxes payable		10.4	13.8
Trade and other payables		13.6	8.2
Prepayments and other payments received from clients		5.5	6.2
Other liabilities		4.4	5.0
Total liabilities		151.3	159.8
TOTAL EQUITY AND LIABILITIES		242.3	254.6

(2) Loans and advances to customers

	30.09.2024 (€M)	31.12.2023 (€M)
Gross receivables	258.5	253.6
Allowance for doubtful debts	(99.0)	(71.9)
NET RECEIVABLES	159.4	181.7

(3) Other receivables include receivables from sold portfolio, tax advance payments and other prepaid expense.

FINANCIAL PERFORMANCE

(4) Loans and borrowings

	30.09.2024 (€M)	31.12.2023 (€M)
Unsecured bonds ¹	72.1	81.8
Loan marketplace (P2P)	4.9	21.9
Other loans ²	40.3	23.0
TOTAL	117.4	126.7

¹ Unsecured notes maturing September 2025, November 2026 and November 2027

² Other loans include loans received from minority shareholders, management, and other investors. Maturities ranging from 2024 to 2027

KEY FINANCIAL METRICS & RATIOS

	9M 2024	9M 2023
Turnover	200.6	221.1
EBITDA	75.7	86.2
EBITDA margin (%)	37.8%	39.0%
Net loan portfolio	159.4	191.9
Capitalization ratio (%) ¹	57.1%	44.6%
Interest coverage ratio ²	5.9x	7.2x
Unencumbered receivables ratio ³	2.1x	1.9x
Cost/Income Ratio (%) ⁴	29.4%	24.5%

¹ Capitalization ratio equals Total Shareholders' Equity at the end of period divided by Net loan portfolio at the end of the same period

² Interest coverage ratio equals trailing 12-month EBITDA divided by trailing 12-month Interest expense

³ Unencumbered receivables ratio equals Net unencumbered loan portfolio divided by Total unsecured financial indebtedness

⁴ Cost / Income ratio is calculated by dividing Operating costs with operating income

At the period end, the Group's financial results provided sufficient headroom to fulfil bond covenants.



Modern finance.
For a modern **society.**

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