

4finance launches EUR bond refinancing

3-year extension of EUR bonds chosen as an efficient mechanism to achieve 2025 maturity

Amendment process follows consultation with bondholders and supportive feedback

21 June 2021. 4finance Holding S.A. (the “Group”), one of Europe’s largest digital consumer lending groups, announces it has begun the formal process to amend the terms and conditions of its EUR 2022 bonds. The notice of invitation to vote on a 3-year extension to the maturity, to February 2025, has been published today in the German Federal Gazette and on the Group’s website.

After a consultation process involving investors owning nearly half of the outstanding EUR bonds by value, there has been broad support for the proposed amendment terms. If the resolution is successfully passed, all EUR bondholders will receive an amendment fee of 25bps, and holders who participate in the vote will receive an additional 75bps. Further details are in the notes to this release and in the invitation to vote.

Kieran Donnelly, CEO of 4finance, commented, “our solid business performance in recent quarters – which has continued in April and May - has allowed us to accelerate our refinancing plans. Addressing the EUR bond maturity now, coupled with our recent cancellation of USD 125 million of our USD bond, improves the overall 4finance credit story and puts us in a strong position to complete the refinancing process in the second half of the year.”

James Etherington, CFO of 4finance, added, “we chose this amendment mechanism because we believe it’s more efficient than a ‘traditional’ refinancing. The EUR bonds work well both for the company, fitting our target capital structure, and also for the market, with good trading and broad distribution. We are encouraged by the strong level of investor support and would like to thank bondholders for their engagement as well as their useful feedback, much of which has been incorporated into our proposals.”

Aalto Capital (Munich) acts as financial advisor to 4finance. Holders of the EUR 2022 bonds are encouraged to reach out directly to Aalto Capital (contact details below) for more information regarding the process for amending the terms and conditions of the bonds.

For more information, please contact: investorrelations@4finance.com, press@4finance.com or Aalto Capital (manfred.steinbeisser@aaltocapital.com / [+49 89 8986777-0](tel:+498989867770)).

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

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.

Further information on amendment process

This EUR bond refinancing is the second step in the Group’s comprehensive refinancing plan, following the repurchase and cancellation of USD 125 million of its USD bonds. The third and final step is envisaged to be a new bond offering in the autumn of 2021 with a longer maturity.

The window to vote is the 12-14 July with the result expected to be announced shortly afterwards. If the required quorum of 50% is not obtained, a second vote with a quorum of 25% could take place in mid-August. The full documentation is available at: <https://www.4finance.com/investors-and-media/bonds>.

The Group recognises this approach to refinancing is not typical in the capital markets, however it has chosen the amendment mechanism to address the EUR bond maturity due to a combination of factors:

- Ideal size and currency, at EUR 150 million, to fit the Group's target capital structure.
- Broadly distributed bondholder investor base with good mix of institutional, private banking and retail investors.
- Frankfurt Prime Standard listing offering good trading liquidity, with prices at/close to par since the August 2020 amendment.
- Strong level of participation and support for the August 2020 amendment, with efficient execution process and ability for the Group to reward investor loyalty through payment of amendment fees.

As part of its approach, the Group proposes to provide up to EUR 15 million of liquidity at the current February 2022 maturity via a put option at par to provide additional flexibility to investors. A conditional put option in full at par is available if the USD bonds are not fully refinanced by 23 February 2022: a clear signal this extension is part of a comprehensive refinancing plan.

In addition, the Group proposes to keep the existing 11.25% coupon level, but make interest payments quarterly to provide more frequent cashflows to investors, and update the call structure to reflect the new maturity, declining from the current 104% to par over time.

Notes to Editors

Established in 2008, 4finance is one of Europe's largest digital consumer lending groups with operations in 9 countries.

Leveraging automation and data-driven insights across the business, 4finance has grown rapidly, issuing over €8 billion since inception in instalment loans, lines of credit and single payment loans.

4finance operates a portfolio of market-leading brands offering simple, useful and transparent products to millions of customers. The Group provides convenient products in a responsible way to the many consumers who are often underserved by conventional providers.

The Group also offers deposits, in addition to consumer and SME loans through its TBI Bank subsidiary, an EU licensed institution with operations in Bulgaria and Romania.

www.4finance.com