



4finance Holding SA

Investor presentation on recent developments

20 April 2022

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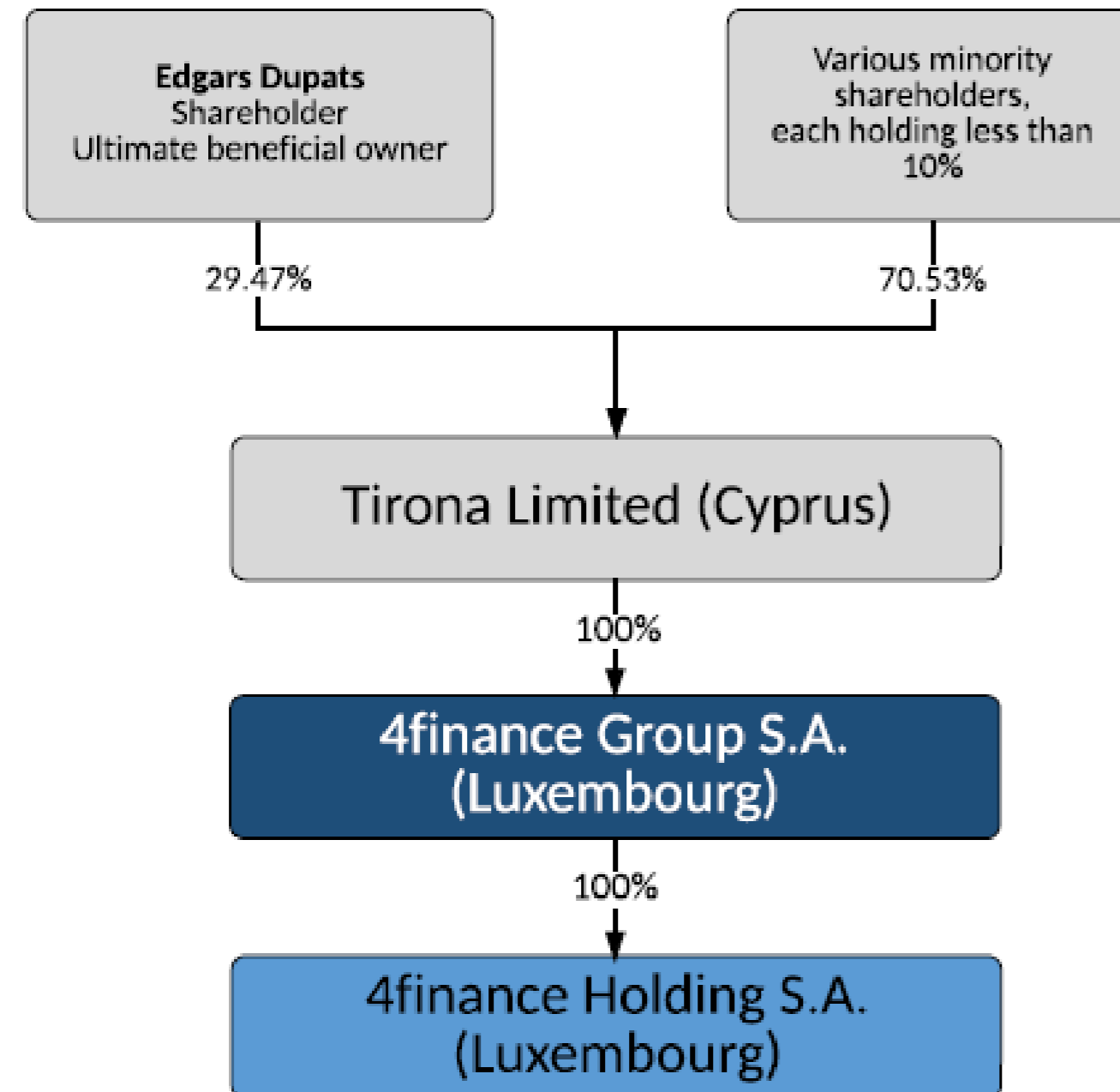
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Topics for today's call

- Update on ownership changes
- Sale of Polish business
 - Context and rationale
 - Transaction structure
 - Financial impact
- Business update and outlook
- Questions

Ownership changes



- Completion of full divestment by Vera Boiko, former largest shareholder
 - 20% sold as announced on 21 March
 - Process accelerated for remaining 29%
 - Full exit achieved as of 13 April
- Diversified shareholder structure, with four new individual HNW investors
- New board to be constituted in due course

Poland sale: context and rationale

- Timeline of new law and *4finance* response
 - 30-Mar: draft law proposed, timing expected end April
 - 1-Apr: *accelerated dividend (EUR 5m) and partial loan repayment (EUR 7m)*
 - 2/5-Apr: *explored options & clarified competition commission approval issue*
 - 6-Apr: *action plan circulated & draft SPA circulated for negotiation*
 - 7-Apr: law approved in Sejm, passed to senate, allowing pre-Easter timing
 - 12-Apr: *negotiations with local management completed*
 - 13-Apr: senate finalises amendments
 - 13-Apr: *sale to management closed*
 - 14-Apr: *internal and external communication, start of project to separate businesses*
 - 15-Apr: new law published, effective 16-Apr
- Background of general sentiment against 'Russian capital' in Poland
- Draft law "Special Solutions Counteracting Supporting Aggression against Ukraine and Serving Protection of National Security"
 - Wide ranging powers, in sole discretion of Minister of Interior, with immediate implementation and impractical right of appeal
- Clear risk of Vivus Poland being sanctioned that could have resulted in material loss of value
 - Vivus Poland frequently mentioned in media and parliament as being 'Russian owned'
 - Russian ownership divestment process was accelerated, but not in company's control and may not have been sufficient on its own
- Decision to review sale options: rapidly clear that management buyout was only realistic option
 - Tough process made possible by many years of working together and common interest in preservation of Polish business, jobs, customer proposition and value

Poland sale: transaction structure

Vivus Poland balance sheet 31-Mar-22 and proforma*

<i>In millions of €**</i>	31 March 2022	Cash return	Proforma balance sheet
Cash	17.7	(11.8)	5.9
Net receivables due from customers	47.2		47.2
Intangible assets	2.5		2.5
Other assets	1.7		1.7
Total Assets	69.1	(11.8)	57.3
Loan from 4finance SA	38.0	(6.8)	31.2
Other liabilities	7.6		7.6
Equity	23.5	(5.0)	18.5
Total equity and liabilities	69.1	(11.8)	57.3

- Key transaction terms
 - EUR 18m purchase price, payable in 3 annual instalments
 - EUR 30m loan from 4finance SA remains in place, including guarantee, with 13% interest rate, maturity Dec 2024
 - “Clean” SPA with no business warranties/indemnities
- Valuation benchmarks
 - Net book value as primary reference
 - Publicly quoted peers trade below book value
 - Forward P/E dependent on regulatory scenario, but at high end of pricing implied by peer multiples of 3-5x
- Covenant compliance reviewed with bond lawyers and transaction notified to trustees
 - Board took decision to act to preserve value and mitigate clear risk

* Proforma for early April dividend payment and partial loan repayment

** Used PLN/ EUR FX rate 4.653 (31 March 2022)

Poland sale: financial impact

On disposal

- Balance sheet
 - Minimal impact on total equity
 - Purchase price receivable will have some discount for time value given instalments >1 year
- Profit & Loss
 - Non-cash expense from negative FX reserve in OCI of c.EUR 1.6m (no impact on total equity)

Ongoing impact

- Polish business (revenue, net impairments, local costs, etc) no longer consolidated from mid-April
- Additional income from loan interest (nearly EUR 1m/quarter) and cost-plus recharges for any shared services/IT services used by Vivus Poland

Proforma EBITDA

- 2021: net contribution to Adjusted EBITDA in 2021 of c.20%. Excluding this, overall interest coverage still above 2x (c.2.25x) for 2021
- Q1 2022: strong performance, boosted by debt sales, captured by cash return in early April
- Remaining 9 months of 2022: budget reflected lower cost cap assumptions, with net contribution to budgeted EBITDA of c.10%

Other metrics

- Capitalisation ratio: neutral to small positive impact from lower loan balance
- Guarantor coverage: remains a guarantor of bonds

Business update and outlook

Current business update

- Online business sales above budget year-to-date, net impairments below budget and costs in-line
- TBI Bank performing well and launched in Greece
- Strong cash position of over EUR 60m (after Poland sale and first EUR 2026 bond coupon payment)

Outlook

- Monitoring inflation rates and stress-testing potential impact on credit quality, but can also increase market size
- Actively resumed Philippines acquisition discussions as business has adapted to recent regulatory changes

Thank you and Questions

Contacts

Investor Relations

investorrelations@4finance.com

Headquarters

17a-8 Lielirbes street, Riga, LV-1046, Latvia

James Etherington

Group Chief Financial Officer

Phone: +44 7766 697 950

E-mail: james.etherington@4finance.com