



FINANCIAL REPORT

UNAUDITED RESULTS FOR 9 MONTHS
ENDING 30 SEPTEMBER 2021

Second largest
non-bank
consumer lender
in Latvia*

DELFINGROUP AT A GLANCE



TOP 1

Largest IPO in Latvia in
terms of number of
shareholders



AWARDS

Latvian Corporate
Governance Award 2021*

BUSINESS SEGMENTS

- Consumer loans
- Pawn loans
- POS loans
- Retail of pre-owned goods

90+

branches



38

cities



270+

employees



400,000+

registered customers

last 10 years

profitable operations

KEY FINANCIALS (2021 9M)

37.1 m€

(+7% Y-o-Y)

Value of issued
loans

3.48 m€

(-5% Y-o-Y) **

Profit before
tax

38.2 m€

(+12% Y-o-Y)

Net loan portfolio

7.0 m€

(+1% Y-o-Y)

EBITDA

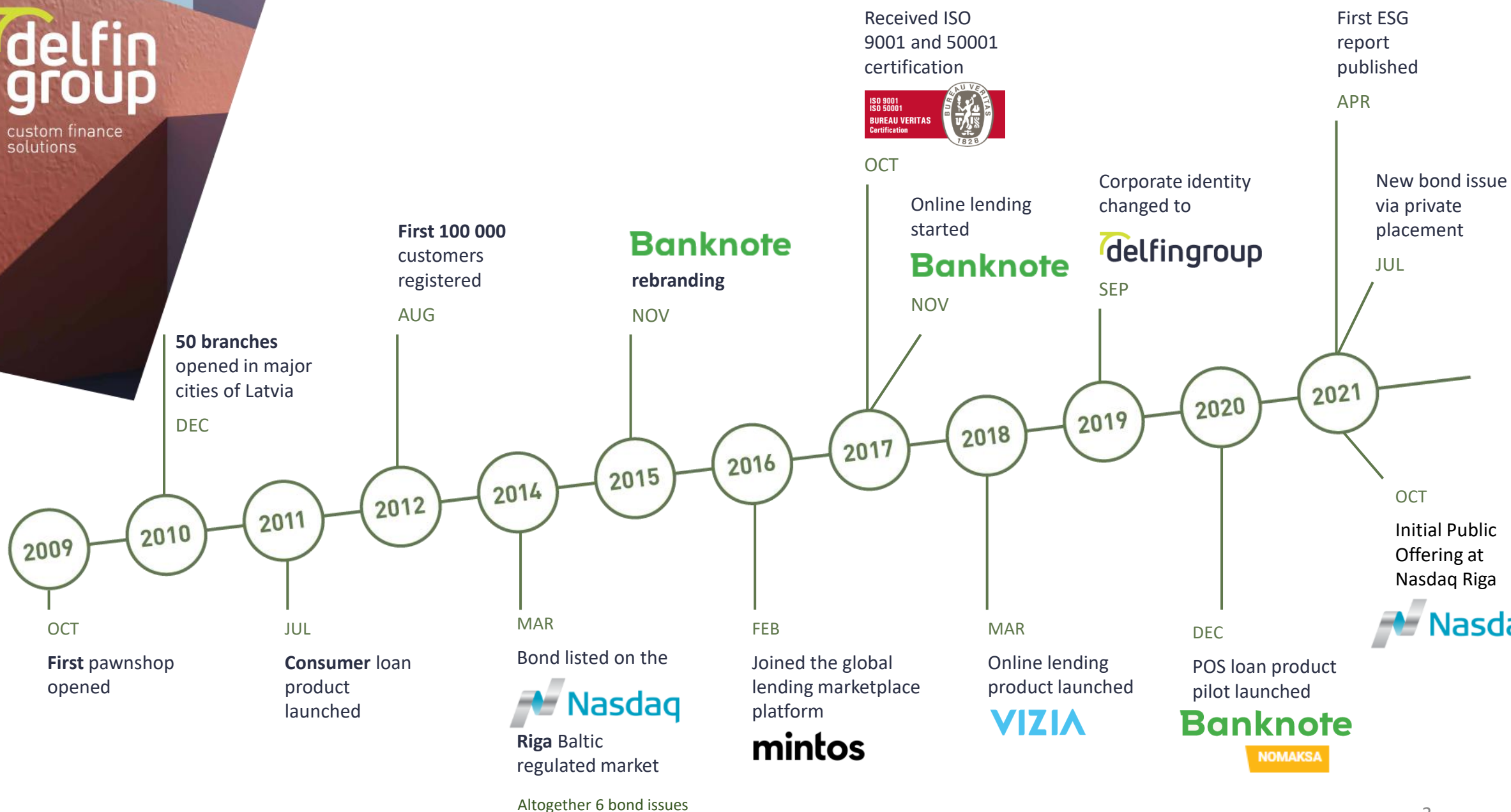
BRANDS:

Banknote

VIZIA

* Forbes Latvia magazine No. 26 (November 2021)

** Decrease in PBT due to reversal of loan loss provisions in Q3 2020 created at the beginning of Covid-19 pandemic





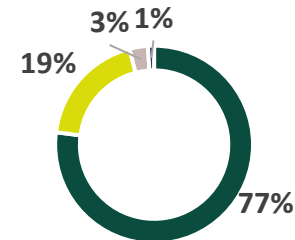
IPO RESULTS

On 14th of October 2021 the DelfinGroup IPO subscription period ended, as a result of which:

- 5 927 new shareholders participated in the IPO;
- Company raised 8.09 million euros.

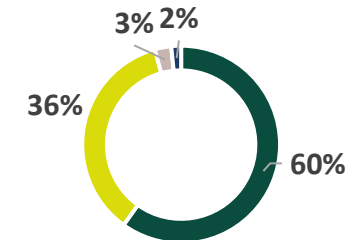


New shareholder number by country



■ Estonia ■ Latvia
■ Lithuania ■ Other countries

New shareholder investment by country



■ Estonia ■ Latvia
■ Lithuania ■ Other countries



Corporate governance award

On September 10th the Latvian Corporate Governance Awards were presented

DelfinGroup has ensured an open, transparent and international supervisory board selection process and received an award in the nomination

“Most Successful Supervisory Board Selection”.



From left: Baltic Institute of Corporate Governance Vice President Andris Grafs, Conexus Baltic Grid Member of the Management Board Mārtiņš Gode, Deputy Prime Minister, Minister of Justice Jānis Bordāns, SCHWENK Latvija Member of the Management Board, Environmental and Legal Director Evita Goša, DelfinGroup Chairman of the Supervisory Council Agris Evertovskis

ON TRACK TO ACHIEVE COMPANY'S TARGETS

JULY, 2021 New bond issue via private placement in the amount of EUR 5 million with coupon rate of 9.75;

OCTOBER, 2021 Initial public offering on Nasdaq Riga stock exchange (EUR 8.09 million gross proceeds);

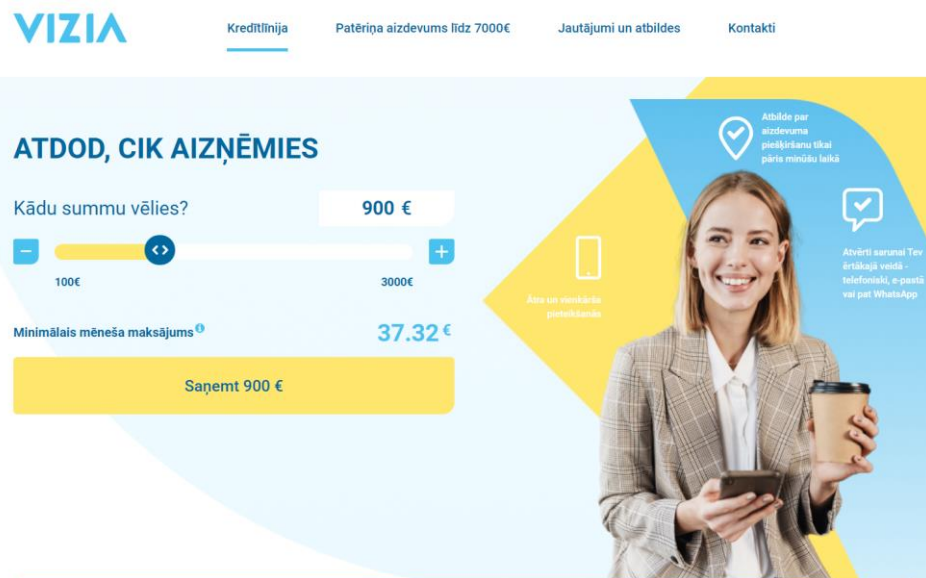
OCTOBER, 2021 redeemed EUR 5 million bonds (ISIN LV0000802213) issued in 2016 with 14% coupon rate ;

NOVEMBER, 2021 the bonds of EUR 5 million (ISIN LV0000802379) issued in 2019 with coupon rate of 14% will be redeemed before maturity.

In total, most expensive bonds (EUR 10 million in total) will be redeemed, thus, reducing the company's cost of financing and implementing measures to achieve the Company long-term targets.

UPDATES

- Acquisition of AS Moda Kapitāls pawnshop portfolio almost finished (23 from 25 branches takeover completed)
- Further enhancing the product offering: the limits of the consumer loans have been tactically and selectively increased up to EUR 7,000 and the maximum tenure of new consumer loans has been extended to 7 years
- New product: VIZIA credit line launched



VIZIA Kredītlīnija Patēriņa aizdevums līdz 7000€ Jautājumi un atbildes Kontakti

ATDOD, CIK AIZŅĒMIES

Kādu summu vēlies? **900 €**

100€ 3000€

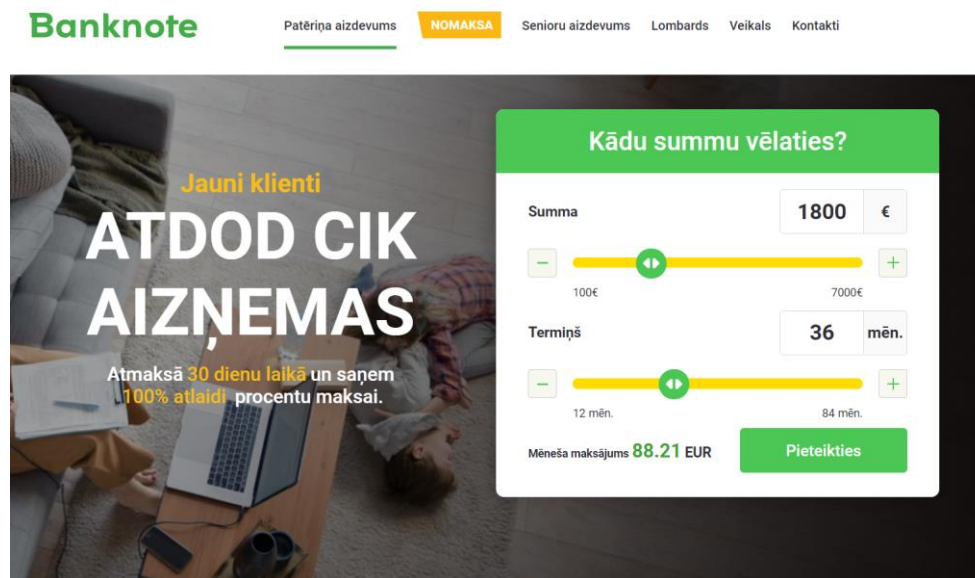
Minimālais mēneša maksājums **37.32 €**

Saņemt 900 €

Atbilde par aizdevuma piešķiršanu tikai pieteikuma laikā

Atbilde saņemsi Tavā ērtākajā veidā: telefoniski, e-pastā vai pat WhatsApp

Ja tu nevēlies pieteikties



Banknote Patēriņa aizdevums **NOMAKSA** Senioru aizdevums Lombards Veikals Kontakti

Jauni klienti

ATDOD CIK AIZŅEMAS

Atmaksā 30 dienu laikā un saņem 100% atlaidi procentu maksai.

Kādu summu vēlaties?

Summa **1800 €**

100€ 7000€

Termiņš **36 mēn.**

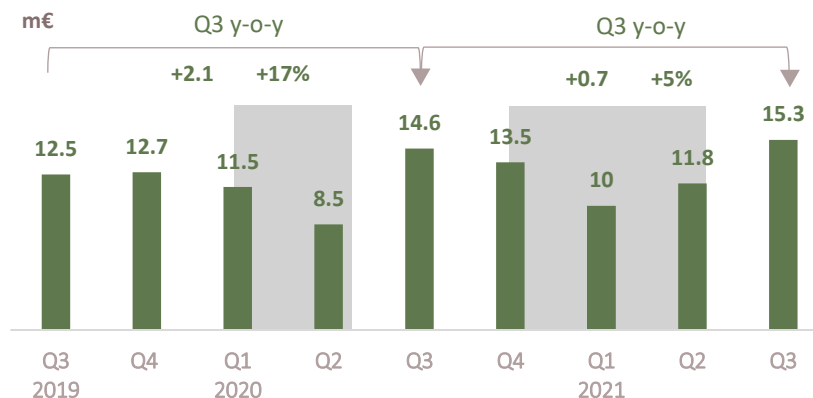
12 mēn. 84 mēn.

Mēneša maksājums **88.21 EUR**

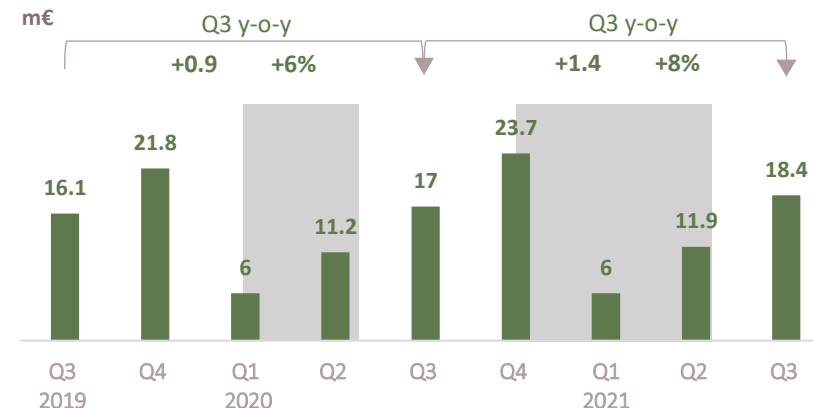
Pieteikties

SELECTED FINANCIALS

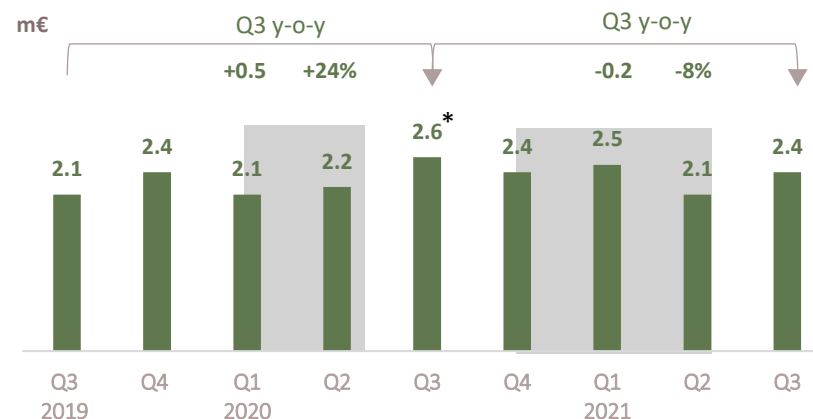
Total loans issued



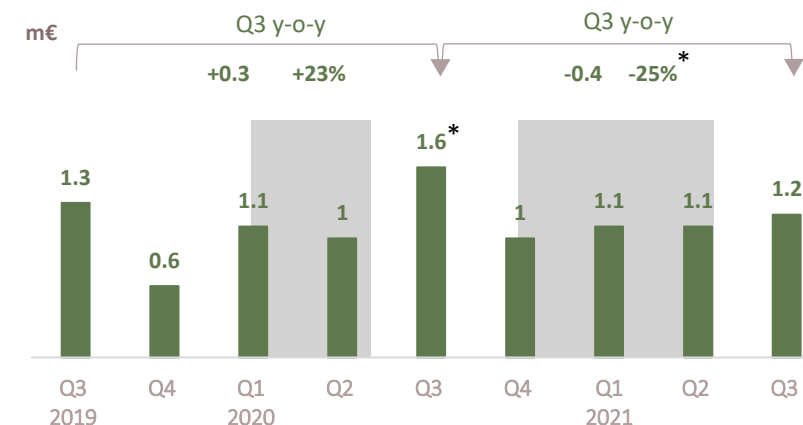
Total revenue, quarterly cumulative



EBITDA



Profit before tax

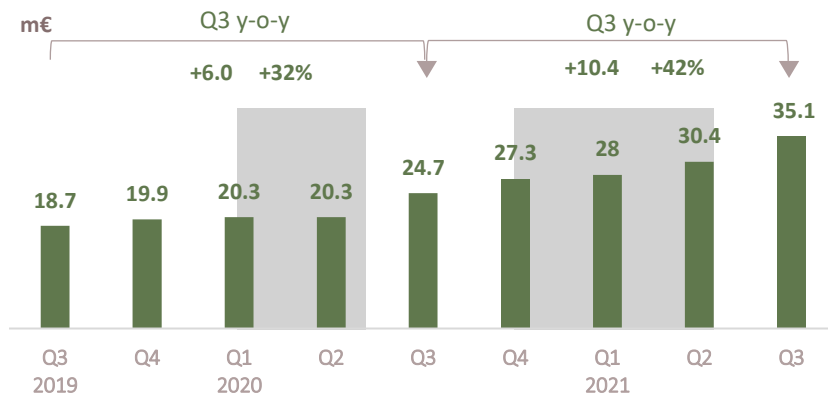


* EBITDA and PBT for Q3 2020 is higher due to a reversal of provisions for doubtful debts created at the beginning of the Covid-19 pandemic

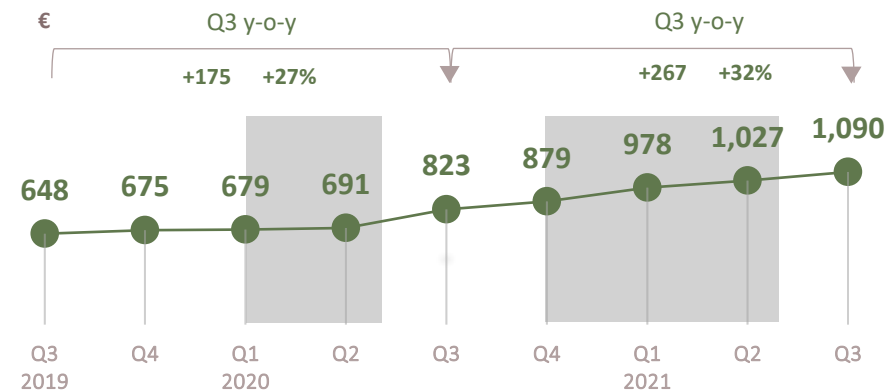
1st and 2nd wave of COVID-19
restrictions in Latvia

CONSUMER LOANS

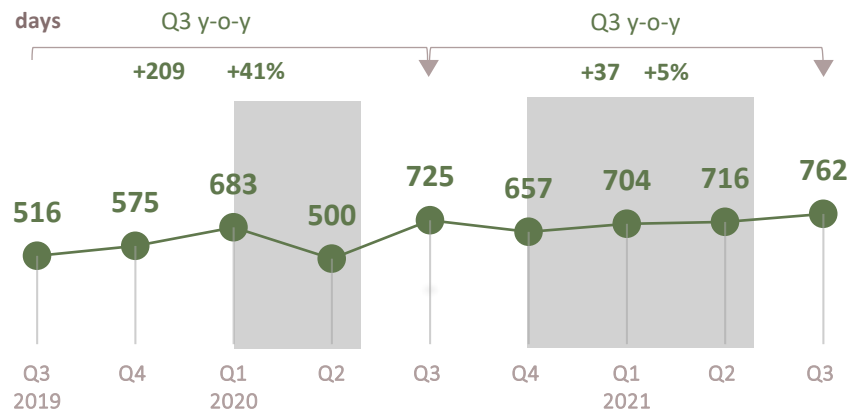
Consumer net loan portfolio



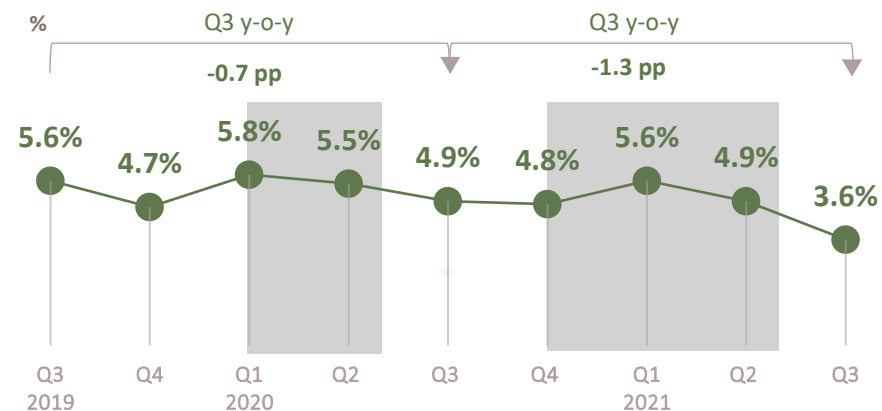
Average loan*



Weighted average term of loans issued



Non-performing loan ratio



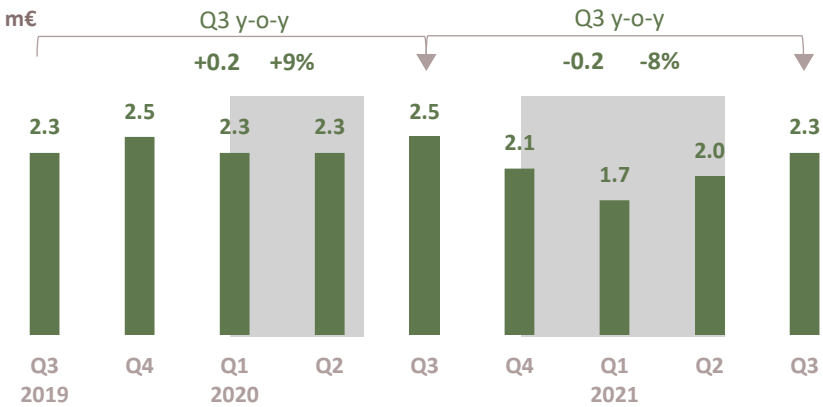
* Average consumer loan balance for one client at the end of period.

1st and 2nd wave of COVID-19
restrictions in Latvia

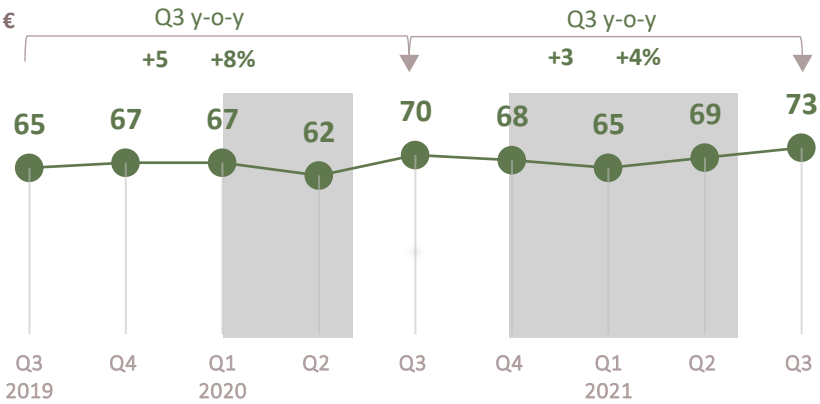


PAWN LOANS

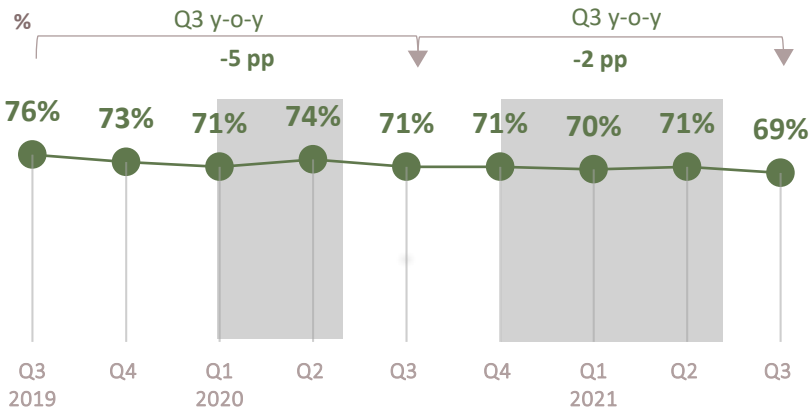
Pawn net loan portfolio



Average loan amount



Redemption rate*



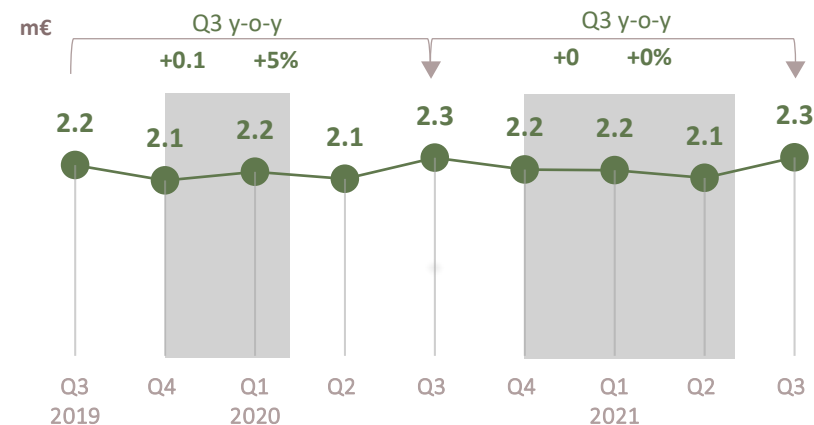
* Items redeemed or extended within 2 months since issuance.

1st and 2nd wave of COVID-19 restrictions in Latvia

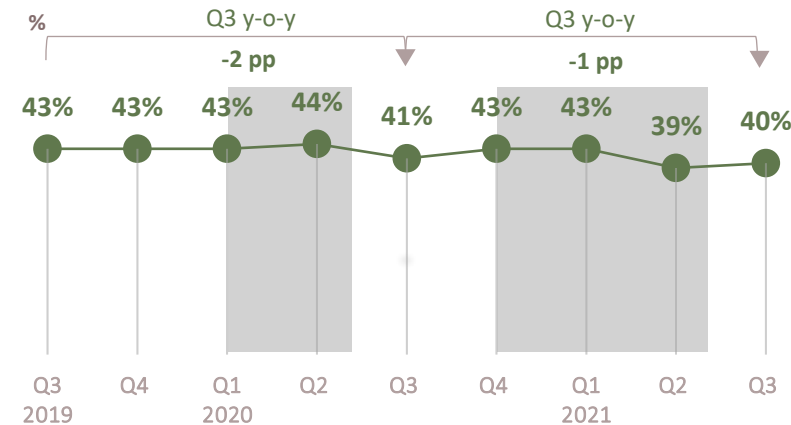


RETAIL OF PRE-OWNED GOODS*

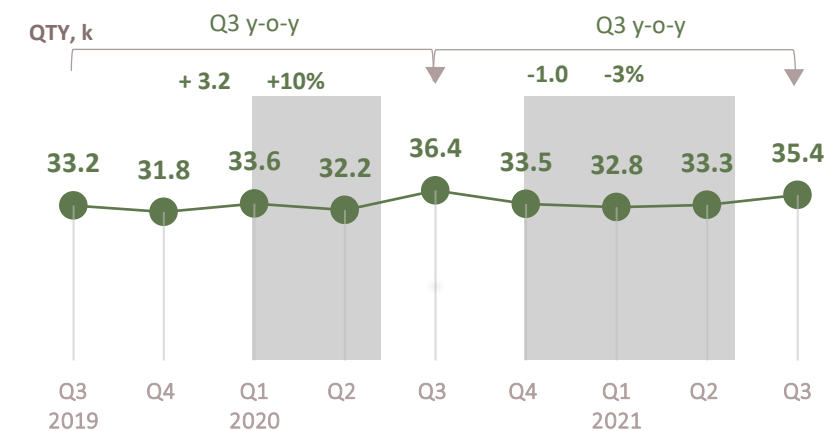
Sales of goods



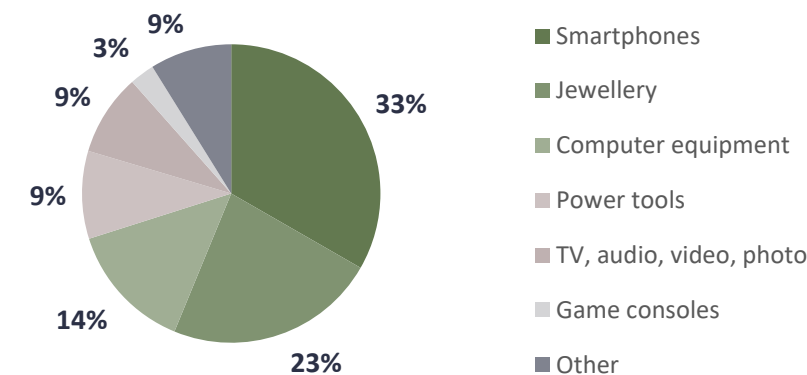
Gross margin



Number of items sold



Sales split by product category (2021 9M)



* Excluding wholesale of precious metals (scrap)

1st and 2nd wave of COVID-19 restrictions in Latvia

Consolidated income statement

INCOME STATEMENT, EUR'000	2021		Change	2020 9M	2021 9M	Change
	Q2	Q3	%			%
Total revenue	5,918	6,463	9%	17,003	18,399	8%
Cost of sales	-1,015	-849	-16%	-3,169	-2,612	-18%
Credit loss expense**	-570	-956	68%	-1,467	-2,240	53%
Interest expenses and similar expenses	-706	-885	25%	-2,517	-2,746	9%
Gross profit	3,627	3,773	4%	9,850	10,801	10%
Selling expenses	-1,443	-1,524	6%	-3,744	-4,292	15%
Administrative expenses	-1,070	-1,051	-2%	-2,496	-3,085	24%
Other operating income	11	29	164%	45	56	24%
Profit before tax	1,125	1,227	9%	3,655	3,480	-5%*
Income tax expense	-299	-201	-33%	-495	-824	66%
Net profit	826	1,026	24%	3,160	2,656	-16%
EBITDA	2,095	2,367	13%	6,924	7,005	1%

* PBT for Q3 2020 is higher due to a reversal of provisions for doubtful debts created at the beginning of the Covid-19 pandemic

** For the purpose of comparison, other operating expenses are reclassified to credit loss expense as major part of other operating expenses are losses from cession of non-performing loans (debt sales).

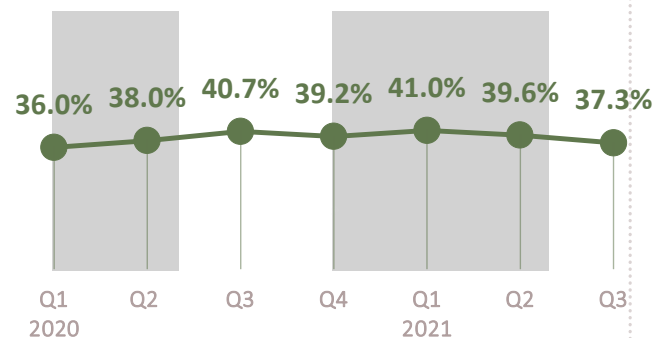
*** Data reflected according to restated comparatives in newest FS's.

Consolidated balance sheet

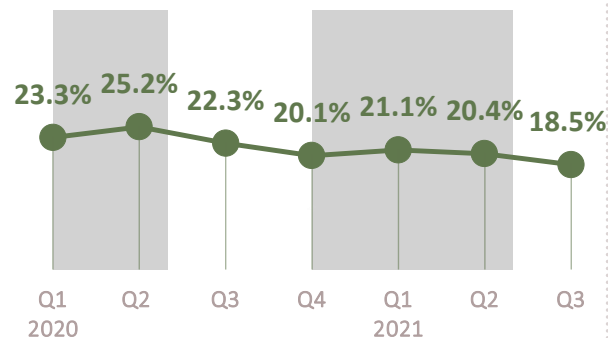
BALANCE SHEET, EUR'000	2020.12.31	2021.09.30	Change
Fixed and intangible assets	836	789	-6%
Loans to related parties	474	-	-100%
Net loan portfolio	34,674	38,183	10%
Inventory and scrap	1,534	1,797	17%
Other assets	655	746	14%
Cash	4,592	2,541	-45%
Right-of-use assets	3,194	3,013	-6%
TOTAL ASSETS	45,959	47,069	2%
EQUITY	9,251	8,696	-6%
Share capital and reserves	4,000	4,000	0%
Retained earnings	1,354	2,040	51%
Profit/loss for the current year	3,897	2,656	-32%
LIABILITIES	36,708	38,373	5%
Interest-bearing debt	31,151	33,290	7%
Trade payables and other liabilities	2,121	1,751	-17%
Lease liabilities for right-of-use assets	3,436	3,332	-3%
TOTAL EQUITY AND LIABILITIES	45,959	47,068	2%

FINANCIAL RATIOS

EBITDA margin*

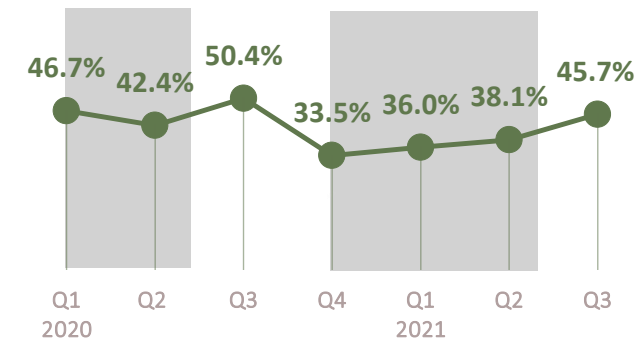


Equity ratio

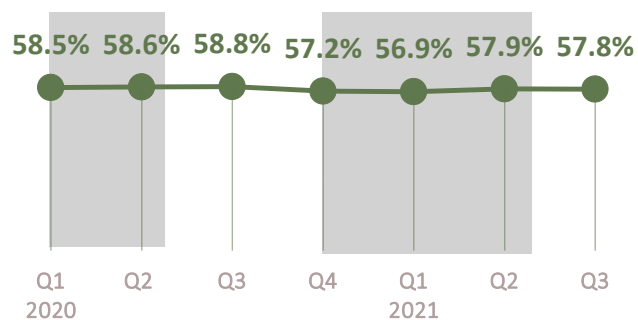


After completion of IPO the equity ratio is over 30% at the end of October 2021

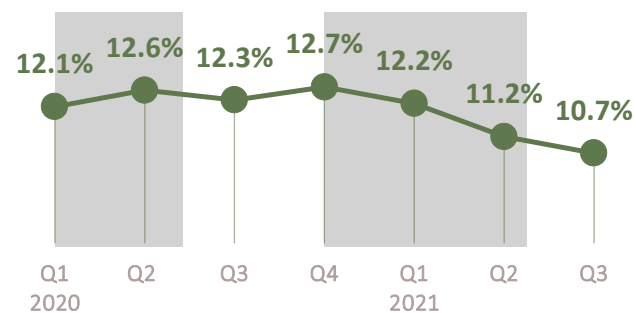
ROE**



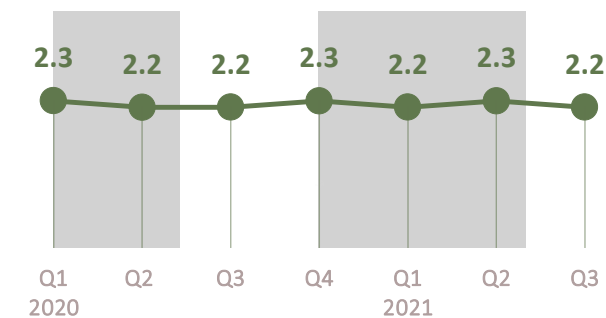
Cost-to-income ratio*



Cost of interest-bearing liabilities



Interest coverage ratio*



* Last 12 months figures

** Annualized

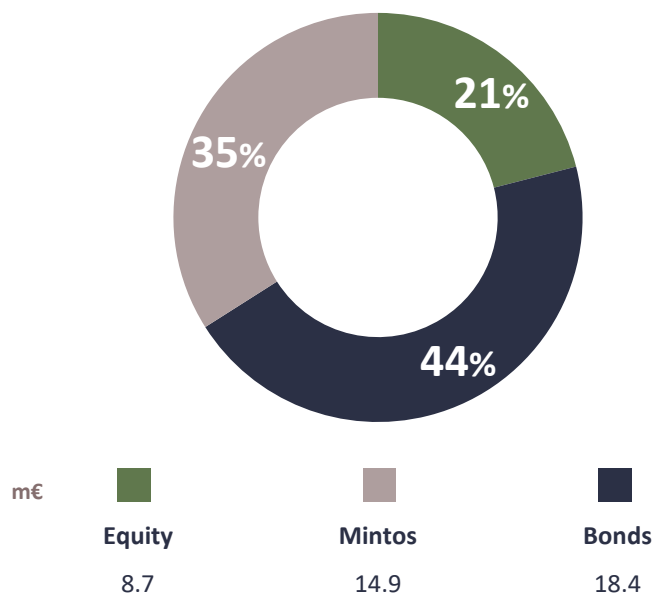
1st and 2nd wave of COVID-19
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Appendix

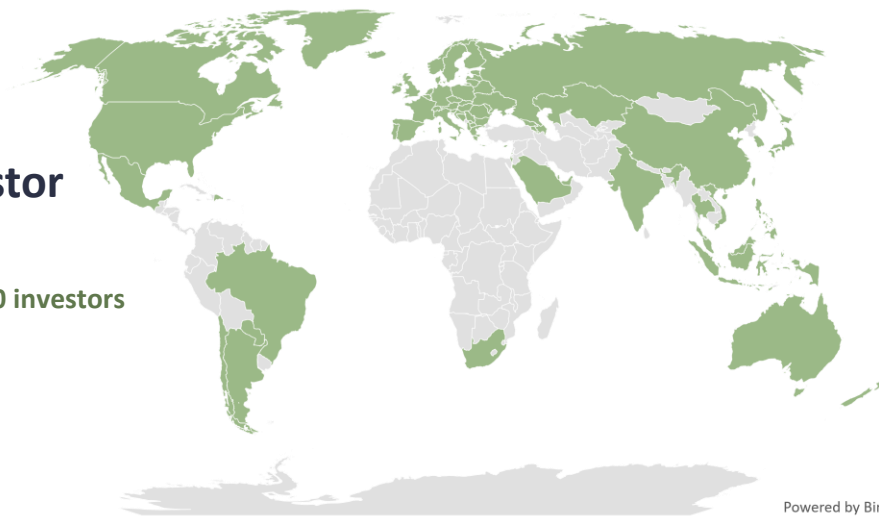
DIVERSIFIED AND SUSTAINABLE CAPITAL STRUCTURE

Capital structure, Q3 2021



Active MINTOS investor map, Q3 2021

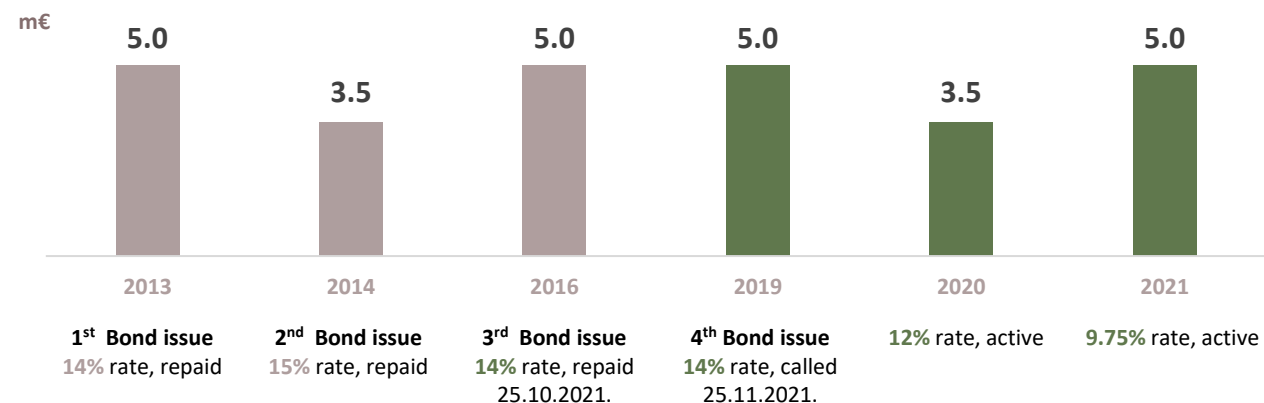
DelfinGroup has more than **70,000** investors in Mintos from **79** countries



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mintos

Bond financing track record



Dividends

Regular cash distribution
to shareholders

DIVIDEND POLICY

Quarterly dividends

Up to 50% from the company's consolidated quarterly profit

&

Annual dividends

In an amount ensuring an optimal capital structure

=

Dividends

At least 50% from the company's consolidated profit

COVID-19 FOLLOW UP INFORMATION



During COVID-19 lockdown:

- AS DelfinGroup has taken all mandatory and recommended security measures in relation to pandemic COVID-19;
- All services offered by Banknote and Vizia are available to customers;
- All business operations are technologically enabled to be carried out using remote work;
- At present, the vaccination rate for the branch employees is at 95% level, but as of 15 November 100% of branch employees will have an interoperable vaccination or recovery certificate in full scope.

DISCLAIMER

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Unless stated otherwise, this presentation shows information from consolidated perspective.

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