



financing and
circular retail

Investor presentation

**Public bonds offering
2024**

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Bond offering

Company overview

Products & performance

Industry & geography

Financials

Q&A session



Bond offering

**Invest in
high-yield
bonds!**

SEPT
16

**ONLY UNTIL
SEPTEMBER 16.
DON'T MISS OUT!**

10%
**ANNUAL
RATE**

**MONTHLY
% PAYOUT**

**INVEST FROM
100 EUR**

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Who we are

DELFINGROUP

is a Latvian fintech company that offers accessible, simple, and consumer-focused finance and pawn services. In addition, to foster a circular economy, DelfinGroup sells pre-owned goods.

We have established an extensive network of branches and a robust online presence, ensuring we are easily accessible to everyone.

Main business segments

- Consumer lending
- Pawn lending
- Retail of pre-owned goods



DGR1R

Listed on *Nasdaq Baltic Main List*



Market leader

Consumer and pawn lending industry leader in Latvia



Trusted bond issuer

12 bond issues out of which 7 has been repaid



Services available via

- Mobile app
- Web page
- Online store
- Branch network



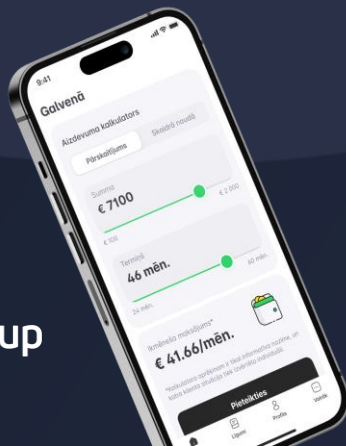
Brands

Banknote **VIZIA**

What we do

Consumer lending

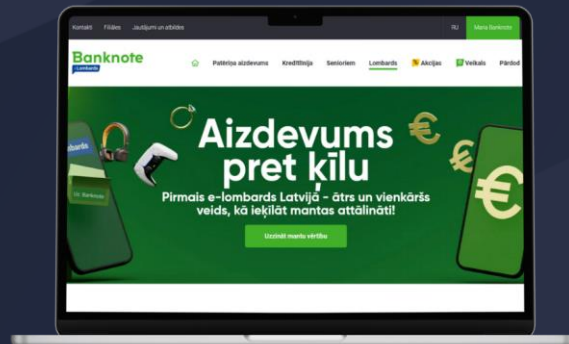
- Installment loans, credit line
- Up to EUR 10,000
- Available via mobile app, web, branches



delfingroup

Pawn lending

- Loans secured with item collateral
- Up to 95% of collateral value
- Available via branches and online



Retail of pre-owned goods

- Most popular items are jewelry, mobile phones, computer equipment etc.
- Guarantee up to 24 months
- Available via online stores and branches



How we do it



High corporate governance standards

- Professional and driven management team
- Independent supervisory board members
- Three supervisory board committees



Focus on product digitalization

- Virtual card
- Digital pawnshop
- Online stores
- Remote purchasing of goods



Accessibility

- Inclusive financing
- Pawn loans provide access to funding for everyone
- Available online and in branches



Sustainability

- ESG reporting since 2020
- Promotion of circular economy principles

Banknote branch network



38

presence in cities

90+

branches in
Latvia and
Lithuania



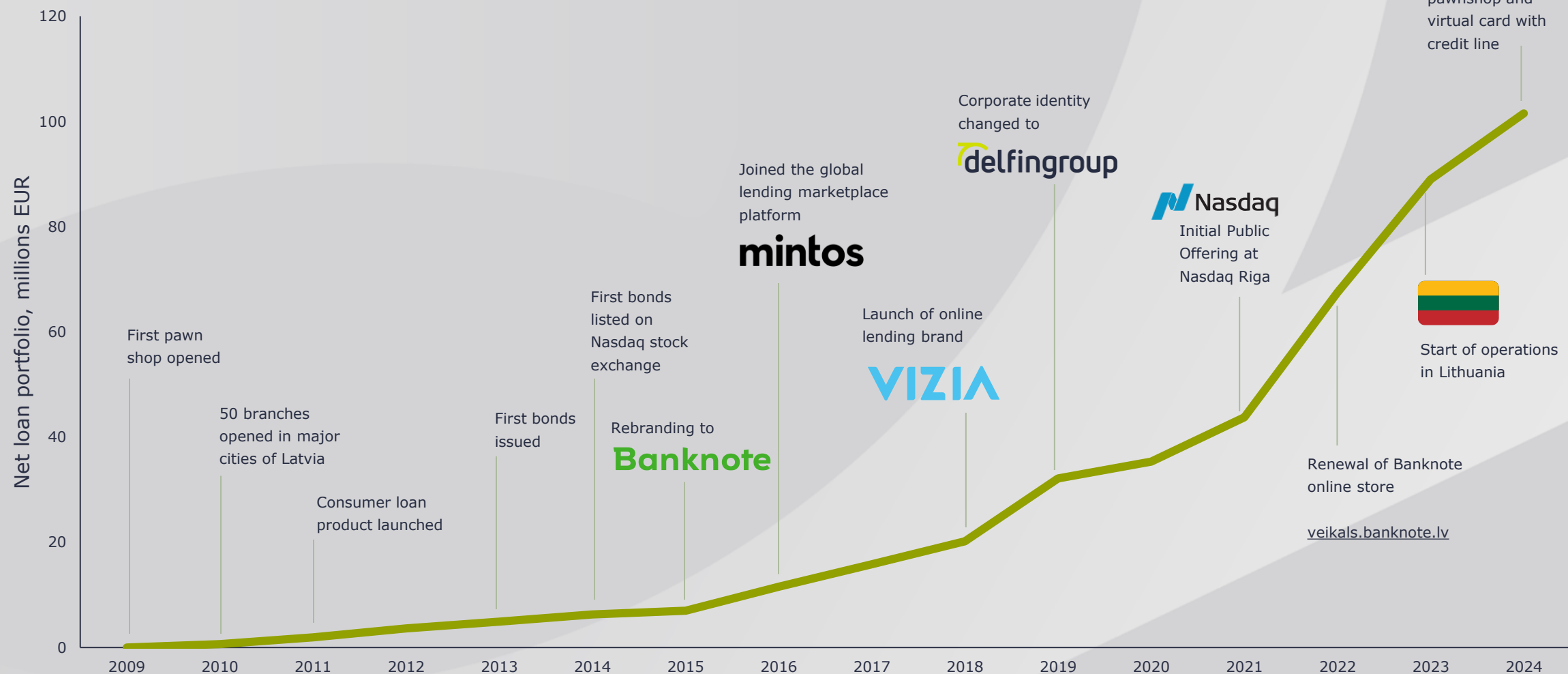
40+

branches
in Riga



Operations in Lithuania started at the end of 2023. At the time of the bond offering, DelfinGroup has 7 branches in Vilnius.

Historic timeline



Bond offering

Company overview

Products & performance

Industry & geography

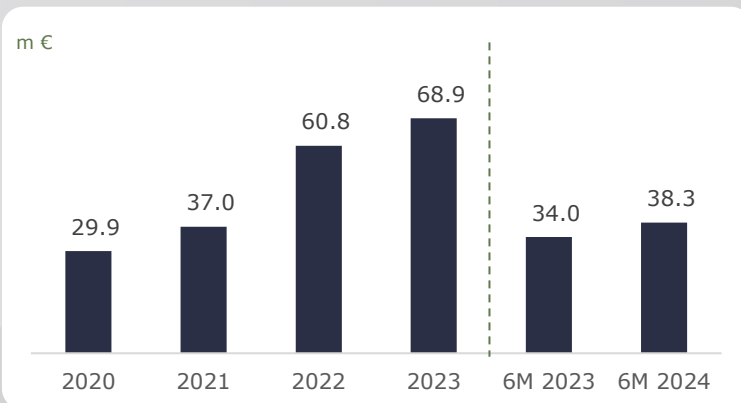
Financials

Q&A session



Consumer loans

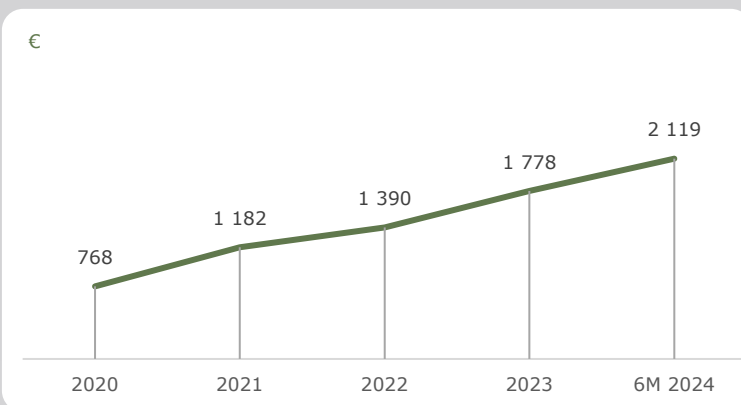
Consumer loan issuance



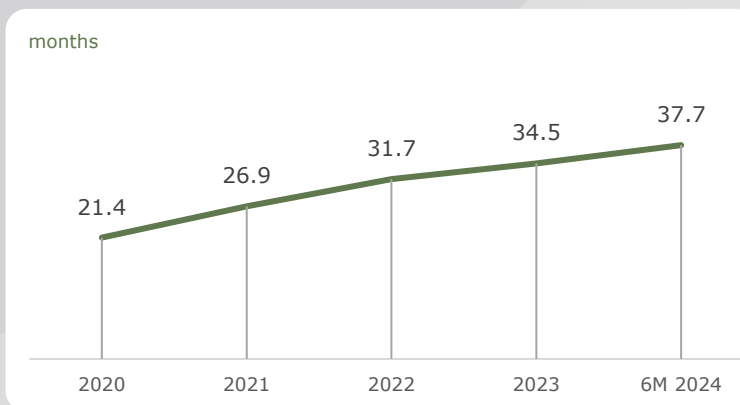
Consumer loan net portfolio



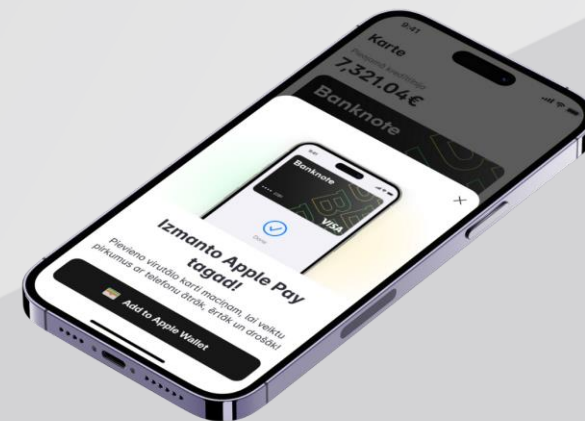
Average loan*



Weighted average term of loans issued



- Advanced scoring models. Approval rate of 20% from total applications.
- In 2023, 81% of consumer loans were issued online, while 19% in branches.
- Around 90% of loans are transferred via bank transfer, remaining 10% as cash transactions.
- To promote financial inclusion, DelfinGroup provide tailor-made loans for senior citizens. 28% of clients are over 60 years old.



Pawn loans

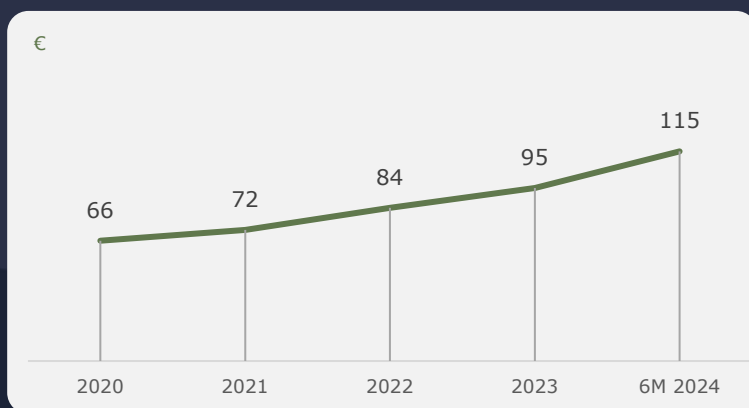
Pawn loan issuance



Active pawn net loan portfolio*



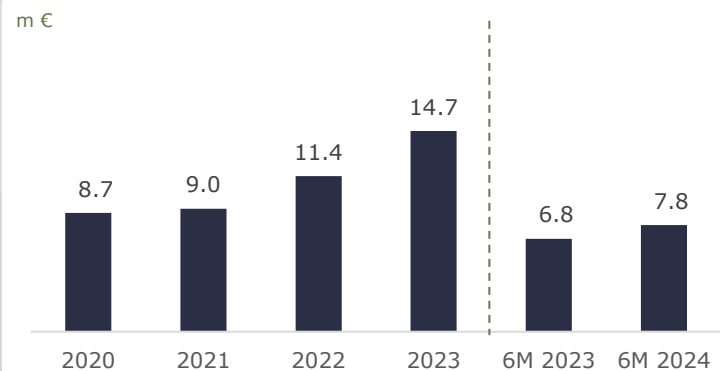
Average pawn loan



- Pawn loans are the most accessible financial product.
- Client's liabilities end at the maturity. Credit history is not affected.
- Pledge valuation depends on the type of the item.
- The total transaction time is up to 15 minutes.
- Unredeemed pledges are sold at Banknote online stores or the branch network.

Retail of pre-owned goods*

Sale of pre-owned goods**



- In total, more than 80,000 verified and pre-owned items are available to clients.
- Online store sales in 6M 2024 increased by 61%, reaching EUR 1.8 million.
- More than 37,000 units were sold at the online store in 2023

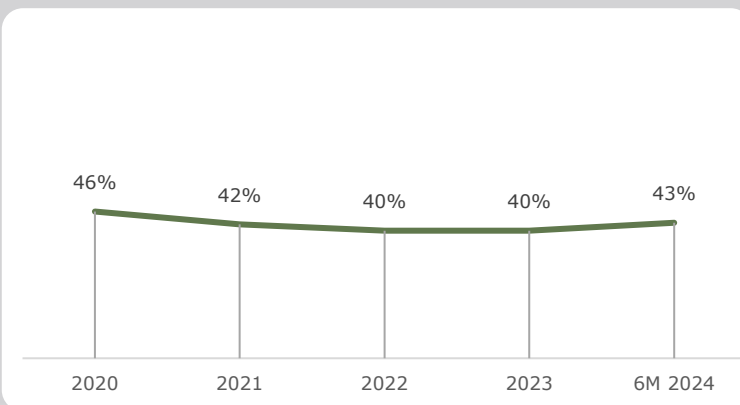


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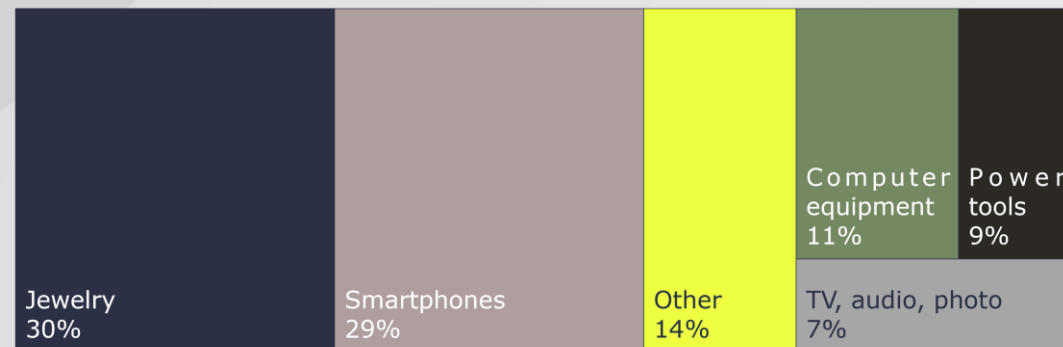


shop.banknote.lt

Gross margin



Sales split by product category (6M 2024)



Bond offering

Company overview

Products & performance

Industry & geography

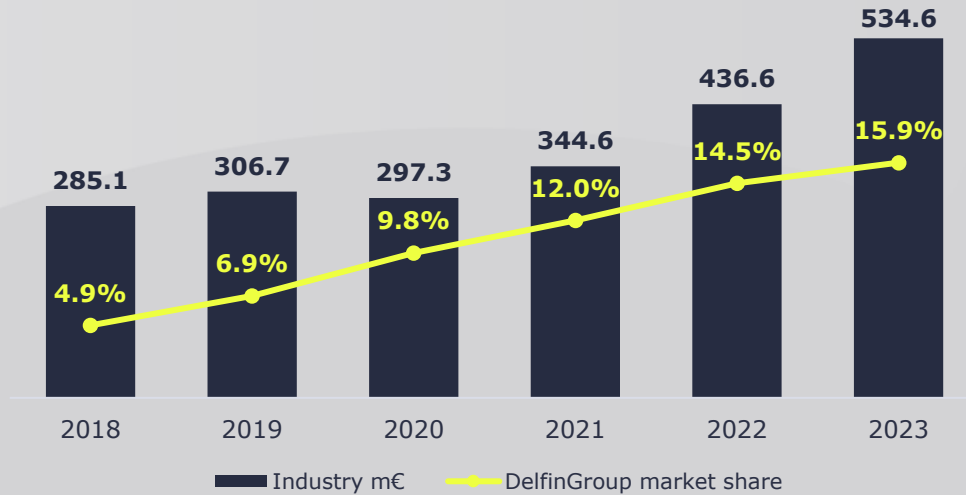
Financials

Q&A session



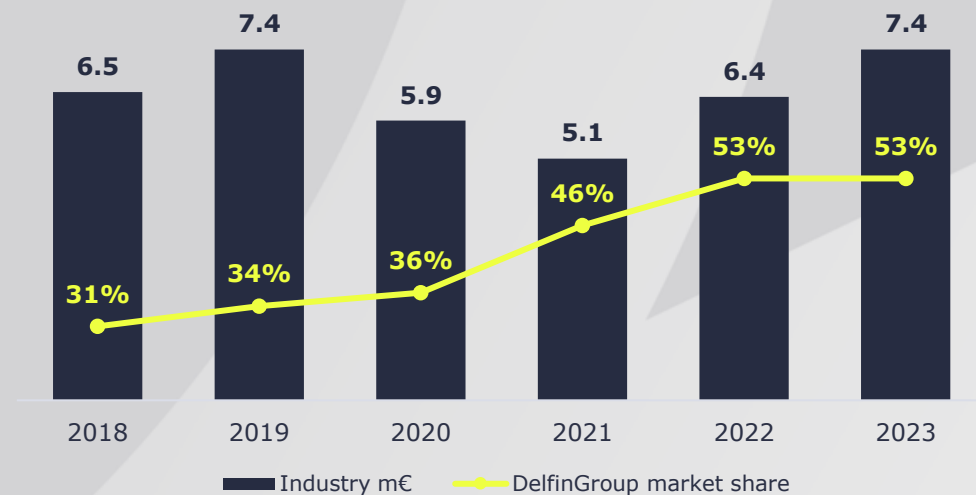
Industry overview

DelfinGroup consumer loan portfolio vs Industry



- DelfinGroup is one of the largest non-bank consumer lenders in Latvia.
- 14.1% market share by consumer loan issuance in 2023.
- DelfinGroup has managed to increase its market share and become one of the industry leaders.

DelfinGroup pawn loan portfolio vs Industry



- DelfinGroup has been a disruptor of the pawn lending market since 2009.
- 57% market share by pawn loan issuance in 2023.
- Industry was affected by Covid-19 restrictions since it operated only offline.

Expansion in Lithuania

CURRENT SITUATION

Branch network

There are 7 Banknote branches in Vilnius. The company plans to significantly expand the network in the largest cities in Lithuania.

Product offering

Currently pawn loans and retail of pre-owned goods are offered.

Consumer lending licence

In summer 2024, company received consumer lending licence in Lithuania. It is expected to start providing consumer loans during Q3 2024.

OPPORTUNITY

Expansion opportunity

The fragmented pawnshop market in Lithuania presents a significant business opportunity.

Leveraging experience

We utilise over 14 years of knowledge and expertise gained in the Latvian market.

Lucrative market

The larger Lithuanian market provides ample growth opportunities.



Bond offering

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Revenue diversification

Consumer loans

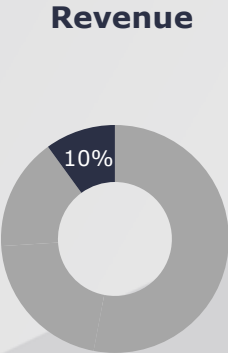
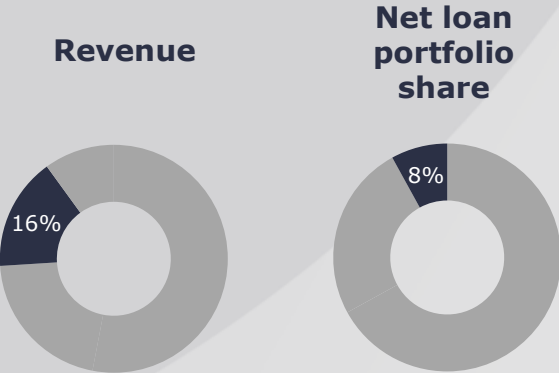
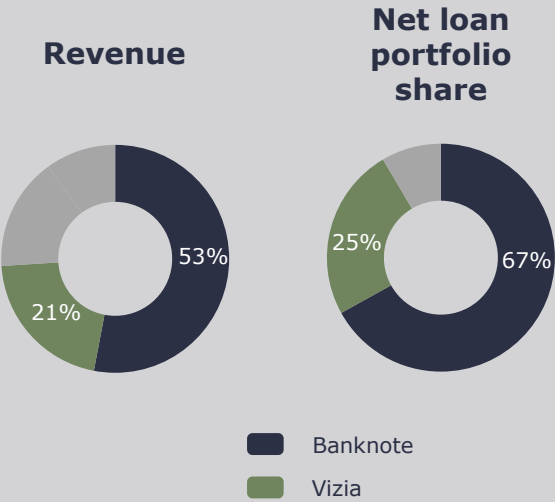
Pawn loans

Retail of pre-owned goods

Banknote **VIZIA**

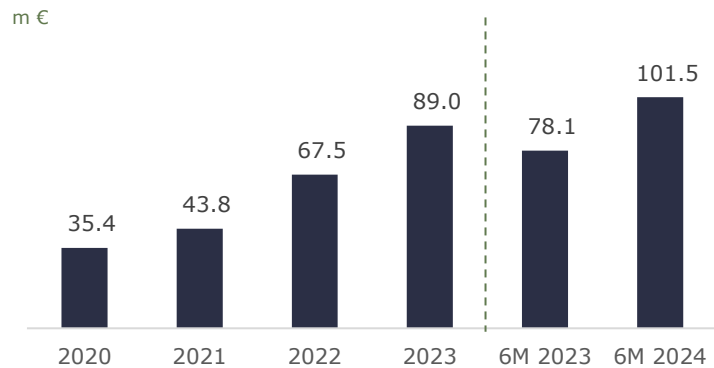
Banknote

Banknote

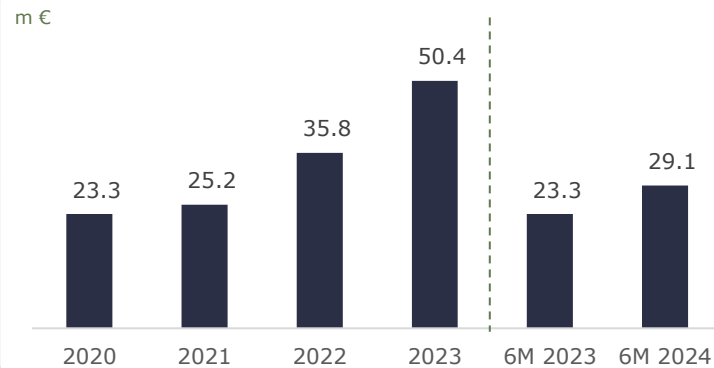


Financial highlights

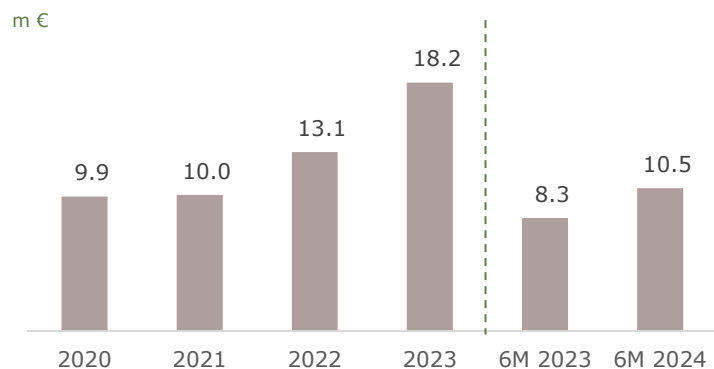
Net loan portfolio



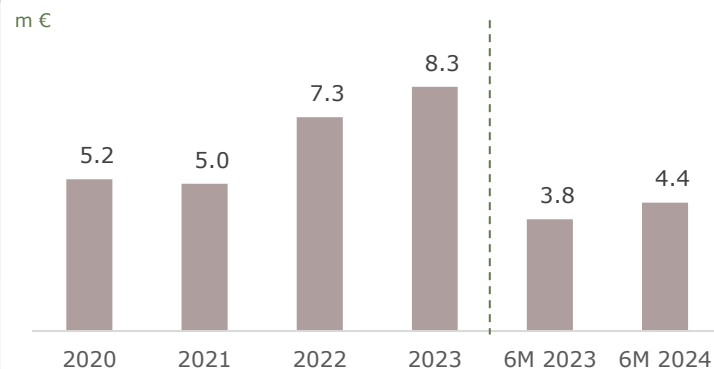
Total revenue



EBITDA



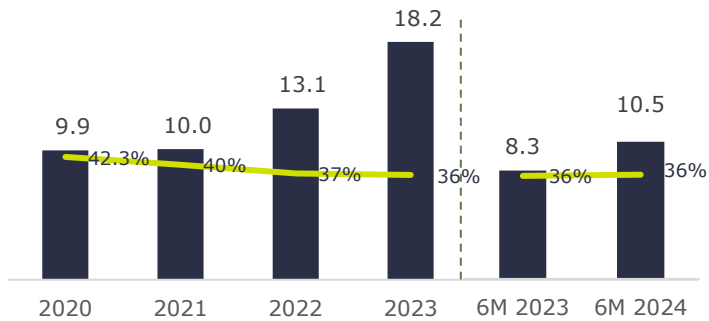
Profit before tax



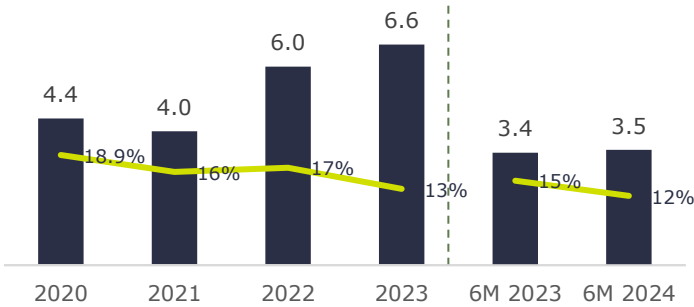
- Rapid expansion of loan portfolio since the IPO in 2021.
- Every quarter since the IPO, DelfinGroup reached record-high revenue on loan portfolio amounts.
- Quarterly revenue has grown 134% in Q2 compared to Q3 2021 (time of the IPO).
- Profits of the company have grown alongside revenue increase.
- Profit before tax rose 15% in 6M 2024.

Financial ratios

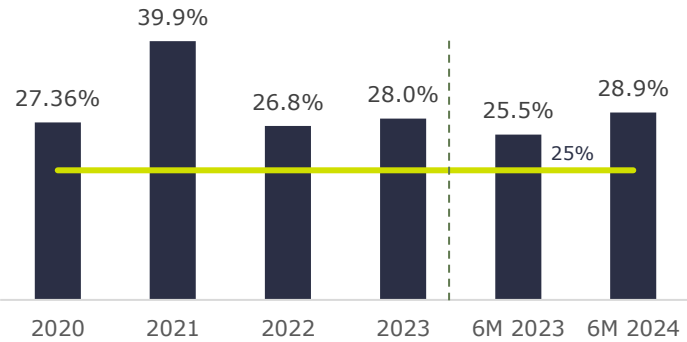
EBITDA (€m) & EBITDA margin



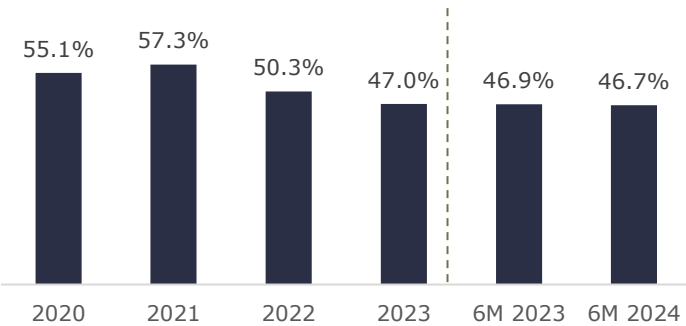
Net profit (€m) & Net profit margin



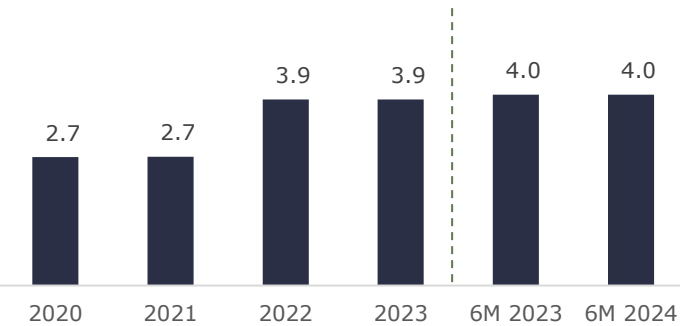
Capitalization ratio & covenant level



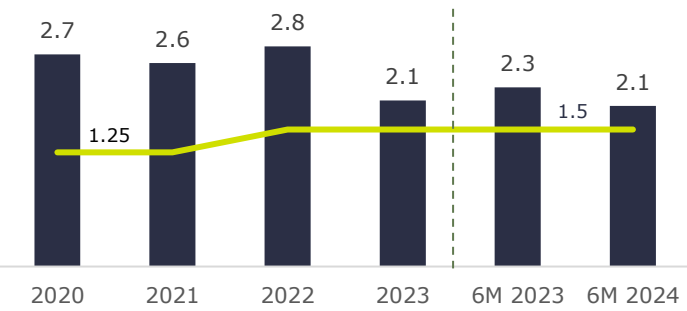
Cost-to-income ratio



Net debt to EBITDA, x*



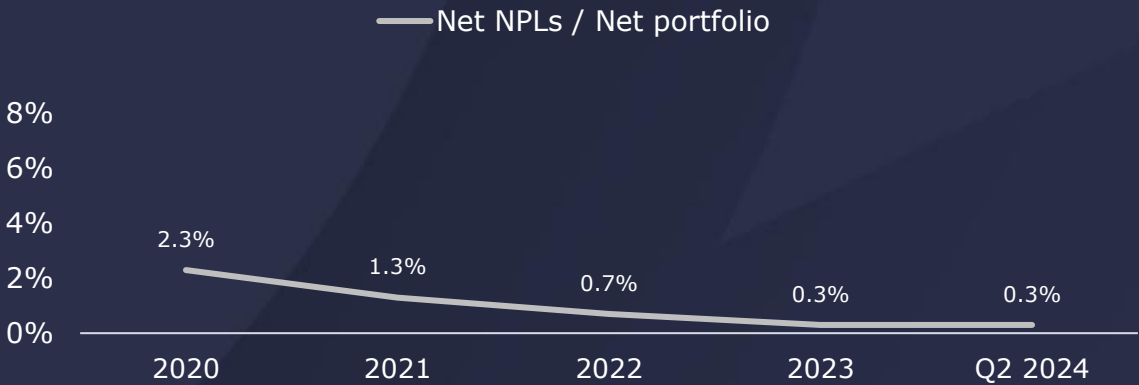
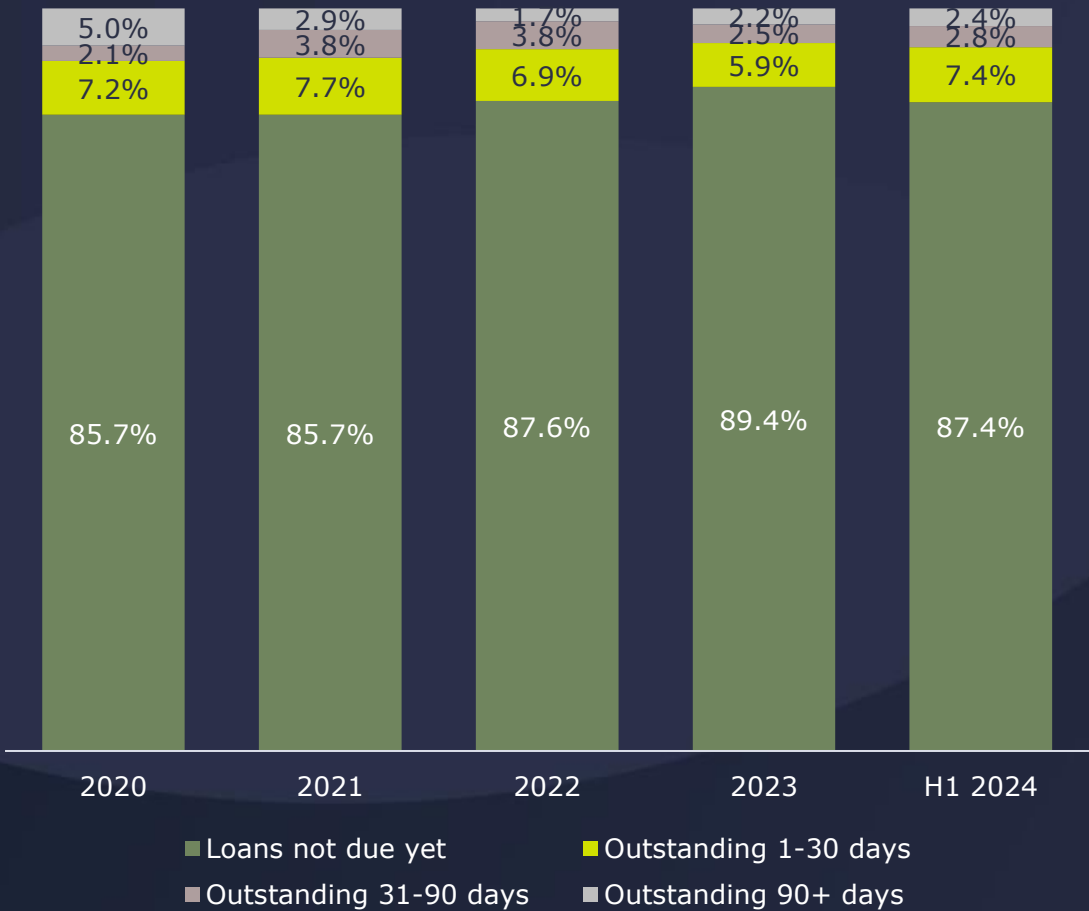
Interest coverage ratio, x & covenant level*



*Last 12 months figures.

Portfolio quality

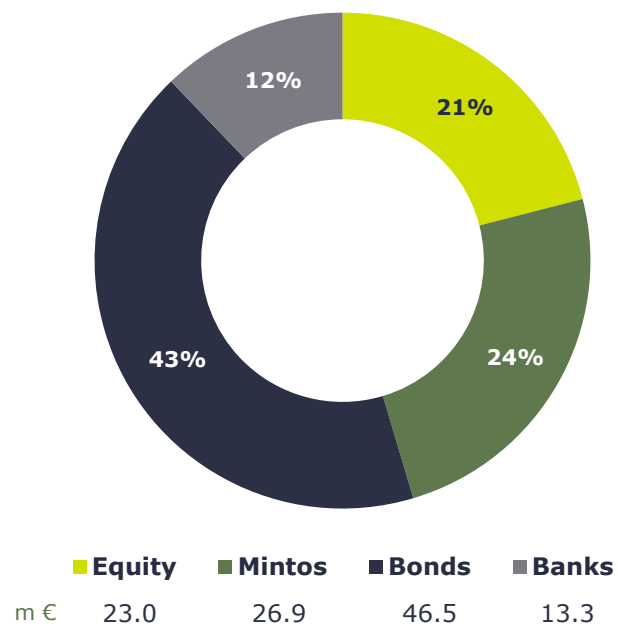
Consumer lending portfolio age analysis*



- Low level of NPLs due to data-based scoring models.
- A professional in-house collection team ensures loan collection.
- Loans exceeding 60 days past due are subject to debt sales.

Capital structure

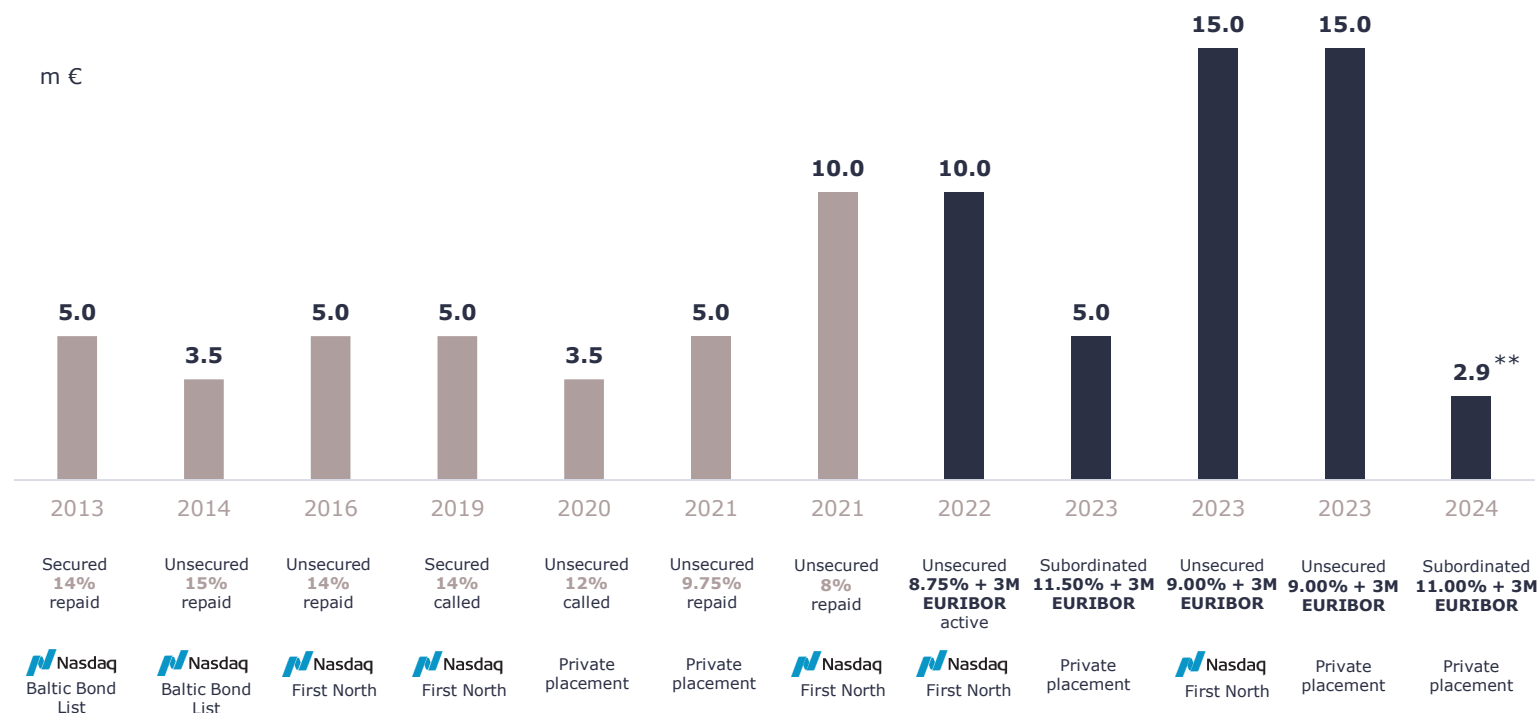
Capital structure 30.06.2024



DelfinGroup on Mintos

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

Bond financing track record*

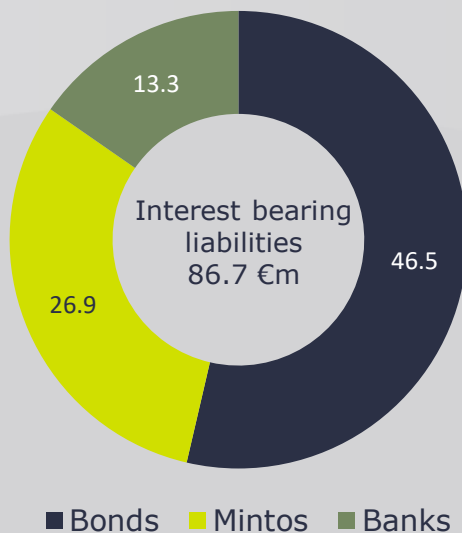


- Bond financing has been a crucial source of funding since 2013.
- Five bond issues ensure distributed maturities over the years.
- All the historic bond issues have been redeemed on time with no delays.

*In nominal value
 **Amount which has been subscribed from the initial placement on 30.06.2024. Total nominal value EUR 5 million

Funding

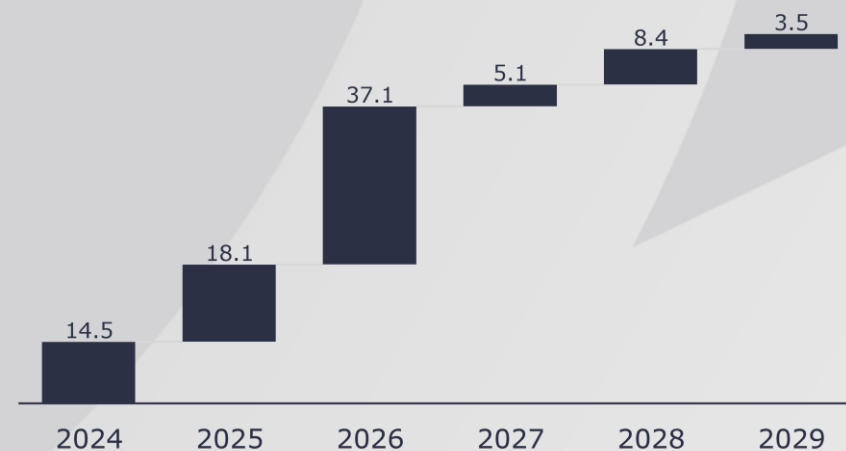
Liabilities (€m)



Diversified funding is ensured by:

- 3 unsecured bond issues
- 2 subordinated bond issues
- 2 bank loans
- 1 P2P investment platform

Liability maturities 2024 (€m)



- Liability maturities distributed across the years
- Avoidance of one large maturity which decreases refinancing risk
- Bonds account for 54% of borrowings.

Key investment highlights

1

Proven bond track-record. 12 issues, 7 repaid.

2

Professional management and corporate governance

3

Diversified product portfolio

4

Strong financial standing

5

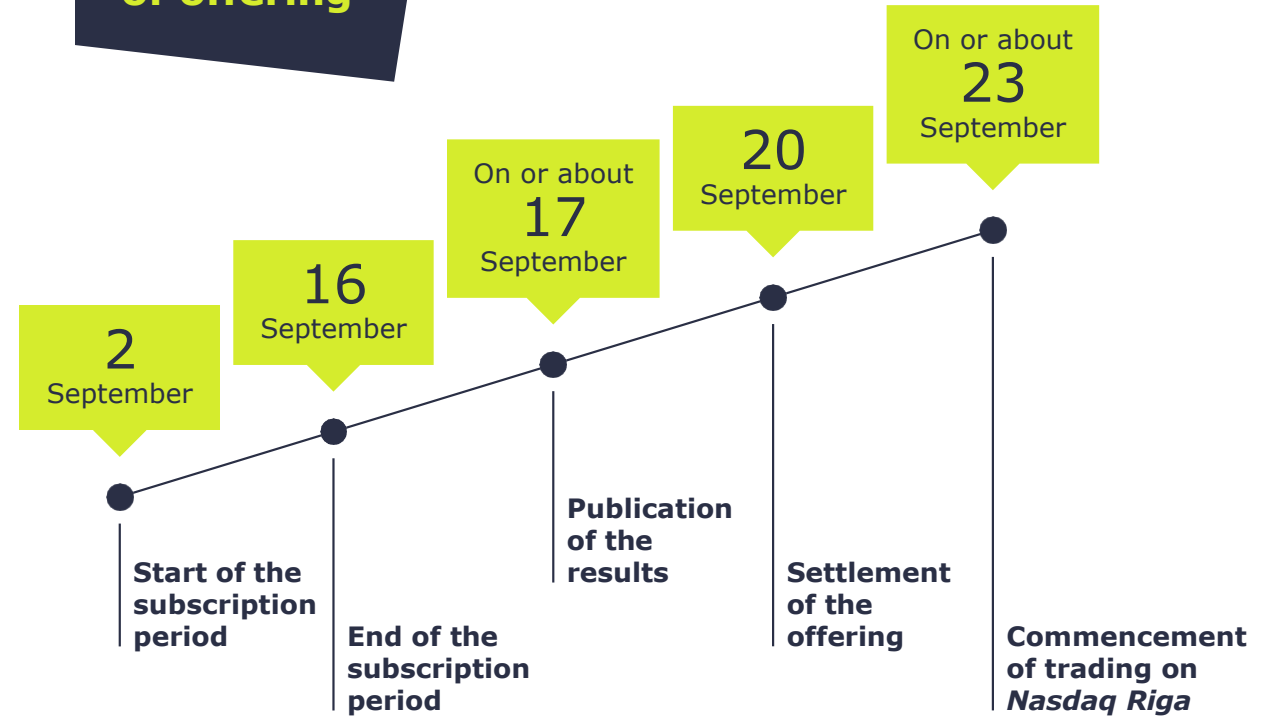
High-quality loan portfolio

6

Diversified funding structure

Bond offering

Timeline of offering



Bond offering partners

SIGNET BANK

Arranger

LHV

Sales agent

**EVERSHEDS
SUTHERLAND
BITĀNS**

Legal counsel

Type of notes	Unsecured notes
ISIN	LV0000803914
Issue size	EUR 15,000,000
Coupon rate	10%, paid monthly
Nominal value; Minimum investment amount	EUR 100
Maturity	25 September 2028
Type of placement	Public offering in Latvia, Estonia and Lithuania
Use of proceeds	Refinancing of existing bonds maturing on 25 September 2024 and other liabilities
Call option	102% after 1st year, @101% after 2nd year, @100% 6 months before maturity
Financial covenants	<ul style="list-style-type: none">• Capitalization ratio of at least 20%• Interest coverage ratio of at least 1.5• (Net Loan Portfolio + Cash and Cash Equivalents – Mintos Debt Security – Bank Debt Security I) / (all unsecured interest-bearing debt* – Subordinated Debt) >= 1.2x
Admission to trading	Nasdaq Riga Baltic Bond List within 1 week after placement.

Q&A session

**Invest in
high-yield
bonds!**



**ONLY UNTIL
SEPTEMBER 16.
DON'T MISS OUT!**

AS DelfinGroup

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(+371) 26 18 99 88
www.delfingroup.lv

A large graphic on a yellow background. It features a large "10%" where the "1" is blue, the "0" is a red and blue 3D geometric shape, and the "%" is blue. To the right of the "10%" is the text "ANNUAL RATE" in black.

**10%
ANNUAL
RATE**

**MONTHLY
% PAYOUT**

**INVEST FROM
100 EUR**