Mellenu H1 2026 unaudited results conference call

Wednesday, 2 September 2026

Participants:
Nick Philpott – CEO
Ivo Zvirbulis – CFO

Nick Philpott: Thank you very much. Good afternoon, everybody. If we could have our slides put up. Welcome, as Judith says. This has been a fairly momentous six months for Mellenu, formerly 4finance. I mean, during that time, as you all know, we had a fairly momentous six months. As you all know from our previous announcements of first quarter, we sold TBI. We then, after the end of the first quarter in April repaid early one of our bonds, leaving one outstanding of which you guys are obviously the holders. And then at the end of May, we did our reorganisation into the new holding company, Mellenu, in advance of the management led buyout, which is progressing. And so what we're presenting to you today is the numbers for six months on a pro forma basis, basically for what constitutes the bond group. So it's some of 4finance and a little bit of Mellenu to reflect the fact that this is 6 months' worth of results for the bond group, for the businesses that support the businesses that support the bonds. The in the quarter, we've got our basic usual highlights here. EUR 24.5 million of adjusted EBITDA, which is basically the cash profit that supports the bonds. And over a million customers. And we are progressing in our new businesses in Georgia and also in our UK joint venture. And we will see on the next slide the core business and the growth initiatives. We can see how we are growing our UK joint venture portfolio after a dip in the first quarter where we were just being cautious. That is now up to issuance of EUR 19 million. And the Georgian loan issuance increases steadily month by month on the auto book there, which is a business that has become EBITDA profitable ahead of schedule, so we're pleased with that. Overall, our issuance is up on the first quarter, and the position going into the second-half of the year is pretty much as we'd like it. So for that, I think I would hand over for a bit more on the finances to Ivo. So Ivo, if you'd like to take it over.

Ivo Zvirbulis: Yes, good afternoon. Thank you for joining us today. I'll guide you through financial highlights. As you know, our businesses were acquired by Mellenu in May, to provide you meaningful and consistent view of performance, we are presenting full half-year results together with relevant comparative information, including prior quarters and selected historical periods. And as Nick mentioned, this presentation reflects management's view of business on a consistent basis. Although, the Mellenu structure was not present in those earlier periods, the underlying businesses are the same businesses that comprise the group today. Thus historical information should therefore be viewed as contextual performance data that helps assess group's operating trends and current performance. With that context, let me turn to key highlights. During second quarter, we remain focused on balancing growth, profitability, asset quality, we continued to invest selectively in opportunities while maintaining discipline across underwriting and cost management. The metrics that follow, reflect strength of our underlying portfolio and discipline we have applied over past several quarters. On charts we show adjusted EBITDA development on annual and quarterly basis together with our cost to income ratio over the same period. Adjusted EBITDA and adjusted EBITDA margin increased in H1 2026 comparing to H1 2025. On a quarterly basis, margin was higher in Q2 26; on absolute figures it was broadly unchanged quarter to quarter. On cost-to-income ratio, our six-month ratio was lower, therefore better than full-year ratio, both 2025, 2024. Somewhat marginally higher than H1 2025. Overall, our cost-to-income ratios are broadly stable across periods and reflecting continued cost discipline we have applied over time.

Moving on to revenues, this picture covers all our active markets with UK joint venture included, which sits outside the consolidated group, but is included here to give a picture of scale and earnings capacity of the business. Revenues generation are diversified across markets, products and return profiles. Revenue mix reflects different economics of products and markets, including pricing and average loan duration. As a result, market contribution to revenue does not necessarily reflect its share of loan portfolio. Turning to quarterly trends chart, bottom right, revenues have followed a modest downward drift over period, reflecting our continuous focus on asset quality over volume growth. Top right chart shows revenue share of top five countries in H1 2026 comparing to H1 2025 with rest of countries combined under *Other*. From chart we see that revenues are broadening out, supporting diversification.

Moving on to loan portfolio, this picture covers our loan book composition. Loan portfolio remains well diversified across markets. As noted, geographic distribution differs from revenue mix, reflecting the same differences in pricing and duration across markets. We continue to actively manage portfolio with focus on diversification, credit quality and capital efficiency, prioritising quality and sustainability of growth over volume. So the loan portfolio composition is disciplined, diversified and credit quality led, and positions us well to sustainable growth going forward.

Asset quality. Chart top left shows net impairment in euros together with net impairment rate. Taken together, these metrics show the underlying credit performance of portfolio. Chart bottom left shows gross non-performing loans ratio, alongside gross non-performing loans coverage. Together these metrics show fuller pictures that either would on its own. It shows how much risk sits in the book and how well it's already covered. Chart top right shows net loans mix across stage one, stage two, stage three. This gives visibility into credit quality across the book more broadly. And those willing to go deeper, the appendix includes the vintage level delinquency course showing cohort performance on an average 30+/90+ days past due basis across recent origination quarters. This shows broadly stable performance across cohorts, and consistent with underwriting discipline disclosed in metrics on this slide. Overall, the portfolio is stable and well managed.

Capital structure and covenant metrics, following the sale of TBI and redemption of 2026 bonds, our balance sheet has meaningfully strengthened with interest coverage, equity to asset ratio, equity to net loans ratio improving significantly. That said, we are conscious that those ratios now sit on the conservative end of range and reflects the balance sheet that has significant headroom comparing to our growth ambitions. But we see this sources flexibility which supports our future growth and allows pursue selective opportunities. We continuously analyse how best to deploy this capital to secure the next growth phase. With this, I conclude financial highlights, so let me hand it back to Nick.

Nick Philpott: Yeah, thank you very much. As Ivo has been showing, the business is diversified in balance sheet and in P&L. The lending approach has been disciplined. We're very pleased with the credit quality, again, as he explained. We are in a very strong balance sheet position at the moment with one bond and with a good deal of cash on our balance sheet from the TBI sale still, which as Ivo says, is at the conservative end of things. And we've got markets that are growing; in Georgia, in the UK joint venture and in also South Africa that we see as our immediate growth engines. And on top of that, we are looking at further opportunities and that continues, as we have mentioned in the past, to include finding the right partner for an entry into India, which would be for the longer term in terms of growth. So we're happy with the half year, and the balance sheet in particular is very strong because of our cash position and the reduced liabilities and that is our platform for growth. So I think with that, unless anything would like to be added by Kieran, who normally has to do a fair amount of talking on this, but not today, then I would hand that back for questions.

Frank Oliver Lehmann: Yeah, hi, it's Frank Oliver Lehmann here. Hi, Nicholas and team. Thank you for the presentation. I guess the business will develop. I'm not too much worried about that, what you have as active loans out there. I was just looking through the balance sheet and I saw that EUR 90 million of your assets are placed with a related party. How do I have to understand that? Is this kind of like a dividend that has left just in the form of a loan? Or is this money you can bring back in when you grow and expand? Also keeping in mind that you have a significant position also in cash. So you have cash and then you also have that in the company loan or related party loan. What's the interplay there? Maybe you can just shed some light. Thank you.

Nick Philpott: Yeah, I mean, there's no connection between the two balance sheet items. Cash is cash. You mentioned a EUR 90 million figure there. That's not all connected party loan. It includes a number of other assets. And I think that figure includes, for example, the TBI earn-outs, right, Ivo?

Ivo Zvirbulis: In fact, it includes also, if we compare to presentation which we had today, in that figure is UK joint venture, in that figure is corporate loans. It contains of those several items which we had on the pie chart, yes.

Frank Oliver Lehmann: Hang on, hang on. Let me just go back. It's page 20 in your presentation on net loans to related parties, EUR 90 million. So that is EUR 90 million to a related party. That is the parent, right? So what's the purpose in putting it with related parties, or is this going to shrink? Just fill me in a little bit on that, because that number has been going up since December. It used to be two years ago, it was much less, right.

Nick Philpott: Well, that includes the UK joint venture. It includes risk participations that we talked about previously in Mexico. So it's a number of those things. It's not just a loan and it is not a loan to the parent. The biggest element of it is the risk participations and the UK joint venture loan.

Frank Oliver Lehmann: And let's touch on the risk participation, because that's kind of like a portion of your balance sheet. What do I have to think about what it constitutes of?

Nick Philpott: Well, I think Kieran's talked about this, and if you remember conversations just beginning of the summer when we were talking to other investors, including yourself. These are sort of the "lend to learn" activities that Kieran has mentioned where we are lending to, for example, a consumer finance company in Mexico backed by receivables in that company as a means of looking at whether or not we are comfortable with the business and wish to take an equity stake. And it's where we have an option to, we have a small equity stake, we have an option to increase that equity stake. But for the moment, our asset is loans backed by those participations, which is allowing us in detail to review the portfolio, the product performance, and establish if we wish to move from, if you like, from a lending situation into a greater equity or control situation. And this is very much the model which we have used in the UK and we're increasingly thinking successfully where, by lending to the joint venture, we are also seeing the portfolio which that loan is funding. We're seeing its full performance and it's both at the operational detail level and also at the company financial level. So it's enabling us to say, yeah, actually that is somewhere where we want to increase our equity state, take control, consolidate, whatever it is. So, primarily, that's what the biggest items are.

Frank Oliver Lehmann: No, thank you very much for shedding that light back again, and sorry for not having that available right now, but I think it's a very smart way to...

Nick Philpott: Yeah, it's one big number on the balance sheet, so I quite understand.

Frank Oliver Lehmann: Right. It's a clever way to go into these markets. Can you just summarise, this is Mexico. What other markets are behind that which you kind of lending to learn just originally?

Nick Philpott: It's Mexico and the UK.

Frank Oliver Lehmann: Mexico and the UK. Okay. So, okay. All right. Well, thank you very much for that and good luck on whatever you do in second-half 2026. And we would also welcome a refinancing at any time soon and waiting to hear on that. Thank you very much. Bye-bye.

Moderator: Thank you, Frank. And we are coming to the next and for now, last hand up, Dietmar Schweer. You should be able to speak now. You may unmute yourself in the left corner on your microphone. I'm sending you the unmute request again. And in case this should not work, you can also place your questions to investor relations,

Dietmar Schweer: Sorry. Thank you very much. Dear gentleman, just a bondholder of the former 4finance bonds for just a decade. I appreciate your work and very successful. Just a few questions concerning the balance sheet. In the first quarter, I think it was you booked EUR 30 million loss out of discontinued operations. Can you tell me the reason behind that? And another question is why you are not depending on the deposits, the cheap deposits of TBI Bank. What is the effect on your funding costs nowadays? Think funding costs must be rising because there are no cheap deposits of the bank. And are you trying to buy another company with a bank license maybe? And the third one, the last question is about the expiring 2028 bonds. Are you planning another bond or planning maybe to roll the existing bond to the future or what are your plans to refinance the 2028 bond? Thank you.

Nick Philpott: Okay, I'll take #3 first on the 2028 bonds. Yes, we're looking at them. Yes, we know we obviously have plenty of time before maturity comes up. They are already callable. So yes, we have the opportunity to refinance at an earlier stage and we would let everyone know if we push the button on that. But it's something that we're actively looking at in terms of timing and how it could be done. In terms of bank deposits, we actually never were able to use TBI bank deposits on the core old 4finance or now Mellenu business. So it actually has not been a source of funds. The source of funds for the Mellenu business and the old core 4finance has always been the Eurobonds and nothing else. And it's one of the reasons why we actually sold TBI because we had bought it with the hope that we would, for example, be able to find some financing structures subject of course to bank large exposure directives and all that sort of thing. And we weren't able to do anything material. So it was one of the reasons why ultimately it was a better decision for us to sell the bank than to keep it. On your first one about discontinued operations, that also is TBI related. The way that IFRS 5 requires us to account for discontinued operations, and the fact that the deal was done in Spring 2025 in terms of agreement, but did not complete until February 2026 because it took that long to get both ECB and Bulgarian bank approval. So in that time, the way IFRS 5 works is it kind of treats you having sold it based off the position at the beginning of 2025. And after that, you consolidate the income, but then effectively have to write down your investment in the bank, because you've sold it as of that date, the earnings are not accruing to you, they're accruing to the person that bought it. So to fully understand the full picture, you'd need to look at the 2025 and 2026 P&L in relation to discontinued operations. And the 2026 bit effectively is the last couple of months of that overall calculation, given that there were two months of 2026 when we still owned formerly the bank, even though if you like the beneficial owner of the accruing earnings was already Advent. So it's a complex and at times seems rather daft accounting construct, but it being in discontinued operations, that's nothing in there that affects any of the ongoing Mellenu business.

Dietmar Schweer: Okay. Can you say anything about the actual funding costs of the company, your lending portfolio?

Nick Philpott: Our funding cost is the Eurobond rate that we pay. There's no other external, funding. And obviously our retained earnings and capital, et cetera.

Dietmar Schweer: Yes, of course, yes, of course. One additional question, what payments do you expect from the earn outs of the TBI bank deal? Is there any payment that you expect in the future?

Nick Philpott: Yup, there's one expected in May 2027, which we are estimating around about EUR 22 million. We had one already in May 2026 because as I said, the fact that the deal took so long to complete, there was an earn out based on 2025 results when we still actually owned the bank. And that amount was EUR 30 million. And we received that in May 2026. We're expecting the other earn out in May 2027. And that is sitting on the balance sheet in other assets, the discounted value of that.

Dietmar Schweer: Thank you very much, gentlemen. Thank you.

Moderator: Thank you, Dietmar, for your questions. And ladies and gentlemen, with that, we are coming to the end of today's earnings call. Thank you very much for your interest in the Mellenu Holding S.A.. A big thank you also to the gentlemen for your time. And should any further questions arise at a later time, ladies and gentlemen, please feel free to reach out to investor relations. I wish you all a lovely day around the world and handing back over to Nick for some final remarks.

Nick Philpott: Yup, just to say thank you to everyone. And as Judith says, reach out for any particular questions. I know some of you do after we have the calls, and we'll obviously be happy to answer them. Apart from that, thank you very much for attending.

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