

# Financial report

## VISION

**Be the best place for everyday  
financial services and circular retail**

## VALUES

**Progress**

**Respect**

**Courage**

**Customer-oriented**

**Unaudited results for 6 months**  
Ending 30 June 2024

# Key results

Business highlights

Business performance

Q&A session



# Key results

## Total loans issued



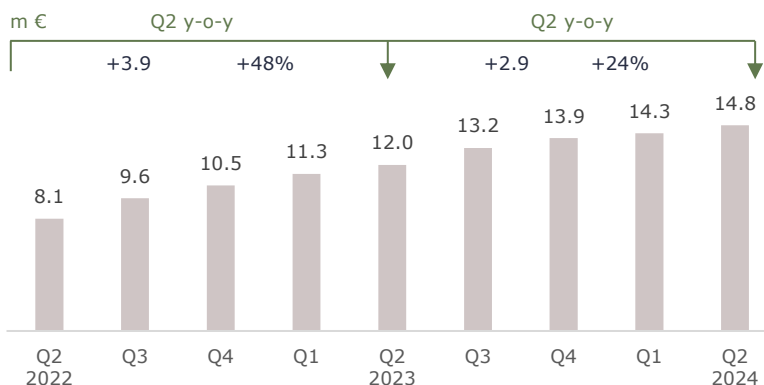
## Net loan portfolio



In Q2 2024, the company reached a record-high loan issuance amount of EUR 26.1 million, a 20% increase year on year as a result of stronger loan issuance.

The net loan portfolio increased by 14% in the first six months of 2024, reaching EUR 101.5 million.

## Total revenue



## Profit before tax



Quarterly revenues reached another all-time high, reaching EUR 14.8 million, a 24% growth compared to the previous year. All of the business lines have contributed to the revenue growth, but mainly consumer lending.

Profit before tax in Q2 reached EUR 2.3 million. Over the last twelve months, growth of the profit has been mainly affected by increasing interest and credit loss expenses due to a growing loan portfolio.

# Highlights: consumer lending

6M 2024 consumer loan issuance, mEUR



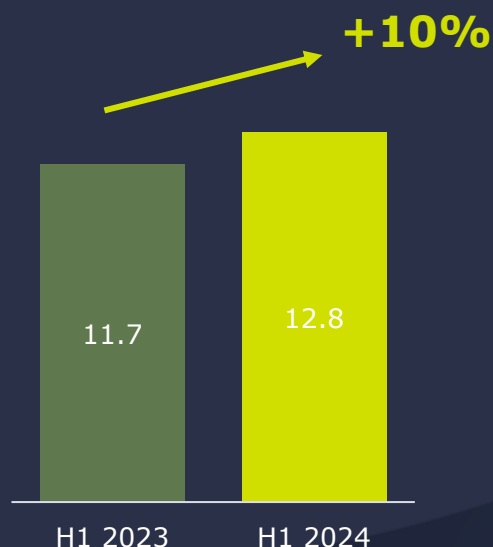
- Stable growth results in the consumer lending segment.
- Focus on promotion of the new credit line product with virtual card.
- Work on mobile app improvements to provide the best user experience.
- Preparation for launch of consumer lending in Lithuania.



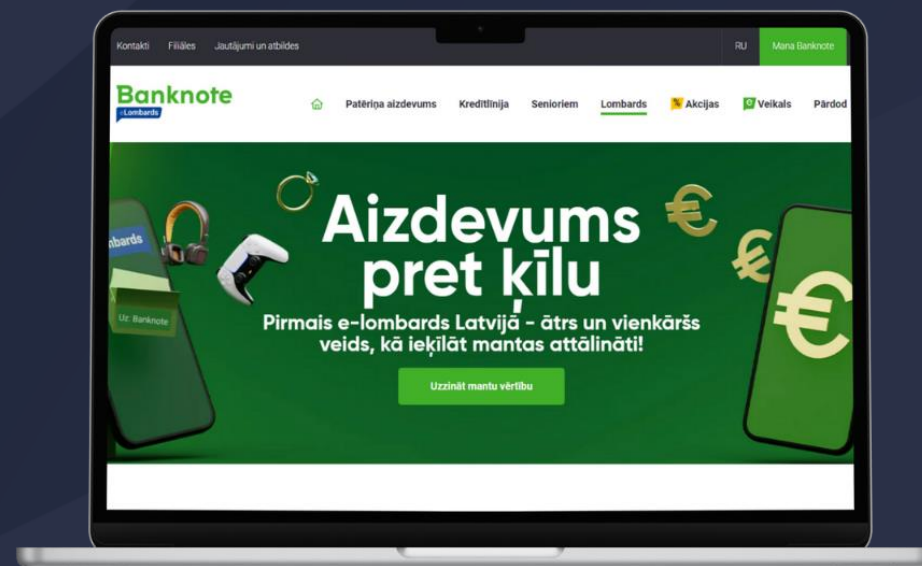
# Highlights: pawn lending

*Digitalisation is a driver for the pawn lending segment in future.*

6M 2024 pawn loan issuance, mEUR



- In Q2, DelfinGroup launched a digital pawnshop solution.
- This is the first fully remote pawn lending experience in the Baltics.
- The new service allows people to obtain a secured loan by completing an online application with no additional fees.
- The contract is signed remotely, and the goods are sent to the branch via parcel machine.



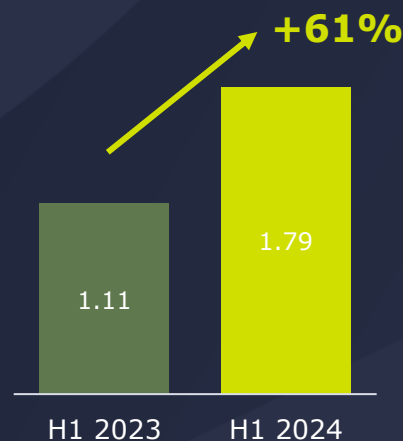
# Highlights: Retail of pre-owned goods

Retail of pre-owned goods  
sales mEUR\*

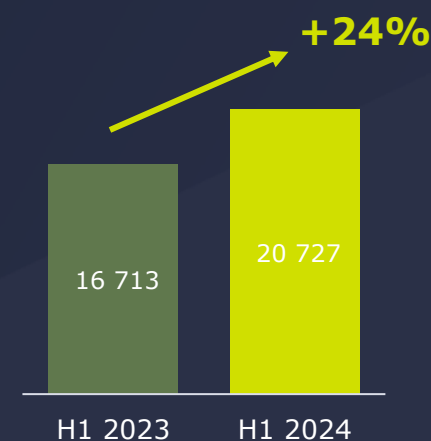


- Increasing sales both online and offline.
- Focus on e-store improvements such as user experience and design.
- Implementation of remote purchasing of jewelry.

Online store sales, mEUR



Units sold at online store





Key results

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# Expansion in Lithuania



## Consumer lending licence received

- Admission to the public list of consumer loan service providers in Lithuania.
- Up-to-date consumer lending is the largest business segment for DelfinGroup.
- The company plans to start offering consumer lending services in Q3 2024.



## Branch network expands to 7 stores

- Continued work on existing business segment expansion in Lithuania – pawn lending and retail of pre-owned goods.
- Banknote brand presence and customer demand increase month-over-month.
- Two new branches were opened in Vilnius in July 2024.





# Branch network development in Latvia

**Efficiency of the branch network has been set as a focus in Latvia to secure sustainable business operations.**

Opening of new branches and expansion of Banknote XL network:

1

New Banknote XL branch in Daugavpils, Saules iela 55

2

New Banknote XL branch in Rēzekne, Atbrīvošanas aleja 119

3

New branch in Balvi, Brīvības iela 57

4

New branch in Riga, Melnsila iela 22A



# Capital markets highlights

## PUBLIC BOND ISSUE

- DelfinGroup plans a **new public bond issue of up to EUR 15 million**.
- The aim is to refinance the existing bond of EUR 10 million with maturity in September 2024.
- **Available for Baltic retail and institutional investors** with an affordable min. investment amount.
- DelfinGroup has a proven **track-record with 7 repaid bond issues** over a 10-year period.

## STOCK

- Shareholder count surpassed **9 500 shareholders**.
- One of the highest free floats on the Baltic stock exchange of 47%.

## BONDS & P2P

- Bondholder count surpassed **500 bondholders**.
- One of the best risk scores on Mintos investment platform.
- **Banknote risk score** on Mintos platform reached **8.7** and **VIZIA 9.0** (10 being the best score).

# Team development

*The DelfinGroup team is constantly developing to support the company's ambitious goals of increasing its value.*



A seasoned fintech professional, **Edgars Kokins**, joined DelfinGroup as **Chief Revenue Officer**. Edgars will drive processes related to increasing DelfinGroup product and service sales.



COO Sanita Pudnika resigned from the Management Board position at the end of June 2024. Since then, the COO role has been transformed.



New Country Manager joined the team to support expansion in Lithuania.



Focus on strengthening data and marketing teams. Upcoming changes in finance team.





# Banknote online store

Banknote online store is a fast-growing sales channel where clients can conveniently purchase pre-owned and verified items.

Use promo code **DGBONDS** until 31 August 2024 and receive a 15% discount at Banknote online stores for jewelry purchases!\*



[veikals.banknote.lv](https://veikals.banknote.lv)



[shop.banknote.it](https://shop.banknote.it)

\*Excluding investment gold and coins. Discounts do not add up.



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# Consumer loans

## Consumer net loan portfolio

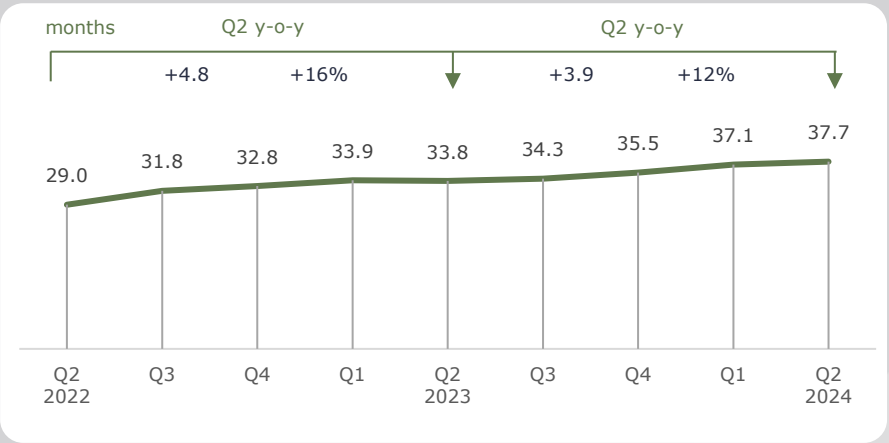


## Average loan\*



The consumer lending portfolio continued increasing, as did the average loan amount and term. At the end of Q2 2024, the net loan portfolio reached 92.9 million euros.

## Weighted average term of loans issued



## Non-performing loan ratio

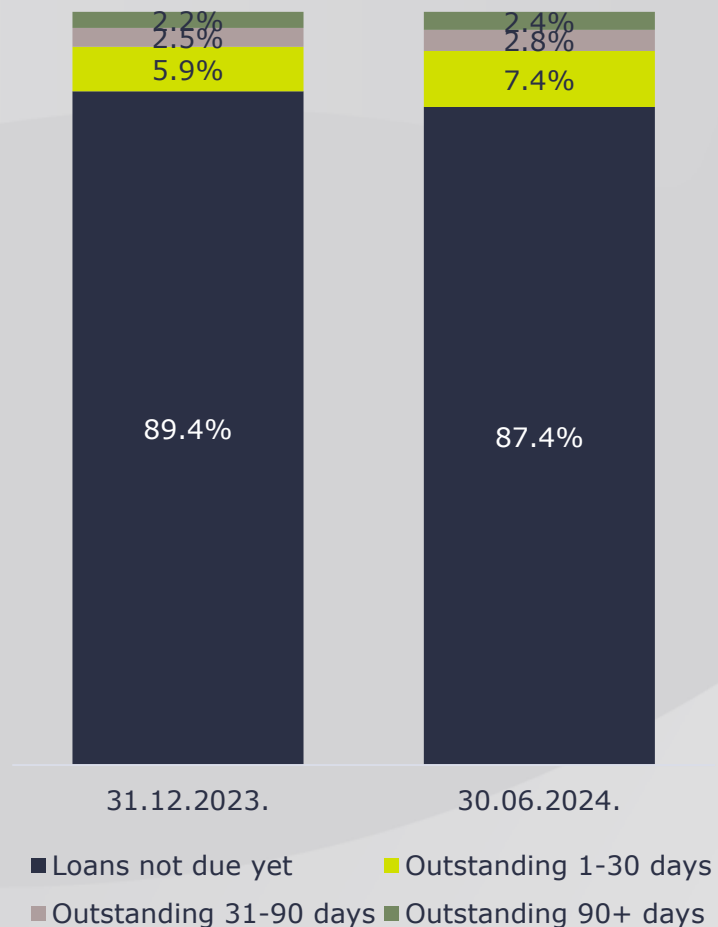


Due to stable demand and increasing ticket and term size, the consumer loan portfolio grew by 30% over a 12-month period.

Strong focus on loan portfolio quality that ensures solid NPL ratio level which is in line with DelfinGroup expectation.

\*Average consumer loan balance for one client at the end of period.  
\*\*Increase of Q3 2022 NPL ratio due to reversal of a one-off cession deal.

# Age analysis of consumer lending portfolio\*



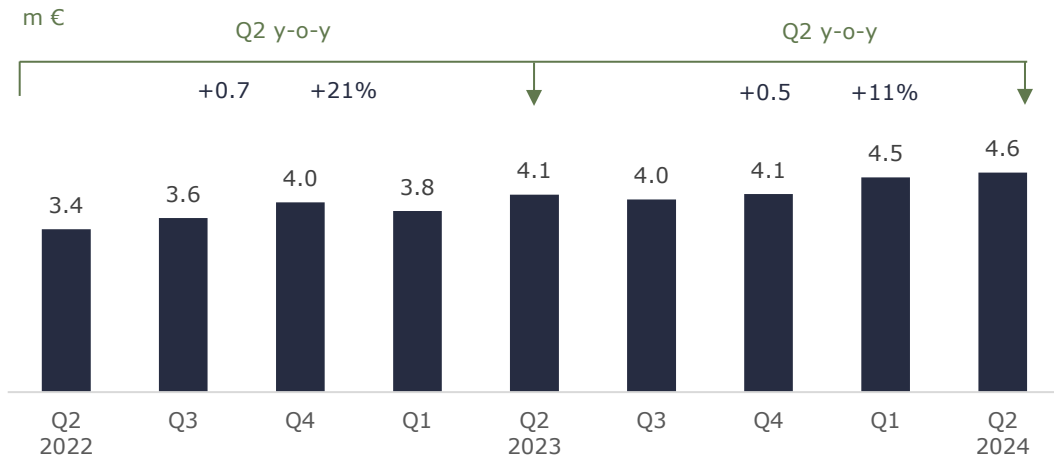
Consumer loan portfolio quality remains stable with current loans of more than 87%.

Continued focus on lower-risk lending clients to reduce portfolio expenses.

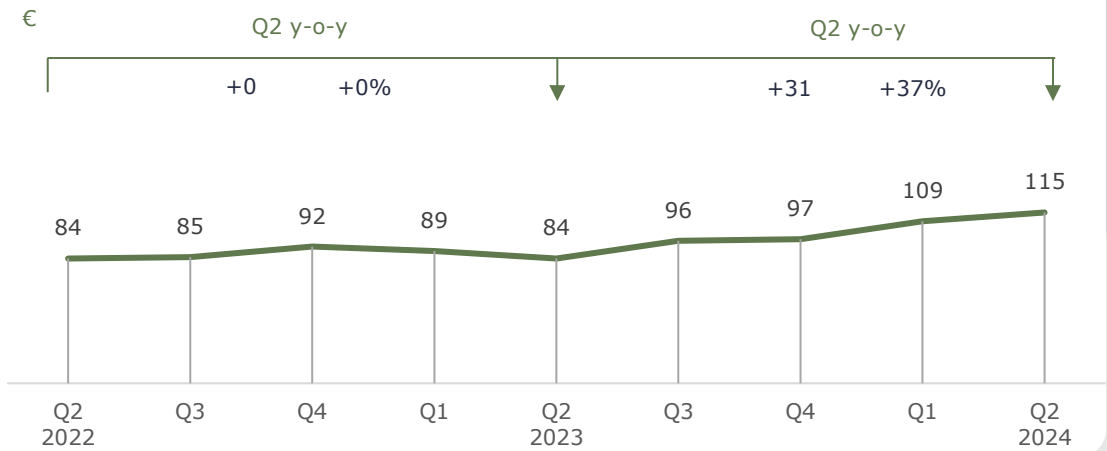
A result of a thorough and data-based client underwriting processes.

# Pawn loans

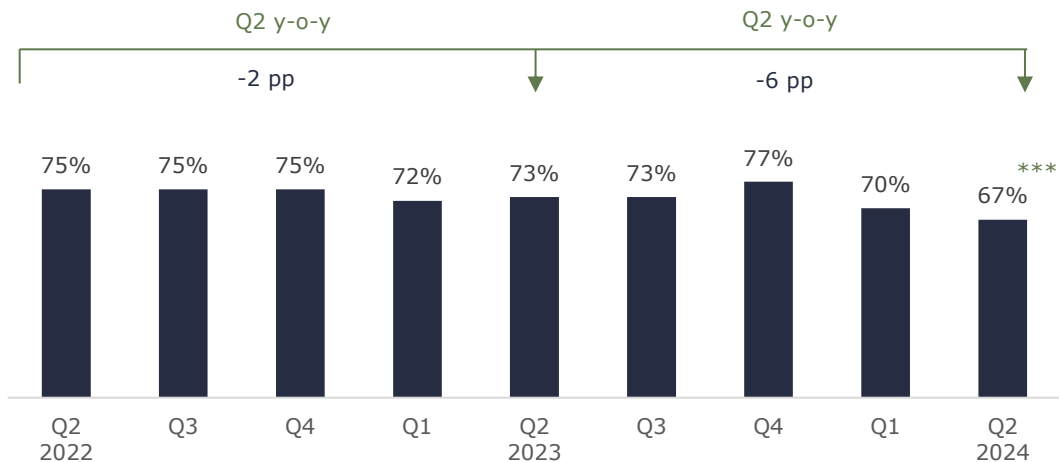
## Pawn net loan portfolio\*



## Average pawn loan amount



## Repaid pawn loans\*\*



The pawn lending segment continues to show stable results. The pawn loan portfolio has increased by 11% in the last six months.

Average pawn loan amount has grown over the last year as the inflation has pushed up prices for items and jewelry.

Redemption rate of pledged items remain stable around 70% over the last years.

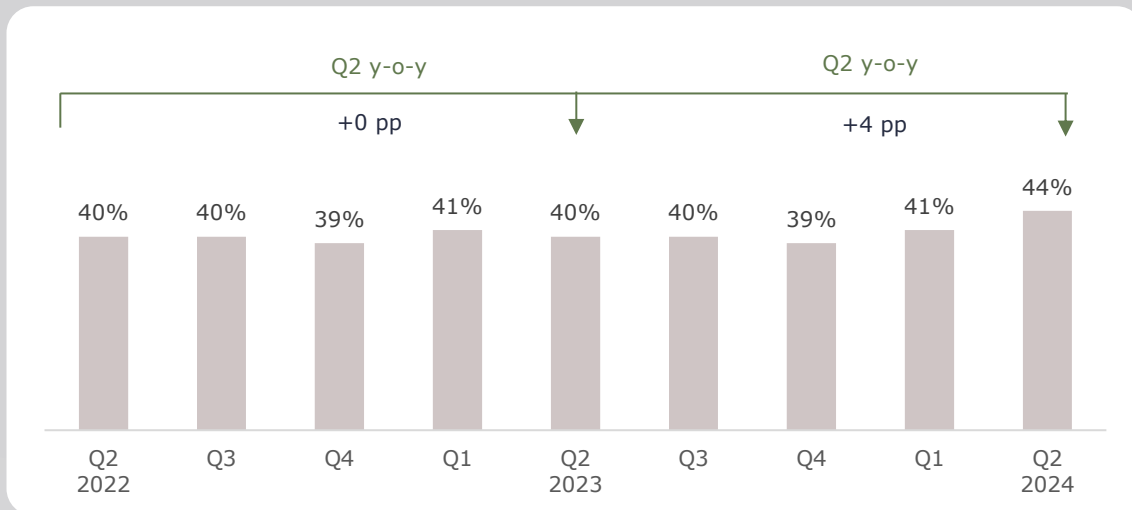
# Retail of pre-owned goods\*

## Sale of pre-owned goods\*\*



Stable and consistent growth has been achieved in the retail segment by promoting the circular economy principles in Latvia and Lithuania.

## Gross margin\*\*\*

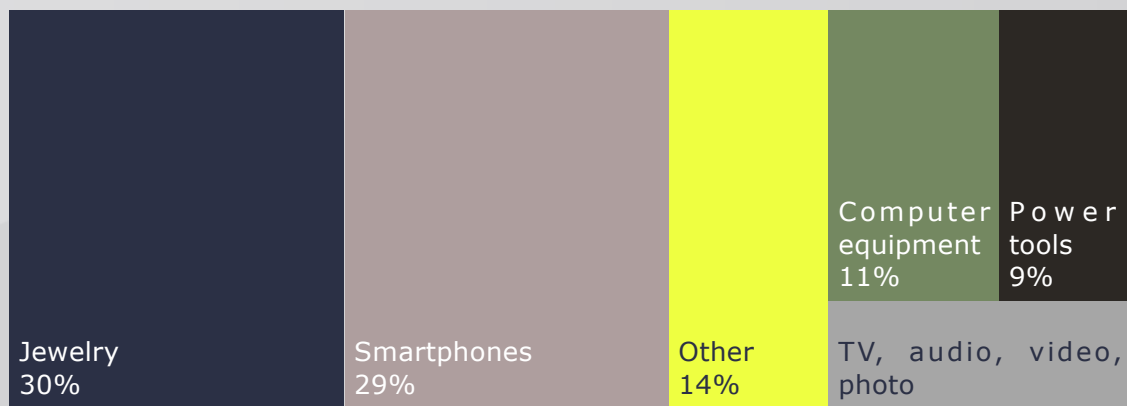


Retail sales of pre-owned goods in Q2 2024 increased by 14% compared to last year's respective period, reaching EUR 4 million.

The gross margin is, on average, around 40%, slightly increasing in Q2 2024 due to rising gold prices.

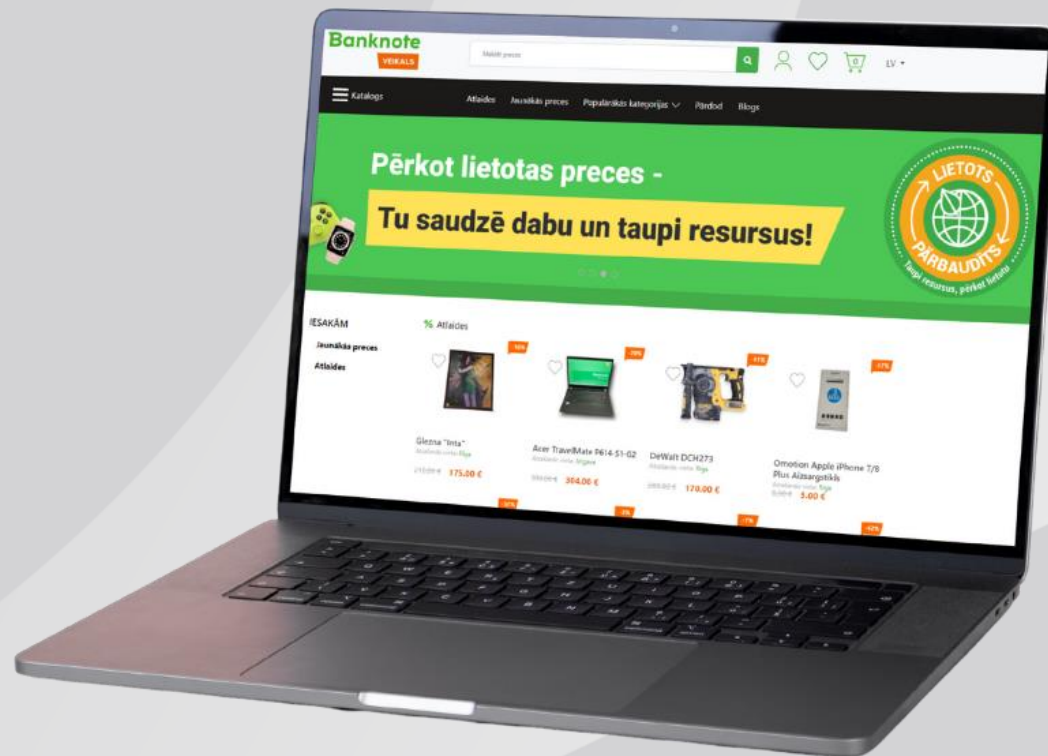
# Sales split by product category

## Sales split by product category (6M 2024)



Clients have access to a wide range of pre-owned goods at *Banknote* online store and branch network. The most demanded product categories are electronics, such as smartphones, computers, TVs and jewelry.

Jewelry is polished and sold with its original appearance but for a more affordable price.



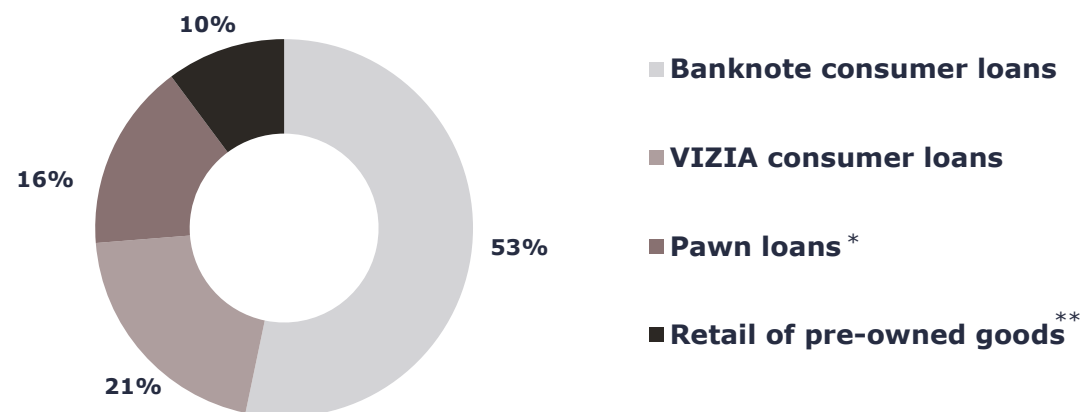


# Diversification

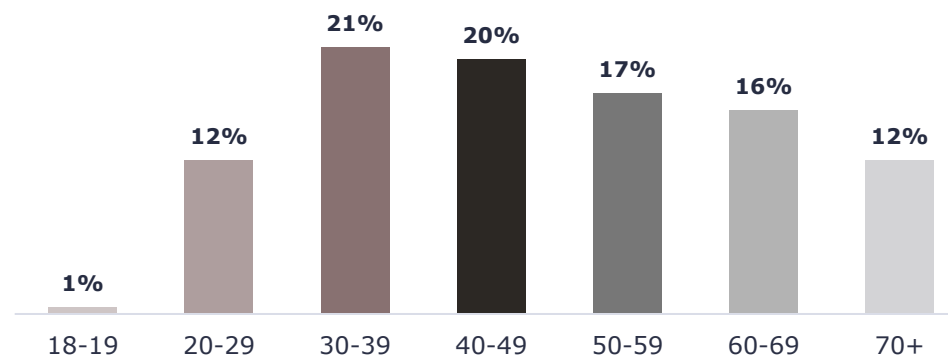
Although the most significant part of the revenue stream comes from the consumer loan segment, we see great potential in gradually growing other *DelfinGroup* segments.

*DelfinGroup* products cover all age groups thanks to customised financial solutions.

Revenue by business segments 6M 2024



Distribution of active clients by age on 31 March 2024\*\*\*



# Consolidated income statement

INCOME STATEMENT, EUR'000	2024 Q2	2023 Q2	Change %
Total revenue	14,838	11,970	+24%
Cost of sales	-1,166	-1,096	+6%
Credit loss expense	-3,550	-2,769	+28%
Interest expenses and similar expenses	-2,662	-2,052	+30%
<b>Gross profit</b>	<b>7,461</b>	<b>6,052</b>	<b>+23%</b>
Selling expenses	-2,575	-2,054	+25%
Administrative expenses	-2,482	-1,957	+27%
Other operating income	38	12	+214%
Other operating expenses	-117	-82	+42%
<b>Profit before tax</b>	<b>2,324</b>	<b>1,971</b>	<b>+18%</b>
Income tax expense	-482	-202	+138%*
<b>Net profit</b>	<b>1,842</b>	<b>1,769</b>	<b>+4%</b>
<b>EBITDA</b>	<b>5,422</b>	<b>4,345</b>	<b>+25%</b>

2024 6M	2023 6M	Change %
29,098	23,303	+25%
-2,670	-2,468	+8%
-6,971	-5,236	+33%
-5,222	-3,844	+36%
<b>14,233</b>	<b>11,754</b>	<b>+21%</b>
-5,163	-4,116	+25%
-4,550	-3,723	+22%
62	27	+132%
-219	-146	+50%
<b>4,363</b>	<b>3,797</b>	<b>+15%</b>
-902	-414	+118%*
<b>3,461</b>	<b>3,382</b>	<b>+2%</b>
<b>10,450</b>	<b>8,268</b>	<b>+26%</b>

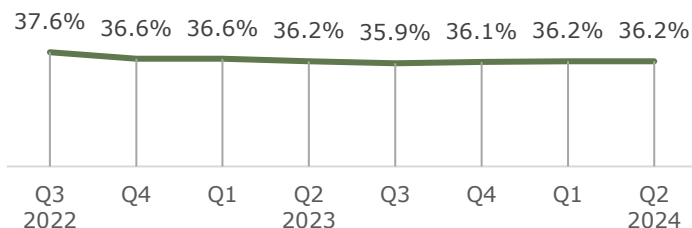
\* Increase of tax due to approved changes in corporate income tax law at the end of 2023. As a result, tax is calculated from full profit amount whereas in Q1 2023 tax was calculated only from the approved dividends.

# Consolidated balance sheet

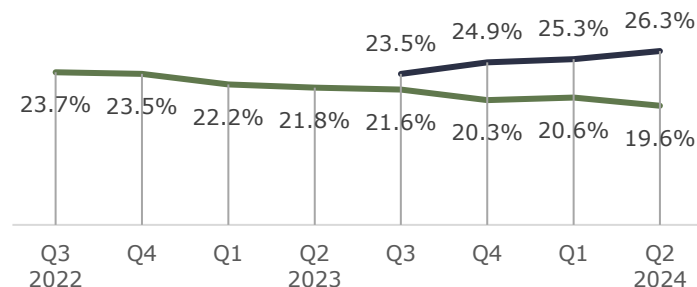
BALANCE SHEET, EUR'000	30.06.2024	31.12.2023	Change %
Fixed and intangible assets	3,032	2,680	+13%
Right-of-use assets	2,804	2,887	-3%
Net loan portfolio	101,549	89,026	+14%
Inventory and scrap	3,782	3,391	+12%
Other assets	1,860	1,149	+62%
Cash	4,354	5,929	-27%
<b>TOTAL ASSETS</b>	<b>117,381</b>	<b>105,061</b>	<b>+12%</b>
<b>EQUITY</b>	<b>22,972</b>	<b>21,322</b>	<b>+8%</b>
Share capital and reserves	4,538	4,538	+0%
Share premium	6,891	6,891	+0%
Other capital reserves	215	170	+26%
Retained earnings	11,329	9,724	+17%
<b>LIABILITIES</b>	<b>94,409</b>	<b>83,739</b>	<b>+13%</b>
Interest-bearing debt	86,298	76,971	+12%
Trade payables and other liabilities	5,015	3,600	+39%
Lease liabilities for right-of-use assets	3,096	3,168	-2%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>117,381</b>	<b>105,061</b>	<b>+12%</b>

# Financial ratios

## EBITDA margin\*

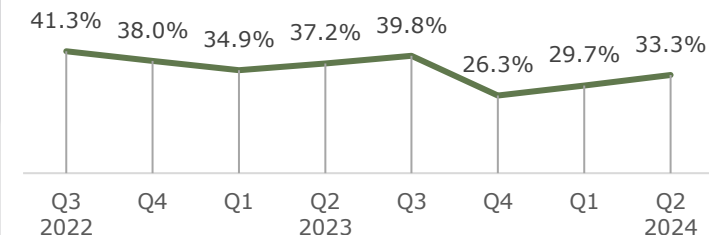


## Equity ratio and adjusted equity ratio



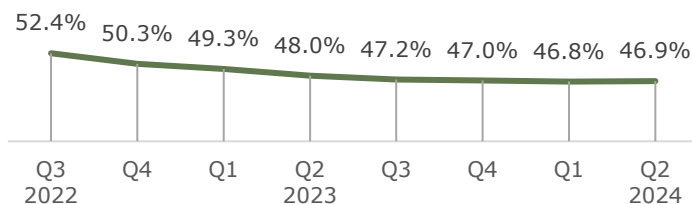
— Equity ratio  
— Adjusted equity ratio including subordinated bonds

## ROE\*\*

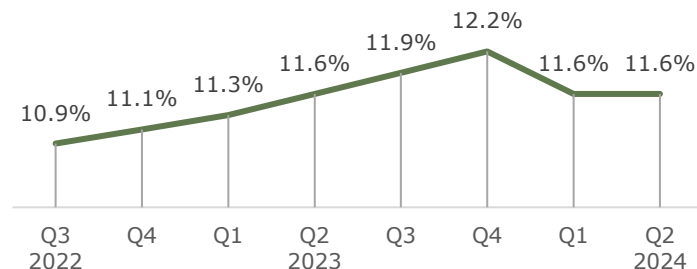


Decrease of ROE starting from Q4 2023 due to changes in corporate income tax legislation in Latvia. All tax amount was attributed to Q4 2023.

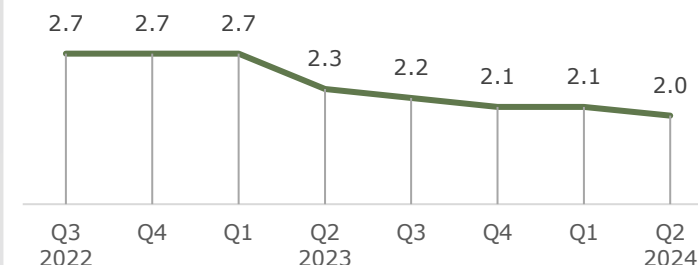
## Cost-to-income ratio\*



## Cost of interest-bearing liabilities

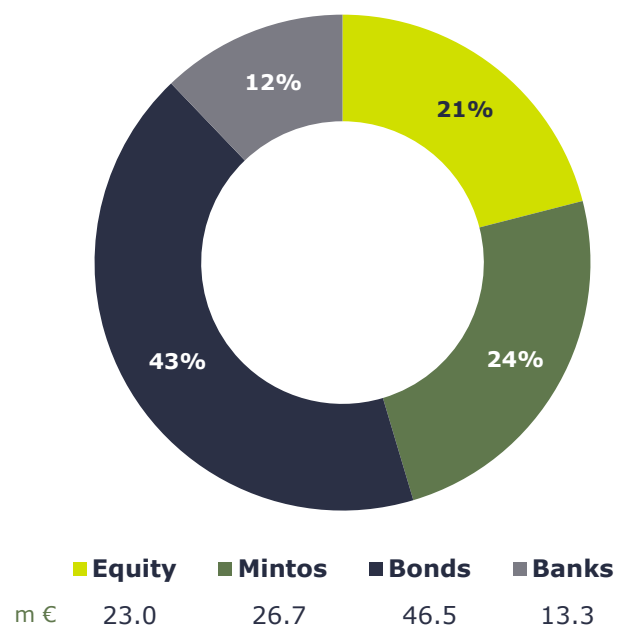


## Interest coverage ratio\*



# Capital structure

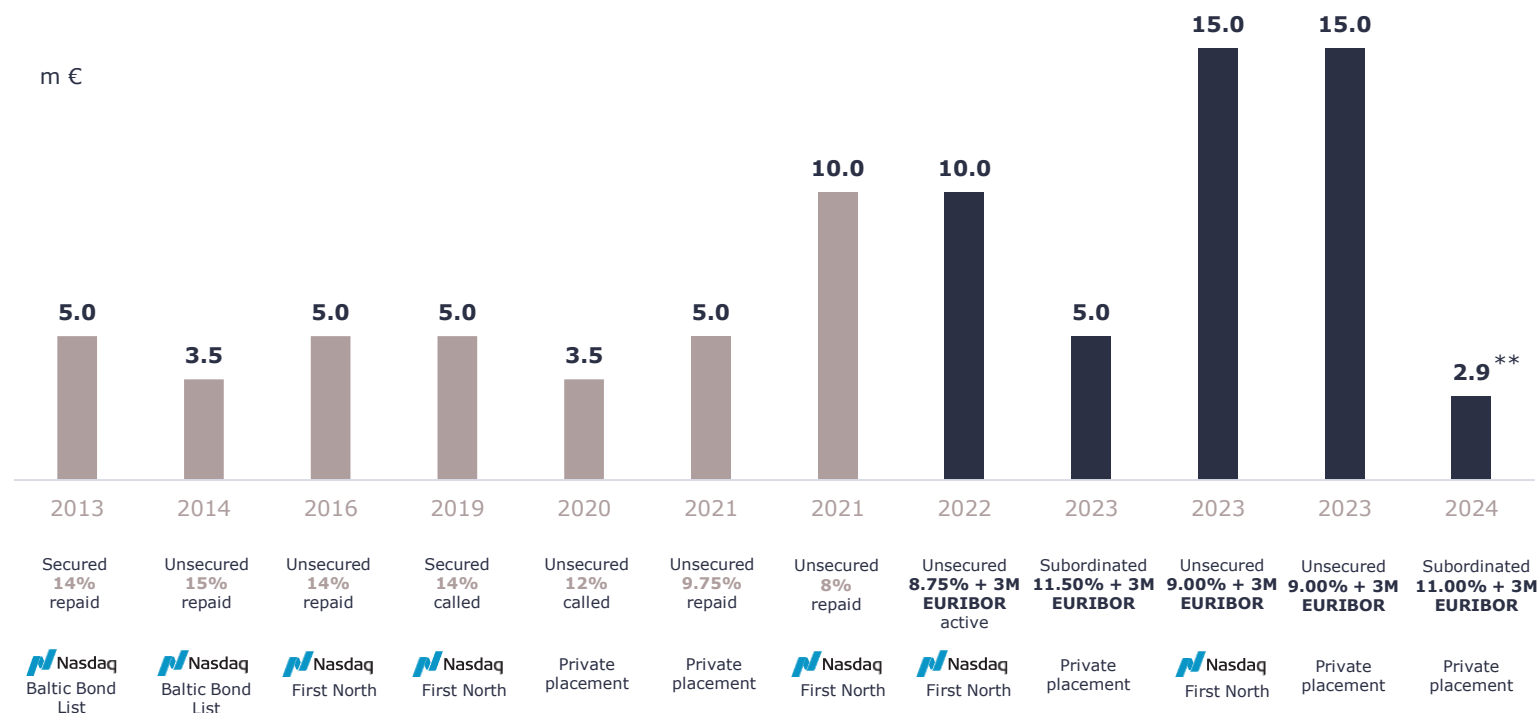
Capital structure 30.06.2024



## DelfinGroup on Mintos

- Since **2016**
- **80+** thousand active investors
- Investors from **100+** countries

## Bond financing track record\*



On 25 July shareholders approved the company's intention to organise a new bond issue in the Baltic States. The company plans to issue a total of 15 million euros in bonds in all three Baltic States, attracting retail and institutional investors. The funds raised will be used to refinance existing bonds and liabilities.

\*In nominal value  
\*\*Amount which has been subscribed from the initial placement on 30.06.2024.



# Dividends

## Unique dividend distribution proposal in Baltics

### Quarterly dividends

- At least 4 dividend payments per year
- Up to 50% from previous Q profit

## Dividend yield of 7.9%\*

Dividend period	Dividend payment date	EUR/share	EUR total	Payout ratio***
Q2 2024	Upon shareholders approval**	0.0202**	916 626**	49.76%**
Q1 2024	14.06.2024	0.0178	807 720	49.89%
Q4 2023	16.04.2024	0.0143	648 898	49.99%
Q3 2023	28.12.2023	0.0214	969 839	49.80%
Q2 2023	29.09.2023	0.0195	883 732	49.95%
Q1 2023	30.06.2023	0.0177	802 157	49.73%

Dividend period	Dividend payment date	EUR/share	EUR total
Annual	12.07.2024	0.0088	399 322
Annual	17.05.2022 15.07.2022	0.0552	2 501 642

# Share performance

## Share price and turnover, €



## Share dynamics compared to indexes



30.06.2024

*DelfinGroup*

Financial  
industry\*

Capitalization m €

49.3

-

EPS TTM €

0.149

-

P/E

7.29

6.14

ROE

33.3%

19.5%

Decrease of the share price since Q2 2023 due to the largest shareholder's public share offerings. In Q2 2023 the shares were offered at a discount from the previous market price of EUR 1.35 per share and in Q2 2024 the shares were offered at EUR 1.09.

*DelfinGroup* investors have received additionally EUR 0.249 per share in dividends since IPO.

\*Average ratio for financial services companies listed on Nasdaq Baltic Main list on 30.06.2024. as per last published financial data.

# Q&A session

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[www.delfingroup.lv](http://www.delfingroup.lv)



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