

# Financial report



**Unaudited results for 6 months**  
Ending 30 June 2022

## Company highlights

Business performance

Appendix



# Key characteristics

**2009**

founded in

**300+**

employees

**90+**

branches

**38**

cities

**400 000+**

customers

**12 YEARS**

profitable operations

**4**

business segments

# Q2 highlights 1/2

**1****EXPANSION**

Loan portfolio acquisition of six pawnshop branches of the *Finance 360* pawnshop partnership.

**2****DIVIDEND DISTRIBUTION**

During the Q2 shareholders of the company received 3 dividend payments in the total amount of EUR 2.7 million, namely EUR 0.0603 per share.

**3****ESG REPORT 2021-22 PUBLISHED**

In 2021 we covered CO2 emissions of 2,955 individuals in Latvia. Report available at DelfinGroup website.

**4****BONDS**

Listed EUR 10 million on *Nasdaq First North* alternative market.  
New bond issuance of EUR 10 million with coupon rate of 8.75% + 3M EURIBOR.

## Q2 highlights 2/2

5

### BRANCHES

Opening of a new branch in Olaine.  
Continuous modernization of branches  
and implementation of new branch  
concept.

6

### LIFTING OF C-19 RESTRICTIONS

On 1 April Covid-19 restrictions were  
lifted that gave a positive impact on  
Banknote branch network sales results.

7

### AWARDS

*The Society Integration Foundation*  
announced DelfinGroup as a *Family-  
Friendly workplace* that puts the priority  
on people and their needs.

8

### SUPPORT FOR UKRAINE

Additional donation of EUR 100,000 to  
*Children's Hospital Foundation* and  
*Entrepreneurs for Peace* movement.

Company highlights

**Business performance**

Appendix



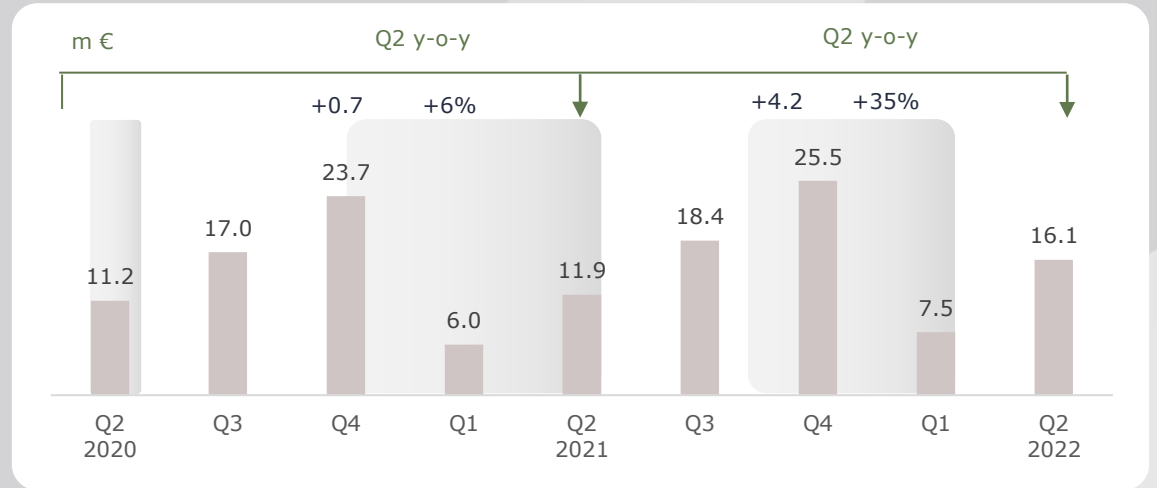
# Selected financials

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## Total loans issued



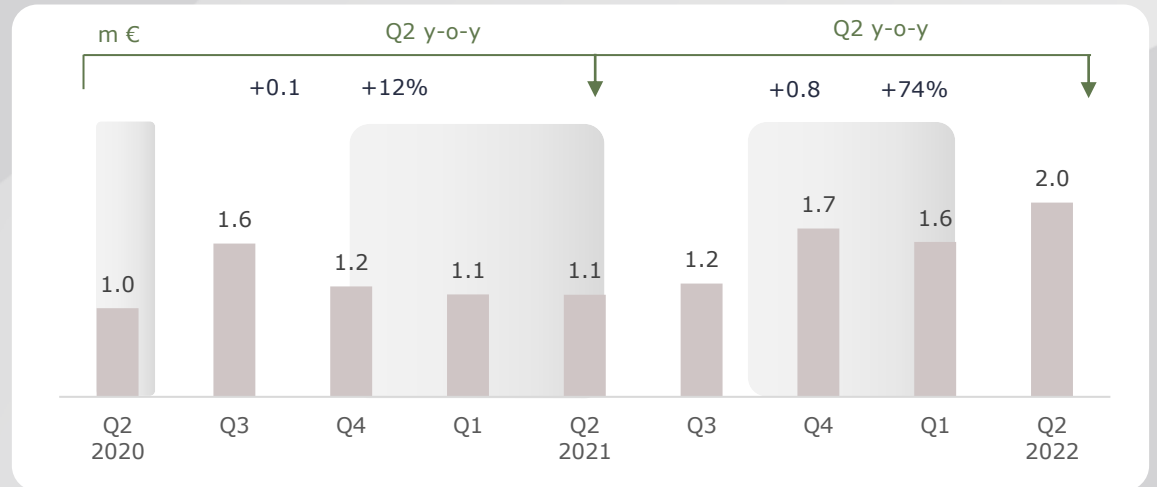
## Total revenue, quarterly cumulative



## Net loan portfolio



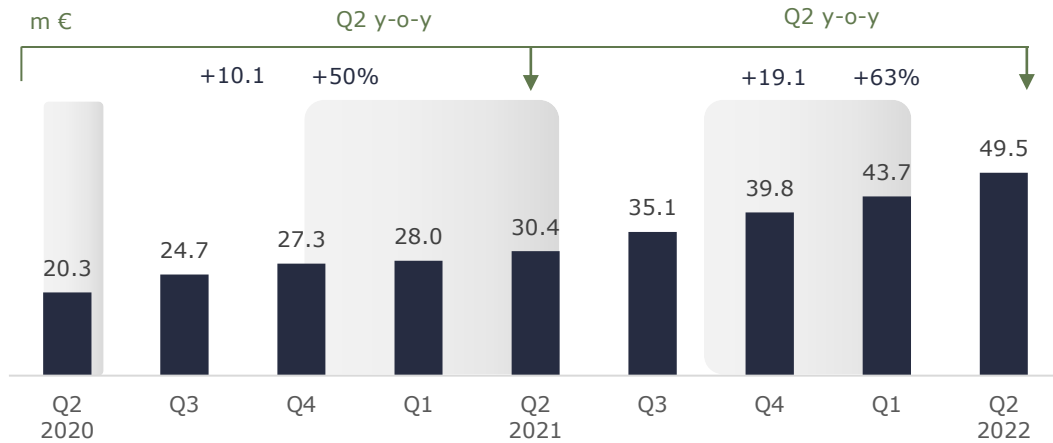
## Profit before tax



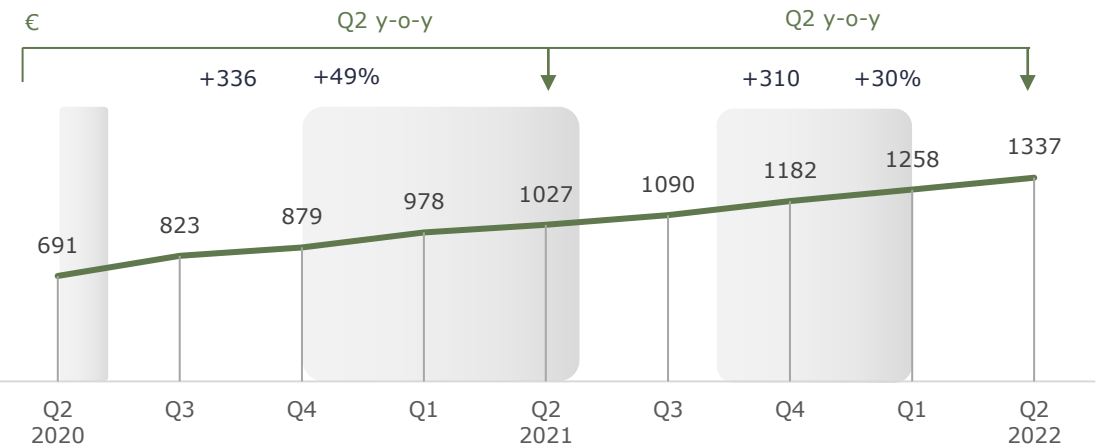
# Consumer loans

Financial report

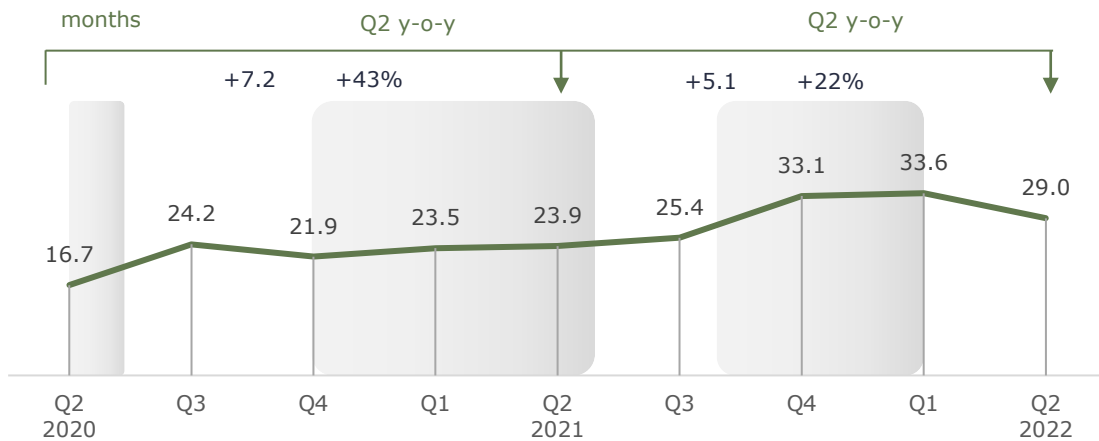
## Consumer net loan portfolio



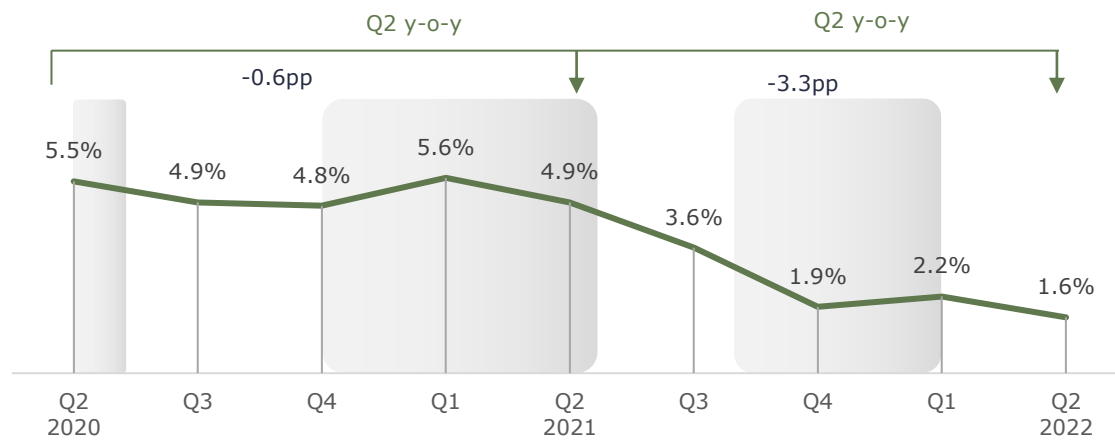
## Average loan\*



## Weighted average term of loans issued

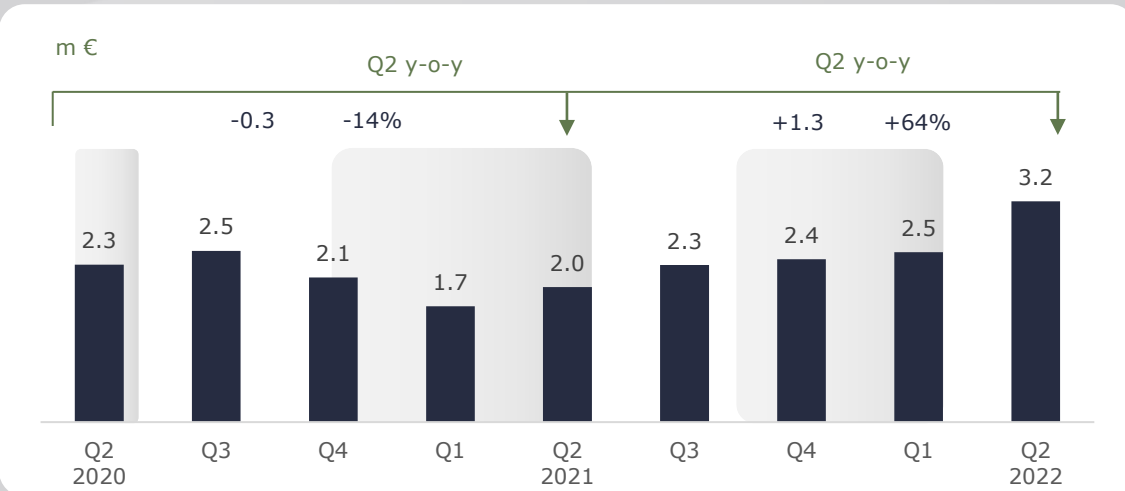


## Non-performing loan ratio

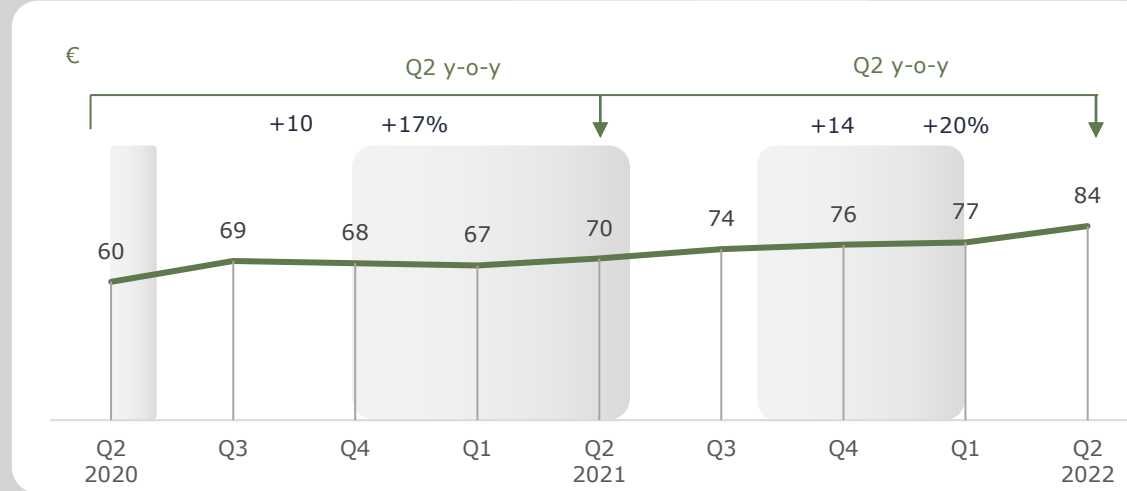




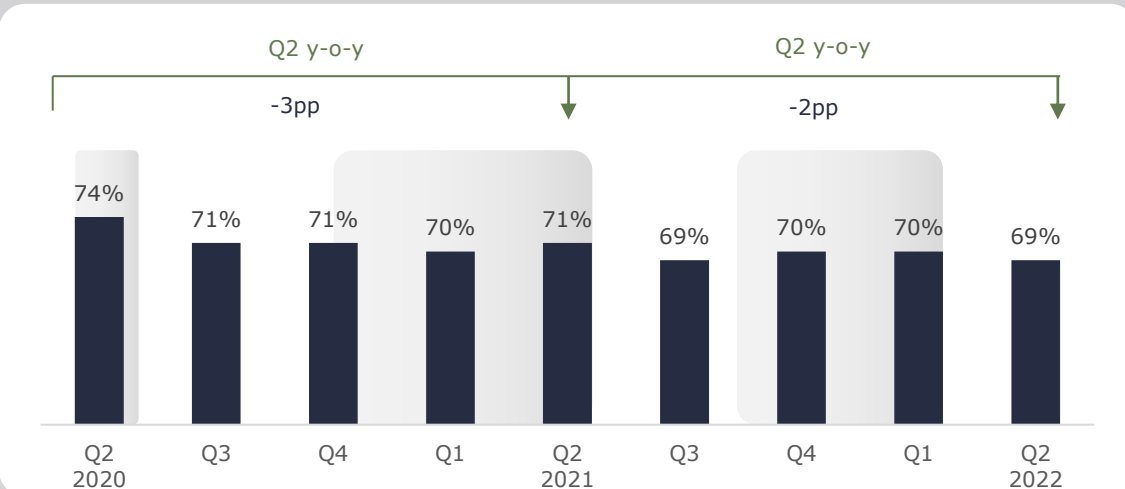
## Pawn net loan portfolio



## Average pawn loan amount



## Redemption rate\*



**Lifting of Covid-19 restrictions starting from Q1 2022 gave a positive impact on pawn loan segment since the pawn loans are issued offline at Banknote branch network. Pawn loan issuance amounts in Q2 2022 already significantly exceeded pre-covid 19 levels.**

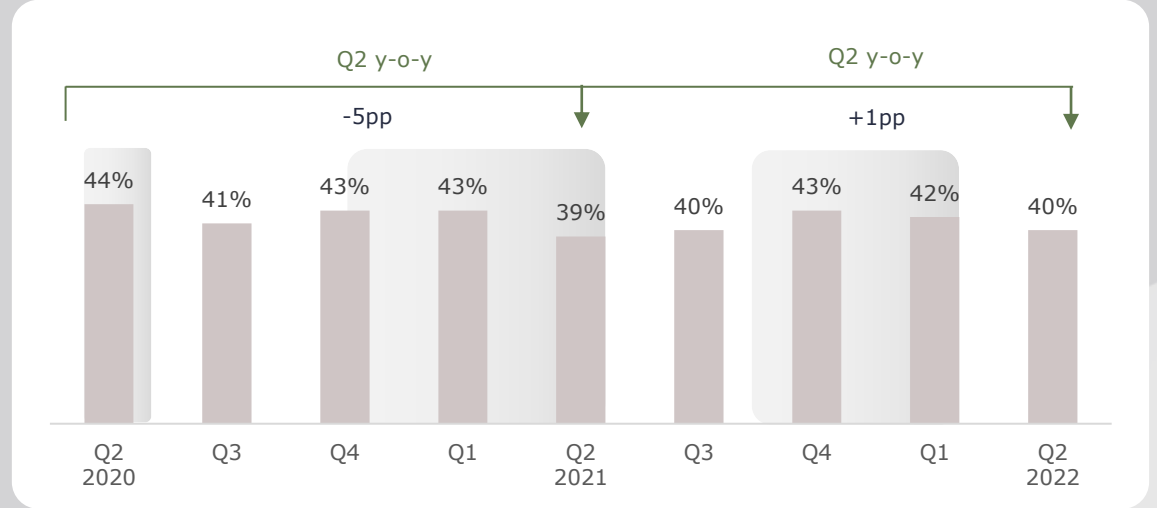
# Retail of pre-owned goods\*

Financial report

## Sale of pre-owned goods



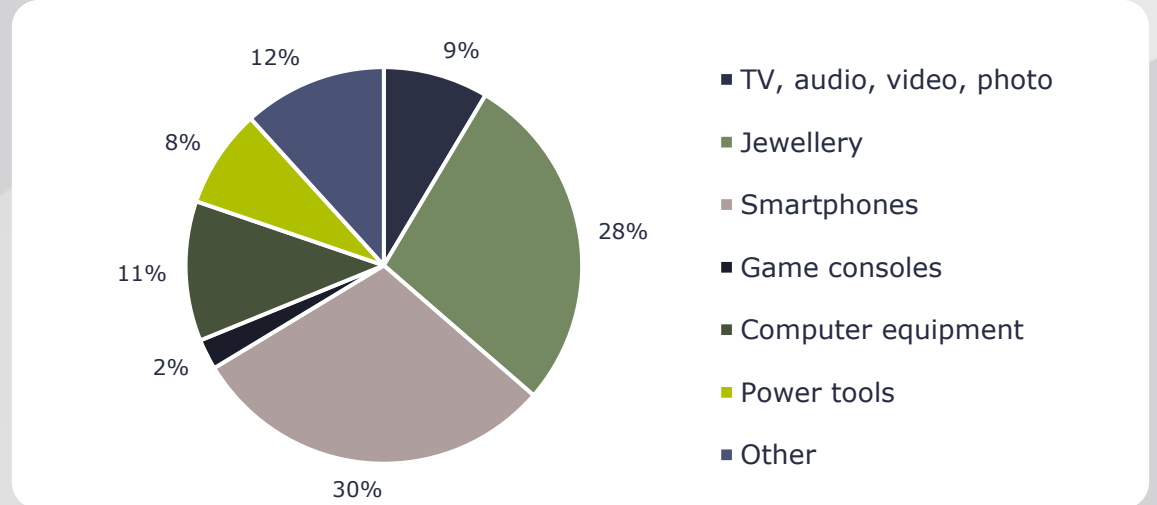
## Gross margin



## Number of items sold



## Sales split by product category (Q2 2022)



# Consolidated income statement

INCOME STATEMENT, EUR'000	2022 Q2	2021 Q2	Change %	2022 6M	2021 6M	Change %
Total revenue	8,619	5,918	+46%	16,095	11,936	+35%
Cost of sales	-1,259	-1,015	+24%	-2,154	-1,763	+22%
Credit loss expense*	-1,432	-445	+222%	-2,711	-1,322	+105%
Interest expenses and similar expenses	-958	-852	+12%	-1,647	-1,863	-12%
<b>Gross profit</b>	<b>4,970</b>	<b>3,607</b>	<b>+38%</b>	<b>9,584</b>	<b>6,989</b>	<b>+37%</b>
Selling expenses	-1,686	-1,442	+17%	-3,443	-2,768	+24%
Administrative expenses	-1,346	-1,050	+28%	-2,626	-1,995	+32%
Other operating income	22	11	+104%	47	27	+71%
<b>Profit before tax</b>	<b>1,960</b>	<b>1,125</b>	<b>+74%</b>	<b>3,561</b>	<b>2,253</b>	<b>+58%</b>
Income tax expense	-742**	-299	+148%	-930	-623	+49%
<b>Net profit</b>	<b>1,218</b>	<b>826</b>	<b>+47%</b>	<b>2,631</b>	<b>1,630</b>	<b>+61%</b>
<b>EBITDA</b>	<b>3,210</b>	<b>2,241</b>	<b>+43%</b>	<b>5,791</b>	<b>4,640</b>	<b>+25%</b>

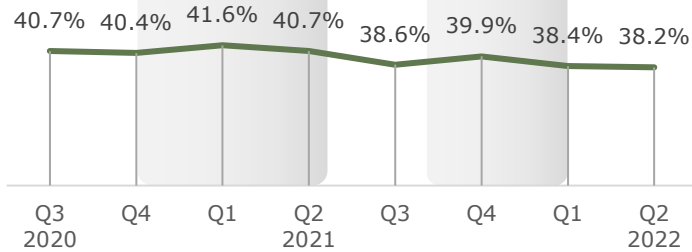
\* For the purpose of comparison, other operating expenses are reclassified to credit loss expense as major part of other operating expenses are losses from cession of non-performing loans (debt sales).

\*\* Higher income tax expenses in Q2 2022 due to additional annual dividend payment to company shareholders.

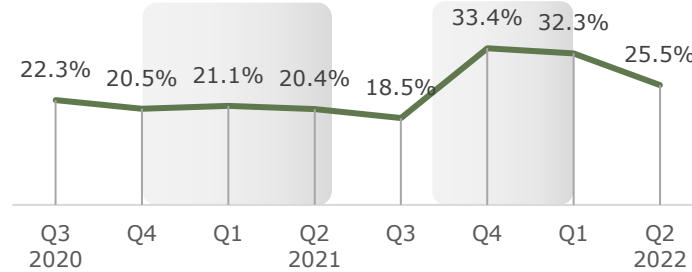
# Consolidated balance sheet

BALANCE SHEET, EUR'000	30.06.2022	31.12.2021	Change %
Fixed and intangible assets	1,351	1,201	+12%
Right-of-use assets	2,773	2,973	-7%
Net loan portfolio	53,775	42,962	+25%
Inventory and scrap	2,329	1,949	+19%
Other assets	364	520	-30%
Cash	2,314	2,460	-6%
<b>TOTAL ASSETS</b>	<b>62,906</b>	<b>52,065</b>	<b>+21%</b>
<b>EQUITY</b>	<b>16,025</b>	<b>17,377</b>	<b>-8%</b>
Share capital and reserves	4,532	4,532	0%
Share premium	6,891	6,891	0%
Retained earnings	4,602	5,954	-23%
<b>LIABILITIES</b>	<b>46,881</b>	<b>34,687</b>	<b>+35%</b>
Interest-bearing debt	40,477	29,412	+38%
Trade payables and other liabilities	3,307	1,970	+68%
Lease liabilities for right-of-use assets	3,096	3,305	-6%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,906</b>	<b>52,065</b>	<b>+21%</b>

## EBITDA margin\*

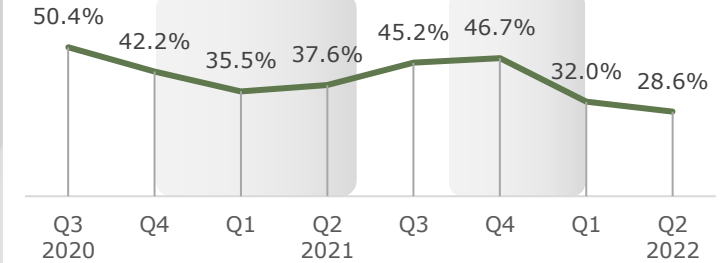


## Equity ratio



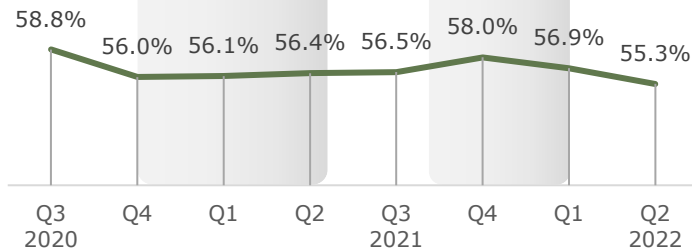
Changes in equity ratio was mainly impacted by faster growth of loan portfolio and larger annual dividend payment in Q2. Ratio remains at sufficient level.

## ROE\*\*

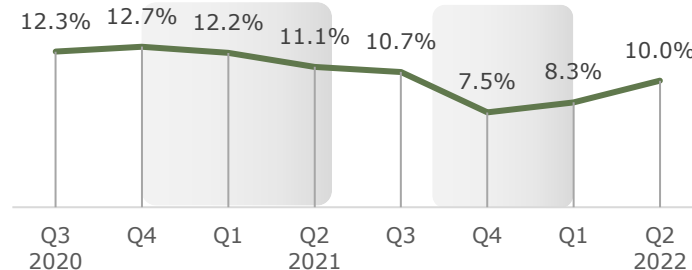


Decrease of ROE in 2022 is a result of increased equity after attracting funds during the IPO process.

## Cost-to-income ratio\*

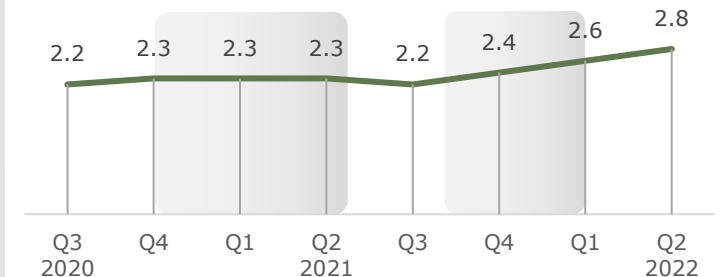


## Cost of interest-bearing liabilities

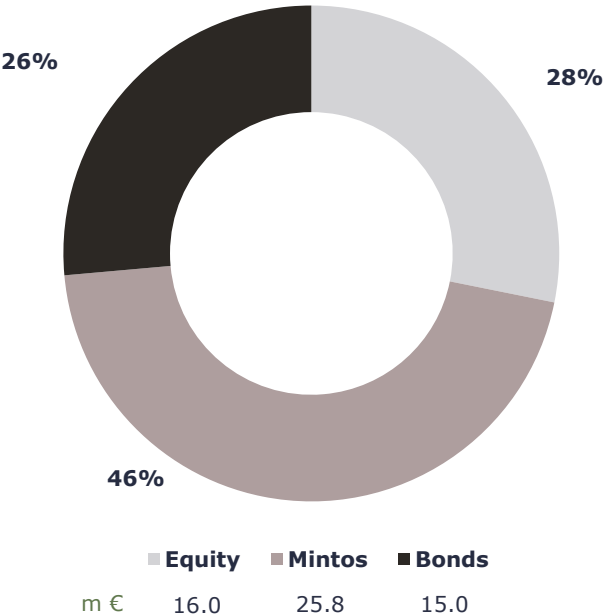


Higher financing costs related to overall interest rate increase in capital markets and on Mintos P2P platform. Since DelfinGroup has diversified financing structure it is easier to switch between more favorable source of funding.

## Interest coverage ratio\*



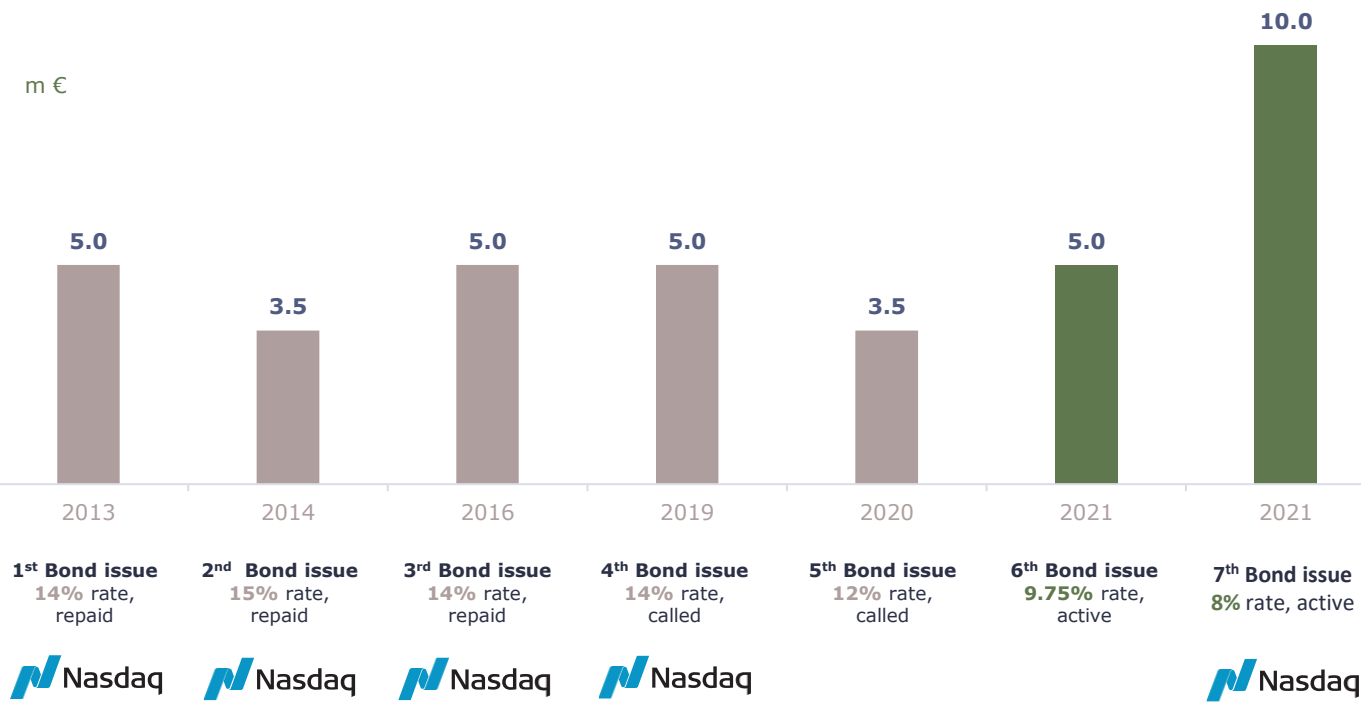
Capital structure, Q2 2022



## DelfinGroup on Mintos

- Since **2016**
- **104 thousand active investors**
- Investors from **114 countries**

Bond financing track record

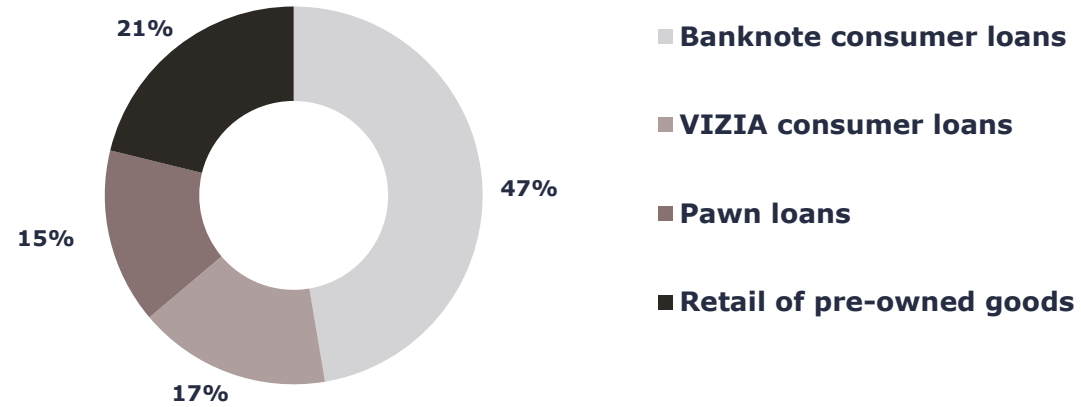


On July 2022 DelfinGroup registered **new bond issue** in the amount of **EUR 10 million** with annual coupon rate of **8.75% + 3M EURIBOR** and maturity 25 September 2024. Bond issue is a private placement and subscription period is currently open.

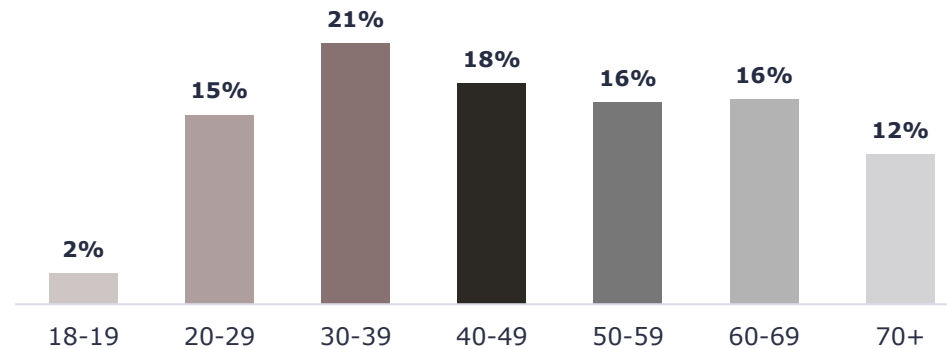
Although largest part of revenue stream comes from consumer loan segment we see a great potential in gradually growing other DelfinGroup segments

DelfinGroup products cover all of the age groups thanks to customized financial solutions

Revenue by business segments 6M 2022



Distribution of active clients by age on 31 March 2022\*



# Dividends

## Unique dividend distribution proposal in Baltics

Up to **5 dividend payments** per year:

- 4 quarterly
- 1 annual

### Quarterly dividends

- Up to 50% from previous Q profit

### Annual dividends

- In amount to ensure optimal capital structure

## Dividend distribution

Dividend period	Dividend payment date	EUR/share	EUR total	Payout ratio*
Q2 2022	September 2022**	0.0134	607 283	49.87%
Q1 2022	29.06.2022	0.0155	702 454	49.69%
Q4 2021	12.04.2022	0.0172	779 497	49.72%
Q3 2021	29.12.2022	0.0113	512 111	49.91%
Annual 2021	17.05.2022 15.07.2022	0.0552	2 501 642	-

## Dividend yield of 7.7%\*\*\*

\*Dividend amount paid from the net profit of the respective quarter.

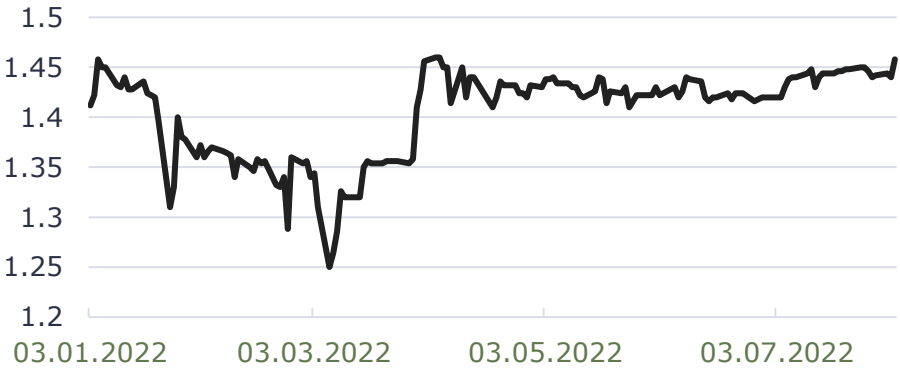
\*\*Proposed dividends from the Management Board of DelfinGroup. Payment subject to Shareholders meeting decision.

\*\*\*Dividend yield calculated based on DelfinGroup share price on 4 August 2022 and including management's proposed dividend from Q2 2022 profit in paid dividend calculation.

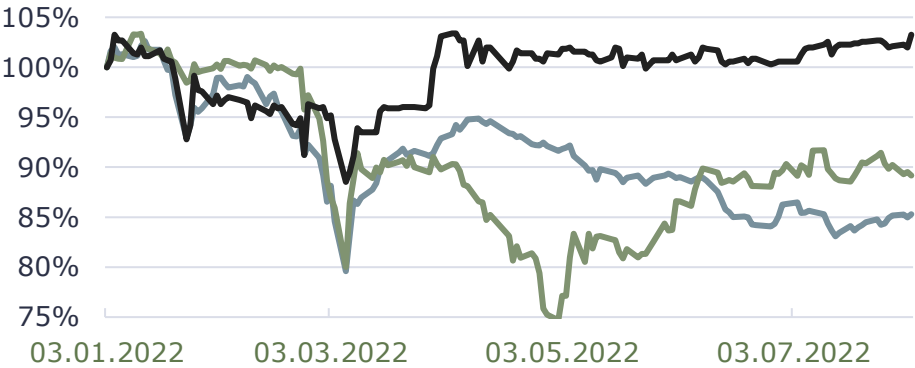


# Share performance

## Share price, €



## Share dynamics compared to indexes



- DGR1R – DelfinGroup
- OMX\_Baltic\_Benchmark\_GI
- OMX\_Riga\_GI

30.06.2022	DelfinGroup	Financial industry**
Capitalization m €	64.4	-
EPS TTM €*	0.120	-
P/E	11.8	12.2
ROE	28.6%	15.2%

*\*Calculations based on weighted average of total outstanding shares that increased in 2021 due to stock split and listing of new public shares.*

*\*\*Average ratio for financial services companies listed on Nasdaq Baltic Main list on 30.06.2022.*

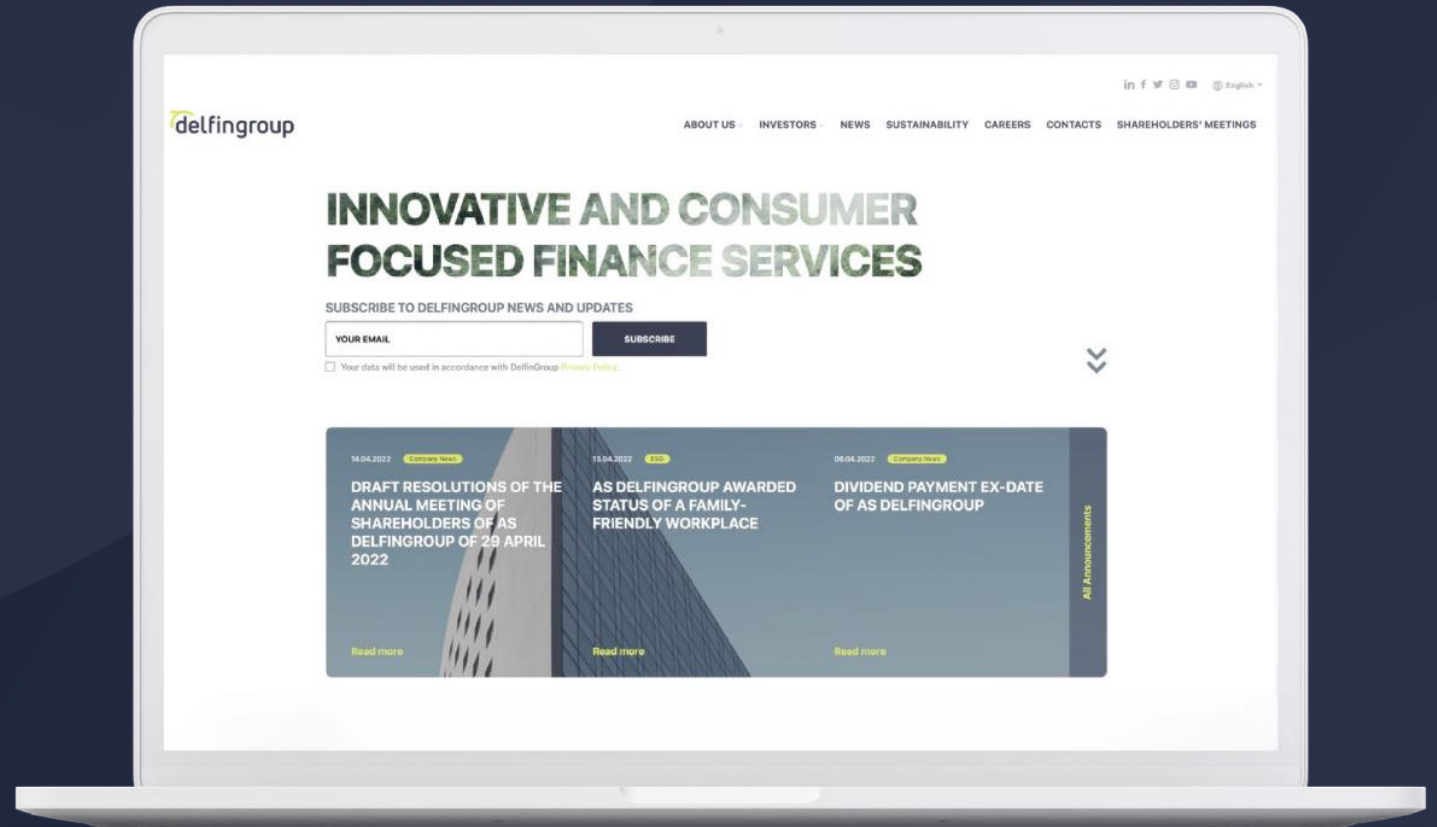
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# Q&A

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