

4finance announces management buyout of Vivus Poland

14 April 2022. 4finance Holding S.A. (the 'Group' or '4finance'), one of Europe's largest digital consumer lending groups, has sold its Polish business to local management.

The sale, completed on April 13th, was motivated by legislation proposed in the Polish parliament. Two weeks ago, a legislative process began for the adoption of a new law, "Special Solutions Counteracting Supporting Aggression against Ukraine and Serving Protection of National Security."

The draft law would give the Minister of the Interior sweeping powers to sanction entities directly or indirectly connected to or associated with Russian nationals. This legislation has been expedited and could come into force as soon as April 14th.

Despite the full divestment at the Group UBO level by a Russian national (see separate press release dated April 14th), the directors were concerned there remained a risk that Vivus Finance sp. z o.o. ('Vivus Poland') could be sanctioned, resulting in a material loss of value. Faced with this prospect the directors agreed to the sale as a measure to preserve value for 4finance Holding S.A. and its bondholders. Vivus Poland CEO Ewa Wernerowicz is leading the management buyout. Ewa has led the business for four years and held leadership roles at the company since 2012. The transaction is priced at approximately book value and the consideration of €18 million is to be paid in instalments over three years. The loan extended to Vivus Poland by 4finance S.A. remains in place.

Given all the available information and input from our legal advisers, the directors believe this to be the most favorable of available options, including that of not taking action.

"This is not what we wanted, but we have moved rapidly to do the best we can for all our stakeholders. While the Polish business was an important EBITDA contributor, our ongoing businesses are performing well and generate sufficient cash to meet our obligations and fund growth," said Kieran Donnelly, CEO of 4finance.

"We wish the Polish team well and now turn our focus to optimising our remaining businesses and looking for opportunities to expand."

An investor call will be held at 3pm UK time on Wednesday 20th April. Registration details will be available at www.4finance.com.

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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.

About 4finance

Established in 2008, 4finance is one of Europe's largest digital consumer lending groups with operations in 8 countries.

Leveraging automation and data-driven insights across the business, 4finance has grown rapidly, issuing over €9 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