

## SUPERVISORY BOARD REPORT

2021 has been the most exciting year in the history of DelfinGroup. Things of remarkable importance and success in the year 2021 that need to be emphasized and acknowledged were:

- Operational and financial resilience during the Covid-19 pandemic;
- Nomination of the independent and professional Supervisory Board with expertise in all relevant fields;
- Successful IPO, with almost 6 thousand new shareholders and more than 8 million euros of new capital attracted;
- Best year in the history of the company in terms of all main performance indicators (net profit, credit portfolio, sales);
- Increased ESG awareness, by promoting circular economy, sustainable business practices, social responsibility, and corporate governance according to best international standards.

The main task of the DelfinGroup Supervisory Board is to maintain and build the value of the company for the benefit of all shareholders. With value, we understand a long-term, sustainable, and increasing worth that shareholders can materialize by benefiting from share price growth and receiving regular dividends according to the extensive DelfinGroup dividend policy. In the year 2021, the Supervisory Board mainly focused on reviewing and update of the DelfinGroup strategy, improvement of risk governance, management board composition and incentives as well as ensuring good financial plan development, and IPO oversight. We achieved remarkable results in fine-tuning of the strategy as well as ambitious data analysis driven financial plan and mid-term budget for the years 2022-2024. We created 3 important Supervisory Board committees (Risk and Audit, Business Development, Remuneration and Nomination) for deep dives and work on relevant matters to provide recommendations for the Supervisory board and to add the most value for the DelfinGroup. To strengthen the company's internal control system, the Internal Audit function reporting directly to the Supervisory board was established; the Supervisory Board approved the Internal Audit policy and a risk-based Internal Audit working plan.

In 2021 the Supervisory Board 10 times reviewed and discussed Management reports on the business and financial performance of the company. The Supervisory Board approved several key policies of the company, reviewed and approved quarterly and semi-annual reports of DelfinGroup, selected and approved independent auditors for 2021. Supervisory Board made recommendations to the Management Board for business process improvements and closely monitored the implementation of these recommendations.

The Supervisory Board has reviewed and approved the annual accounts for 2021 of DelfinGroup along with the Corporate Governance Report. The annual financial reports were audited by BDO Latvia.

In 2022 we will follow up on the implementation of the DelfinGroup strategy, the execution of the financial plan and budget, and risk governance. We will continue to work on the composition of the management board and fine-tune their remuneration packages to facilitate further growth of DelfinGroup in an innovative yet risk-averse way. The Supervisory Board will continue to monitor the

performance of the Management Board and ensure all business transactions and decisions are compliant with the Articles of Association of the company, shareholders' decisions, and relevant internal regulations.

We see DelfinGroup as an even more digitally and technologically advanced company in the future. Our goal is to build a well-governed, modern, sustainable, accessible and resilient company, that works for the benefit of its shareholders, maintaining focus on our core business of offering valuable, convenient and much-needed services to our customers, especially in areas banks are failing to provide them. We will continue working hard and smart, with ambition and creativity to deliver exceptional results for a better future.

The Supervisory Board would like to thank the management and employees of the company for their hard work and contribution to the company's success. We wish our team to deal with new challenges the market might offer and demonstrate sustainable growth in 2022.

Agri Evertovskis  
Chair of the Supervisory Board