



financing and
circular retail

AS “DelfinGroup”
Unaudited
consolidated interim
report
January –
September
2024

Translation from Latvian

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Information on the Company and Subsidiaries

Name of the Company	DelfinGroup
Legal status of the Company	Joint stock company (till 19.01.2021, Limited liability company)
Number, place and date of registration	40103252854 Commercial Registry Riga, 12 October 2009
Operations as classified by NACE classification code system	NACE2 64.92 Other credit granting NACE2 47.91 Retail sale via mail order houses or via Internet NACE2 47.79 Retail sale of second-hand goods in stores NACE 47.77 Retail sale of watches and jewellery in specialised stores
Address	50A Skanstes Street, Riga, LV-1013 Latvia
Names and addresses of shareholders	AS ALPPES Capital (18.25%), 12 Juras Street, Liepaja, Latvia SIA EC finance (14.93%), 50A Skanstes Street, Riga, Latvia SIA AE Consulting (8.21%), 50A Skanstes Street, Riga, Latvia Other (58.61%)
Names and positions of Board members	Didzis Ādmīdiņš – Chairman of the Board (from 19.01.2021) Aldis Umblejs – Member of the Board (from 15.12.2021) Nauris Bloks – Member of the Board (from 08.06.2023) Sanita Pudnika – Member of the Board (from 01.03.2022 to 28.06.2024)

Names and positions of Supervisory Board members

Agris Evertovskis – Chairperson of the Supervisory Board (from 13.04.2021)

Gatis Kokins – Deputy Chairman of the Supervisory Board (from 13.04.2021)

Mārtiņš Bičevskis – Member of the Supervisory Board (from 13.04.2021)

Jānis Pizičs – Member of the Supervisory Board (from 13.04.2021)

Edgars Voļskis – Member of the Supervisory Board (from 13.04.2021 to 22.05.2024)

Reporting period

1 January 2024 – 30 September 2024

Information on the Subsidiaries

Subsidiary	SIA ViziaFinance (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	23.02.2015
Number, place and date of registration of the subsidiary	40003040217; Riga, 06 December 1991
Address of the subsidiary	50A Skanstes Street, Riga, Latvia
Operations as classified by NACE classification code system of the subsidiary	64.92 Other financing services
Subsidiary	UAB DelfinGroup LT (parent company interest in subsidiary – 100%)
Date of establishment of the subsidiary	28.09.2023
Number, place and date of registration of the subsidiary	306462155; Vilnius, 28 September 2023
Address of the subsidiary	25-701 Lvivo Street, Vilnius, Lithuania
Operations as classified by NACE classification code system of the subsidiary	64.92 Other financing services

Statement of management`s responsibility

The management of AS *DelfinGroup* (hereinafter – the Company) is responsible for the preparation of the Consolidated interim report January – September 2024 (hereinafter – interim report) of the Company and its subsidiaries (hereinafter – the Group or DelfinGroup).

The interim report set out on pages 12 to 25 are prepared in accordance with the source documents and present the financial position of the Group as of 30 September 2024 and the results of its operations, changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2024. The management report set out on pages 7 to 11 presents fairly the financial results of the reporting period and future prospects of the Group.

The interim report are prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgments and estimates have been made by the Management in the preparation of the financial statements.

The Management of AS *DelfinGroup* is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. The Management is also responsible for compliance with requirements of legal acts of the countries where Group companies and the Parent company operate.

Didzis Ādmīdiņš
Chairman of the Board

Aldis Umblejs
Board Member

Nauris Bloks
Board Member

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Management report

In the first nine months of 2024, the Latvian financial services group *DelfinGroup* AS achieved revenues of EUR 45.6 million, 25% more than in 2023. In addition, EBITDA showed solid growth in the first nine months of 2024, increasing by 24% year-on-year to EUR 16.2 million. The significant improvement in revenues also contributed to the Group's profitability. Profit before tax for 9M 2024 was EUR 6.8 million, up 14%, while net profit rose 1% to €5.4 million. The main impact on net profit was due to the change in corporate income tax (CIT), which came into force at the end of 2023, whereby a tax of 20% is payable by companies in the banking and non-bank lending sector on all profits, instead of only on dividends paid, as was previously the case.

Positive results are also recorded in Q3 2024. Revenues increased by 25% compared to last year and amounted to EUR 16.5 million. EBITDA increased by 19% in Q3, while profit before tax rose by 11% to €2.4 million. Net profit for the period was EUR 1.9 million, down 2%, mainly due to the aforementioned change in CIT.

Strong demand for *DelfinGroup* products has continued throughout 2024. The Group disbursed a record €77.6 million in loans in the nine months, an increase of 12%, while Q3 disbursements were up 13% compared to last year. New consumer lending increased by 15% to €20.3 million in Q3 but was up 13% in 9 months. Meanwhile, in the pawn lending segment, issuance rose 9% to EUR 19.1 million in the 9 months and by EUR 6.3 million quarter-on-quarter. With loan originations increasing in the first nine months, the net loan portfolio reached a record high of EUR 107.7 million, up 21% over the nine months.

The Group made significant improvements in the sales of the pre-owned, slightly pre-owned, and new goods segment. The segment's sales for the nine-month period amounted to EUR 12.3 million, an increase of 14% compared to 2023, while in the third quarter, sales amounted to EUR 4.5 million.

By continuing the business expansion in the Lithuanian market, two new *Banknote* branches of the circular economy concept were opened in July, providing a wider range of visitors with pawn loans and retail services of pre-owned and slightly pre-owned goods. With the opening of two new branches, *Banknote* network coverage in Lithuania reaches 7 branches. Currently, there is also a circular economy retail online store in Lithuania and Latvia with more than 55,000 used and tested goods.

The Company's subsidiary *DelfinGroup LT* UAB was included in Lithuania's public list of consumer loan service providers in July of this year. During the third quarter, the Group worked on developing and launching a consumer lending product in Lithuania. The Group expects that the issuance of consumer loans in Lithuania will start in the 4th quarter of this year. Starting the issuance of consumer loans in Lithuania will help the Group's loan portfolio and value grow further.

By continuing the development of the *Banknote* network of circular economy stores, the *Banknote XL* concept store has opened in Rēzekne, moving to new and spacious premises at 119 Atbrīvošanas aleja. The new store is almost four times larger, providing residents with a more extensive range of pre-owned and verified goods in one place. As a result, it is already the third *Banknote XL* concept branch in Latvia.

In the 3rd quarter, the Company's public bond issue was successfully conducted. From September 2 to 16, Baltic retail and institutional investors had the opportunity to participate in *DelfinGroup* public bond issue. It was offered to purchase the Company's bonds for 15 million euros with a fixed annual interest rate of 10%, monthly interest payments and a maturity of four years. The bonds are unsecured with a nominal value of 100 euros per bond. The total demand for bonds reached 22.3 million euros from more than 2,700 retail and institutional investors, which exceeded the initial bond offer by 1.5 times. Numerically, most of the 2,700 investors came from Estonia. However, by investment amount, approximately 60% of all demand came directly from Latvian investors. On 25 September 2024, the bonds were listed on the *Nasdaq Baltic Regulated Market Corporate bond list*.

As a result of the successful public bond issue, the Company's existing unsecured bonds ISIN LV0000850055 for EUR 10 million with a coupon rate of 8.75% + 3M EURIBOR were redeemed on 25 September 2024. The existing bonds were redeemed from the raised funds, and the most expensive liabilities were refinanced in the *Mintos* investment platform, thus optimising the Group's financing costs.

During the 3rd quarter, two shareholders' meetings were held. At the 25 July extraordinary meeting of shareholders, the new composition of the Risk and Audit Committee was approved, appointing Gatis Kokins, Mārtiņš Bičevskis and Jānis Pizičs as members of the committee. Meanwhile, at the extraordinary shareholders' meeting held on 16 September, the payment of quarterly dividends was approved, as a result of which 917 thousand euros or 0.0202 EUR per share were paid out of the Company's second quarter profit in extraordinary dividends. Dividends were paid to shareholders on 1 October 2024.

Management report (CONTINUED)

By implementing the business strategy and all planned activities, the following financial results of the Group were achieved in the first nine months of 2024 (profit statement items are compared to the same period of the previous year, balance sheet items are compared to the data as at 31.12.2023):

Position	EUR, million	Change, %
Net loan portfolio	107.7	+21.0
Assets	124.5	+18.5
Revenue	45.6	+24.9
EBITDA	16.2	+23.7
Profit before taxes	6.8	+13.6
Net profit	5.4	+0.9*

**In relation to the changes in CIT applied at the end of 2023 for banks and non-bank lenders, an advance of 20% of the whole 2023 profit was recognised in Q4 2023. As a result, CIT expenses for the first nine months of 2023 were recognised only for the distributed dividends. If these changes had not come into effect, the net profit for first nine months of 2024 would have been EUR 6.3 million, representing an 17.4% increase compared to the same period of the previous year.*

And following the Group's key financial figures for the last 5 financial quarters:

Position	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Revenue, EUR million	13.2	13.9	14.3	14.8	16.5
EBITDA, EUR million	4.8	5.1	5.0	5.4	5.7
EBITDA margin, %	36%	36%	36%	36%	36%
EBIT, EUR million	4.5	4.8	4.6	5.0	5.2
EBIT margin, %	33%	34%	34%	34%	33%
Profit before taxes, EUR million	2.2	2.3	2.0	2.3	2.4
Net profit, EUR million	1.9	1.3	1.6	1.8	1.9
Net profit margin, %	15%	13%	12%	13%	12%
ROE (annualised), %	40%	26%	30%	33%	34%
ROA (annualised), %	9%	6%	6%	7%	7%
ROCE (annualised), %	35%	34%	25%	26%	24%
Current ratio	0.9	1.0	0.9	1.0	1.3

In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals due to the effects of the approximation. 2023 Q1, Q2 and Q3 are corrected by restatements in Note 1.

EBITDA calculation, EUR million:

	2024 Q3	2023 Q3
Item		
Profit before tax	2.4	2.2
Interest expenses and similar expenses	2.8	2.3
Depreciation of fixed assets and amortisation	0.5	0.3
EBITDA, EUR million	5.7	4.8

Management report (CONTINUED)

As for compliance with the Issue Terms of notes ISIN LV0000802718, ISIN LV0000802700, ISIN LV0000860146, ISIN LV0000870145 and ISIN LV0000803914 the financial covenant computation is as follows:

Covenant	Value as of 30.09.2024	Compliance
to maintain a Capitalization Ratio at least 20%	29%	yes
to maintain consolidated Interest Coverage Ratio of at least 1.5 times, calculated on the trailing 12 month basis	2.0	yes
to maintain the Net Loan portfolio, plus Cash and Cash Equivalents, net value of outstanding Mintos Debt Security and Bank Debt Security I, at least 1.2 times the outstanding principal amount of all unsecured interest-bearing debt excluding Subordinated debt on a consolidated basis.	1.5	yes

Principles of alternative performance measures

Dividend yield = dividends paid per share / share price at the end of the period * 100.

Net loan portfolio = non-current loans and receivables + current loans and receivables.

Revenue = net sales + interest income and similar income.

EBITDA margin = (profit before tax + interest expenses and similar expenses + depreciation of property, plant and equipment and amortization of intangible assets + depreciation of right-of-use assets) / (net sales + interest income and similar income) * 100.

EBIT margin = (profit before tax + interest expenses and similar expenses) / (net sales + interest income and similar income) * 100.

Net profit margin = net profit / (net sales + interest income and similar income) * 100.

Return on equity (ROE) = net profit / ((total equity as at start of the period + total equity as at period end) / 2) * 100.

Return on assets (ROA) = net profit / ((total assets as at start of the period + total assets as at period end) / 2) * 100.

Return on capital employed (ROCE) = EBIT / (((total assets as at start of the period + total assets as at period end) / 2) - ((short-term liabilities as at start of the period + short-term liabilities as at period end) / 2)) * 100.

Current ratio = total current assets / total short-term liabilities * 100.

Capitalization ratio = (total equity + subordinated debt) / (non-current loans and receivables + current loans and receivables + inventories + other debtors) * 100.

Interest coverage ratio = EBITDA / interest expenses and similar expenses.

Equity ratio = total equity / total assets * 100.

Cost to income ratio = (selling expenses + administrative expenses + other operating expenses – debt sale results) / (net sales – cost of sales + interest income and similar income – interest expenses and similar expenses + other operating income) * 100.

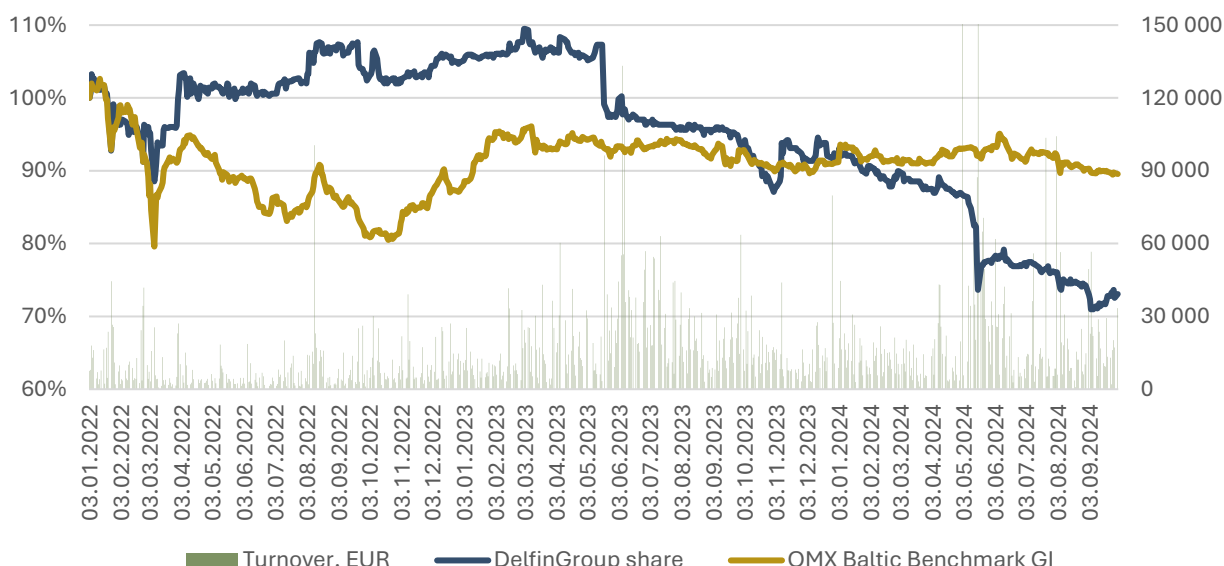
Management report (CONTINUED)

Investor information

DelfinGroup shares are listed on the *Baltic Main List* in *Nasdaq Riga* with ISIN code LV0000101806. Shareholders receive 1 vote per share. On 30 September 2024, a total of 45 377 505 share were issued, the price of which was 1.032 euros, making the total market capitalization of 46.8 million euros.

Share trading information	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3
Opening price, EUR	1.365	1.33	1.305	1.23	1.086
High price, EUR	1.37	1.34	1.32	1.266	1.098
Low price, EUR	1.32	1.22	1.22	1.00	1.00
Last price, EUR	1.32	1.305	1.235	1.086	1.032
Turnover, mEUR	1.40	0.89	0.79	1.87	1.24
Capitalization, mEUR	59.82	59.22	56.04	49.28	46.83

Share price changes and turnover



Branches

As at 30 September 2024, the Group had 96 branches, 89 in Latvia and 7 in Lithuania (31.12.2023 - 96 branches, 91 in Latvia and 5 in Lithuania).

Risk management

The Group is not exposed to foreign exchange rate risk because the basic transaction currency is the Euro. The funding of the Group consists of both fixed rate and floating rate borrowings, so the Group is exposed to variable interest rate risk. Accurate application of the prudent strategies chosen has allowed the Group to successfully manage its financial risks, particularly the liquidity and credit risk. All Group transactions are performed in Latvia and Lithuania, the Group has no counterparties in Russia and Belarus thus the impact of the war in Ukraine and the associated sanctions has insignificant effect on the company's operations.

Distribution of the profit proposed by the Company

The Company's board recommends the distribution of Q3 2024 profit as dividends in accordance with the Company's dividend policy, which sets the target of up to 50% quarterly dividend pay out.

Didzis Ādmīdiņš
Chairman of the Board

Aldis Umblejs
Board Member

Nauris Bloks
Board Member

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Interim consolidated Statement of profit or loss January – September 2024

	Notes	For 9 months ended 30 September		For 3 months ended 30 September	
		2024	2023 (restated, note 1)	2024	2023 (restated, note 1)
		EUR	EUR	EUR	EUR
Net sales	(2)	7 158 103	6 381 677	2 870 873	2 469 123
Cost of sales		(4 653 396)	(4 108 846)	(1 982 928)	(1 640 646)
Interest income and similar income	(3)	38 443 057	30 129 075	13 632 517	10 739 078
Interest expenses and similar expenses	(4)	(8 019 762)	(6 129 345)	(2 797 330)	(2 285 062)
Credit loss expenses		(11 043 709)	(8 078 663)	(4 072 301)	(2 843 075)
Gross profit		21 884 293	18 193 898	7 650 831	6 439 418
Selling expenses	(5)	(8 017 551)	(6 359 330)	(2 854 226)	(2 243 540)
Administrative expenses	(6)	(6 918 922)	(5 664 146)	(2 368 684)	(1 941 544)
Other operating income		134 746	37 951	72 352	11 040
Other operating expenses		(300 173)	(238 082)	(80 975)	(91 749)
Profit before corporate income tax		6 782 393	5 970 291	2 419 298	2 173 625
Income tax expenses		(1 406 018)	(640 430)	(503 997)	(226 002)
Net profit		5 376 375	5 329 861	1 915 301	1 947 623
Basic earnings per share	(7)	0.118	0.118	0.042	0.043
Diluted earnings per share	(7)	0.118	0.117	0.042	0.043

Notes on pages from 17 to 25 are an integral part of these interim reports.

Didzis Ādmīdiņš
Chairman of the Board

Aldis Umblejs
Board Member

Nauris Bloks
Board Member

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Interim consolidated Balance sheet as at 30 September 2024

Assets	Notes	Group 30 September 2024	Group 31 December 2023
		EUR	EUR
Non-current assets:			
Intangible assets:			
Patents, licences, trademarks and similar rights		10 463	13 946
Internally developed software		879 656	799 156
Other intangible assets		1 112 136	769 917
Goodwill		127 616	127 616
Work in progress internally developed software		82 519	31 678
Advances for intangible assets		35 523	125 044
Total intangible assets:		2 247 913	1 867 357
Property, plant and equipment:			
Land, buildings and structures		175 390	174 597
Leasehold improvements		327 165	315 442
Right-of-use assets		2 736 283	2 887 270
Other fixtures and fittings, tools and equipment		441 826	322 104
Total property, plant and equipment		3 680 664	3 699 413
Non-current financial assets:			
Loans and receivables	(8)	85 692 456	66 686 257
Total non-current financial assets:		85 692 456	66 686 257
Total non-current assets:		91 621 033	72 253 027
Current assets:			
Inventories:			
Finished goods and goods for sale		3 904 924	3 390 882
Total inventories:		3 904 924	3 390 882
Receivables:			
Loans and receivables	(8)	22 041 376	22 339 708
Other debtors		912 560	913 637
Total receivables:		22 953 936	23 253 345
Deferred expenses		457 199	235 250
Cash and cash equivalents		5 545 929	5 928 570
Total current assets:		32 861 988	32 808 047
Total assets		124 483 021	105 061 074

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Interim consolidated Balance sheet as at 30 September 2024

		Group 30 September 2024	Group 31 December 2023
Liabilities and equity			
Equity:	Notes	EUR	EUR
Share capital		4 537 751	4 537 751
Share premium		6 890 958	6 890 958
Other capital reserves		240 205	169 812
Retained earnings	(9)	12 327 401	9 723 592
Total equity:		23 996 315	21 322 113
Liabilities:			
Long-term liabilities:			
Bonds issued	(10)	46 720 008	26 862 004
Loans from credit institutions	(11)	11 713 475	6 406 925
Other borrowings	(12)	14 572 222	14 904 405
Lease liabilities for right-of-use assets		2 253 697	2 337 138
Total long-term liabilities:		75 259 402	50 510 472
Short-term liabilities:			
Bonds issued	(10)	6 047 701	13 404 540
Loans from credit institutions	(11)	1 599 030	887 067
Other borrowings	(12)	11 537 802	14 505 929
Lease liabilities for right-of-use assets		779 960	831 318
Trade payables		1 198 130	1 011 347
Taxes and social insurance		2 702 826	393 498
Unpaid dividends		-	996 770
Accrued liabilities		1 361 855	1 198 020
Total short-term liabilities:		25 227 304	33 228 489
Total liabilities		100 486 706	83 738 961
Total liabilities and equity		124 483 021	105 061 074

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Interim consolidated Statement of changes in equity January - September 2024

	Share capital EUR	Share premium EUR	Other capital reserves EUR	Retained earnings EUR	Total EUR
As at 01 January 2023	4 531 959	6 890 958	93 058	6 589 761	18 105 736
Profit for the reporting period	-	-	-	5 329 861	5 329 861
Dividends paid	-	-	-	(2 524 301)	(2 524 301)
Share-based payments	-	-	105 003	-	105 003
As at 30 September 2023	4 531 959	6 890 958	198 061	9 395 322	21 016 300
As at 01 January 2024	4 537 751	6 890 958	169 812	9 723 592	21 322 113
Profit for the reporting period	-	-	-	5 376 375	5 376 375
Dividends paid	-	-	-	(2 772 566)	(2 772 566)
Share-based payments	-	-	70 393	-	70 393
As at 30 September 2024	4 537 751	6 890 958	240 205	12 327 401	23 996 315

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Interim consolidated statement of cash flows January - September 2024

	Notes	For 9 months ended 30 September 2024 EUR	For 9 months ended 30 September 2023 EUR
<u>Cash flow from operating activities</u>			
Profit before corporate income tax		6 782 393	5 970 291
<u>Adjustments for non-cash items:</u>			
a) depreciation and amortisation		688 826	352 994
b) depreciation of right-of-use assets		661 140	600 967
c) credit loss expenses		11 043 709	8 078 663
d) share-based payment expense		70 393	105 003
e) interest income and similar income	(3)	(38 443 057)	(30 129 075)
f) interest expenses and similar expenses	(4)	8 019 762	6 129 345
Profit before adjustments of working capital and short-term liabilities		(11 176 834)	(8 891 812)
<u>Change in operating assets/liabilities:</u>			
a) (Increase) on loans and receivables and other debtors		(29 871 019)	(24 396 986)
b) (Increase) on inventories		(514 042)	(1 281 694)
c) Increase on trade payable and accrued liabilities		967 493	553 561
Gross cash flow from operating activities		(40 594 402)	(34 016 931)
Interest received		38 341 628	29 113 690
Interest paid		(8 620 192)	(6 963 588)
Corporate income tax payments		(618 668)	(1 296 108)
Net cash flow from operating activities		(11 491 634)	(13 162 937)
<u>Cash flow from investing activities</u>			
Acquisition of property, plant and equipment		(343 378)	(790 055)
Acquisition of intangible assets		(858 242)	(149 854)
Net cash flow from investing activities		(1 201 620)	(939 909)
<u>Cash flow from financing activities</u>			
Loans received		18 791 247	20 193 905
Loans repaid		(14 862 449)	(17 899 819)
Bonds issued		22 891 000	22 261 000
Redemption of bonds		(11 000 000)	(6 359 000)
Repayment of lease liabilities		(736 619)	(715 962)
Dividends paid		(2 772 566)	(2 524 301)
Net cash flow from financing activities		12 310 613	14 955 823
Net cash flow of the reporting period		(382 641)	852 977
Cash and cash equivalents at the beginning of the reporting period		5 928 570	2 369 029
Cash and cash equivalents at the end of the reporting period		5 545 929	3 222 006

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Notes

(1) Accounting policies

Basis of preparation

These financial statements have been prepared based on the accounting policies and measurement principles as set out below.

The interim reports for the nine-months ended 30 September 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim reports do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

These interim reports are prepared and disclosed on a consolidated basis. The following subsidiaries are included in the consolidation: SIA ViziaFinance (100%) and UAB DelfinGroup LT (100%) for the period ended 30 September 2024.

Restatement in comparative figures due to correction of errors

- (a) The Management has identified a classification error on pawn loans while preparing Group's financial statements. The error relates to incorrect classification of collateral as Net sales in 2023 interim reports. The error resulted in overstatement of the Group's Net sales by EUR 805 323, Cost of sales by EUR 422 386 for 9 months ended 30 September and Net sales by EUR 168 113, Cost of sales by EUR 45 981 for 3 months ended 30 September understatement of Interest income and similar income by EUR 382 937 in statement of profit and loss for the prior 9 months ended 30 September 2023 and 122 132 for the 3 months ended 30 September 2023.

The aforementioned corrections were performed by restating each of the affected financial statements line items for the prior 9 months ended 30 September period, as follows:

Statement of profit or loss

	Reference	Before restatement for 9 months ended 30 September 2023	Restatement	After restatement for 9 months ended 30 September 2023
Net sales	(a)	7 187 000	(805 323)	6 381 677
Cost of sales	(a)	(4 531 232)	422 386	(4 108 846)
Interest income and similar income	(a)	29 746 138	382 937	30 129 075
Interest expenses and similar expenses		(6 129 345)	-	(6 129 345)
Credit loss expense		(8 078 663)	-	(8 078 663)
Gross profit		18 193 898	-	18 193 898
Selling expenses		(6 359 330)	-	(6 359 330)
Administrative expenses		(5 664 146)	-	(5 664 146)
Other operating income		37 951	-	37 951
Other operating expenses		(238 082)	-	(238 082)
Profit before corporate income tax		5 970 291	-	5 970 291
Income tax expenses		(640 430)	-	(640 430)
Net profit		5 329 861	-	5 329 861

The aforementioned corrections were performed by restating each of the affected financial statements line items for the prior 3 months ended 30 September period, as follows:

Statement of profit or loss

	Reference	Before restatement for 3 months ended 30 September 2023	Restatement	After restatement for 3 months ended 30 September 2023
Net sales	(a)	2 637 236	(168 113)	2 469 123
Cost of sales	(a)	(1 686 627)	45 981	(1 640 646)
Interest income and similar income	(a)	10 616 946	122 132	10 739 078
Interest expenses and similar expenses		(2 285 062)	-	(2 285 062)
Credit loss expense		(2 843 075)	-	(2 843 075)
Gross profit		6 439 418	-	6 439 418
Selling expenses		(2 243 540)	-	(2 243 540)
Administrative expenses		(1 941 544)	-	(1 941 544)
Other operating income		11 040	-	11 040
Other operating expenses		(91 749)	-	(91 749)
Profit before corporate income tax		2 173 625	-	2 173 625
Income tax expenses		(226 002)	-	(226 002)
Net profit		1 947 623	-	1 947 623

Notes (continued)

(2) Net sales

Net revenue by type of revenue

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023 (restated, note 1)	2024	2023 (restated, note 1)
	EUR	EUR	EUR	EUR
Income from sales of goods	4 852 140	5 277 105	1 973 700	2 013 101
Income from sales of precious metals	1 483 884	302 579	644 194	161 643
Other income (loan and storage commission) for financial instruments measured as FVTPL	822 079	801 993	252 979	294 379
	7 158 103	6 381 677	2 870 873	2 469 123

(3) Interest income and similar income

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023 (restated, note 1)	2024	2023 (restated, note 1)
	EUR	EUR	EUR	EUR
Interest income on unsecured loans according to effective interest rate method	32 318 916	25 509 836	11 482 543	9 025 458
Interest income on pawn loans	6 124 242	4 616 404	2 149 974	1 713 403
Other interest income adjustment according to effective interest rate method	(101)	2 835	-	217
	38 443 057	30 129 075	13 632 517	10 739 078

(4) Interest expenses and similar expenses

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Bonds' interest expense	4 911 544	2 257 535	1 732 240	930 656
Interest expense on other borrowings	1 838 845	3 659 997	560 429	1 212 186
Interest expense on loans from credit institutions	1 096 363	71 546	443 757	50 277
Interest expense on lease liabilities for leased premises	171 411	138 171	60 448	91 214
Interest expense lease liabilities for leased vehicles	1 599	2 078	456	729
Net loss on foreign exchange	-	18	-	-
	8 019 762	6 129 345	2 797 330	2 285 062

Notes (continued)

(5) Selling expenses

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Salary expenses	2 900 152	2 568 557	1 026 452	915 163
Advertising expenses	1 371 529	752 935	537 368	304 532
Depreciation of property, plant and equipment and amortisation of intangible assets	688 826	352 994	261 030	122 532
Social insurance expenses	639 436	603 196	222 590	212 838
Depreciation of right-of-use assets - premises	576 601	522 797	197 227	178 068
Non-deductible VAT	511 647	399 385	176 653	140 624
Maintenance expenses	451 704	352 055	161 614	124 530
Utilities expenses	245 079	223 379	60 991	47 796
Transportation expenses	68 621	61 722	23 529	21 969
Provisions for unused annual leave	20 489	24 449	(36 006)	(29 081)
Depreciation of right-of-use assets - motor vehicles	8 360	7 734	2 786	2 787
Other expenses	535 107	490 127	219 992	201 782
	8 017 551	6 359 330	2 854 226	2 243 540

(6) Administrative expenses

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Salary expenses	3 923 814	3 142 263	1 370 517	1 081 705
Social insurance expenses	883 198	798 394	280 754	275 228
Bank commission	809 732	746 954	264 796	262 824
Communication expenses	431 847	329 611	141 290	136 018
Legal and professional services	135 838	95 197	39 596	29 547
State fees and duties, licence expenses	102 303	100 763	33 990	33 316
Depreciation of right-of-use assets - premises	72 659	70 436	23 314	23 479
Public relations expenses	63 061	46 089	16 972	7 251
Provisions for unused annual leave	16 394	32 171	(43 710)	(43 724)
Audit expenses	13 200	52 510	-	45 000
Depreciation of right-of-use assets - motor vehicles	3 520	-	1 173	-
Other administrative expenses	463 356	249 758	239 992	90 900
	6 918 922	5 664 146	2 368 684	1 941 544

(7) Basic earnings and Diluted earnings per share

Earnings per share are calculated by dividing the net result for the year after taxation attributable to shareholders by the weighted average number of shares in issue during the year. The dilution effect when calculation the Diluted earnings per share comes from share options granted on 1 December 2022 to employees of the Group. The table below presents the income and share data used in the computations of basic earnings and Diluted earnings per share for the Group:

	For 9 months ended 30 September		For 3 months ended 30 September	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Net profit attributed to shareholders	5 376 375	5 329 861	1 915 301	1 947 623
Weighted average number of shares	45 377 505	45 319 594	45 377 505	45 319 594
Earnings per share	0.118	0.118	0.042	0.043
Weighted average number of shares used for calculating the diluted earnings per shares	45 419 370	45 371 627	45 419 370	45 371 627
Diluted earnings per share	0.118	0.117	0.042	0.043

Notes (continued)

(7) Basic earnings and Diluted earnings per share (continued)

The table below presents the income and share data used in the computations of earnings per share for the Group:

	Change EUR	Actual number of shares after transaction EUR
For 9 months ended 30 September 2023		
Number of shares at the beginning of the period		45 319 594
Number of shares at the end of the period		45 319 594
Weighted average number of shares:		45 319 594
Weighted average number of share options for DelfinGroup AS employees granted in January – September 2023*		52 033
Weighted average potential number of shares		45 371 627
For 9 months ended 30 September 2024		
Number of shares at the beginning of the period		45 377 505
Number of shares at the end of the period		45 377 505
Weighted average number of shares:		45 377 505
Weighted average number of share options for DelfinGroup AS employees granted in January – September 2024**		41 865
Weighted average potential number of shares		45 419 370

*Number of shares granted on 1 December 2022 73 968 with FV at grant date 1.258 EUR and option exercise price 0.10 EUR. 7 006 of these shares were cancelled because employees to whom the shares were granted left the Group before the term of share options could be exercised.

**Number of shares granted on 30 June 2023 40 196 with FV at grant date 1.168 EUR and option exercise price 0.10 EUR. Number of shares granted on 31 December 2023 44 806 with FV at grant date 1.116 EUR and option exercise price 0.10 EUR.

(8) Loans and receivables

a) Loans and receivables by loan type

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Pawn loans measured at fair value		
Long-term pawn loans	176 753	198 079
Short-term pawn loans	8 336 815	6 982 259
Interest accrued for pawn loans	394 990	261 743
Pawn loans measured at fair value, total	8 908 558	7 442 081
Debtors for loans issued without pledge		
Long-term debtors for loans issued without pledge	85 515 703	66 488 178
Short-term debtors for loans issued without pledge	20 964 661	18 909 730
Interest accrued for loans issued without pledge	4 075 715	2 989 733
Debtors for loans issued without pledge, total	110 556 079	88 387 641
Loans and receivables before allowance, total	119 464 637	95 829 722
ECL allowance on loans issued without pledge	(11 730 805)	(6 803 757)
Loans and receivables	107 733 832	89 025 965

All loans are issued in euros. Weighted average term for consumer loans is 2.5 years and for pawn loans is one month.

The Group signed a contract with a third party for the receivable amounts regular debt sale to assign debtors for loans issued which are outstanding for more than 60 days. Losses from these transactions were recognised in the current period.

Pawn loans in the amount of EUR 8 908 558 (31.12.2023: EUR 7 442 081) are secured by the value of the collateral and measured at fair value.

Notes (continued)

(8) Loans and receivables (continued)

b) Allowance for impairment of loans issued without pledge at amortised cost

An analysis of changes in the gross carrying value for loans issued and corresponding ECL during the nine-month period ended 30 September 2024 is as follows:

Group	Stage 1	Stage 2	Stage 3	Total
Gross carrying value as at 1 January 2024	84 286 323	2 199 712	1 901 606	88 387 641
New assets originated or purchased	58 771 788	-	-	58 771 788
Assets settled or partly settled	(28 772 022)	(3 055 399)	(765 063)	(32 592 484)
Assets derecognised due to debt sales	-	(3 723 138)	(1 076 598)	(4 799 736)
Assets written off	-	-	(216 757)	(216 757)
Effect of interest accruals	394 178	54 368	557 081	1 005 627
Transfers to Stage 1	569 620	(419 228)	(150 392)	-
Transfers to Stage 2	(7 237 585)	7 246 595	(9 009)	-
Transfers to Stage 3	(5 181 673)	446 533	4 735 140	-
At 30 September 2024	102 830 628	2 749 443	4 976 008	110 556 079

Group	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	4 161 063	855 126	1 787 568	6 803 757
New assets originated or purchased	5 220 647	-	-	5 220 647
Assets settled or partly settled	(2 485 874)	(1 442 055)	(450 168)	(4 378 097)
Assets derecognised due to debt sales	-	(1 962 627)	(1 018 913)	(2 981 540)
Assets written off	-	-	(214 771)	(214 771)
Effect of interest accruals	72 097	40 489	507 929	620 515
Transfers to Stage 1	52 738	(197 410)	(88 656)	(233 328)
Transfers to Stage 2	(615 346)	3 366 279	(5 314)	2 745 619
Transfers to Stage 3	(515 125)	259 349	2 788 123	2 532 347
Impact on period end ECL changes in credit risk and inputs used for ECL calculation	467 154	349 733	798 769	1 615 656
At 30 September 2024	6 357 354	1 268 884	4 104 567	11 730 805

c) Age analysis of loans issued without pledge at amortised cost:

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Receivables not yet due	95 311 078	79 059 132
Outstanding 1-30 days	7 519 552	5 227 191
Outstanding 31-90 days	2 749 443	2 199 712
Outstanding 91-180 days	2 202 918	494 068
Outstanding for 181-360 days	1 240 931	514 729
Outstanding for more than 360 days	1 532 157	892 809
Total claims against debtors for loans issued	110 556 079	88 387 641

d) Age analysis of provision for bad and doubtful trade debtors:

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
For trade debtors not yet due	4 870 888	3 299 618
Outstanding 1-30 days	1 573 445	912 746
Outstanding 31-90 days	1 338 890	930 393
Outstanding 91-180 days	1 544 334	350 619
Outstanding for 181-360 days	1 025 009	477 273
Outstanding for more than 360 days	1 378 239	833 108
Total provisions for bad and doubtful trade debtors	11 730 805	6 803 757

Loan loss allowance has been defined based on collectively assessed impairment. For ECL calculation purposes debtors for loans issued without pledge were grouped by brands – Banknote and VIZIA.

Notes (continued)

(9) Retained earnings

	For 9 months ended 30 September 2024 EUR	2023 EUR
Balance as at 1 January	9 723 592	6 589 761
Net profit for the period	5 376 375	5 329 861
Dividends declared and paid:		
Interim dividends of 0.0523 EUR (2023: 0.0557 EUR) per share	(2 373 244)	(2 524 301)
Annual dividend of 0.0088 EUR per share	(399 322)	-
Balance as at 30 September	12 327 401	9 395 322

(10) Bonds issued

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Total long-term part of bonds issued	46 720 008	26 862 004
Bonds issued	5 962 455	13 330 155
Interest accrued	85 246	74 385
Total short-term part of bonds issued	6 047 701	13 404 540
Bonds issued, total	52 682 463	40 192 159
Interest accrued, total	85 246	74 385
Bonds issued net	52 767 709	40 266 544

As of 31 December 2023, the Company of the Group has outstanding bonds (ISIN LV0000850055) in the amount of EUR 10 000 000, registered with the Latvia Central Depository and issued in a closed offer on 7 July 2022 on the following terms – number of financial instruments is 10 000, with a nominal value 1 000 euro per each bond, coupon rate – 3M EURIBOR + 8.75%, coupon is paid once a month on the 25th date. The principal amount (EUR 1 000 per each bond) was repaid on 25 September 2024. The bond issue in full amount was traded on NASDAQ Baltic First North Alternative market as of 03.07.2023. The bonds were not secured.

As of 30 September 2024, the Company of the Group has outstanding bonds (ISIN LV0000802718) in the amount of EUR 15 000 000, registered with the Latvia Central Depository and issued in a closed offer on 1 August 2023 on the following terms – number of financial instruments is 15 000, with a nominal value 1 000 euro per each bond, coupon rate – 3M EURIBOR + 9.00%, coupon is paid once a month on the 25th date. The principal amount (EUR 1 000 per each bond) is to be repaid by 25 February 2026. The bond issue in full amount is traded on NASDAQ Baltic First North Alternative market as of 03.10.2023. The bonds are not secured.

As of 30 September 2024, the Company of the Group has outstanding subordinated bonds (ISIN LV0000802700) in the amount of EUR 5 000 000, registered with the Latvia Central Depository and issued in a closed offer on 24 July 2023 on the following terms – number of financial instruments is 5 000, with a nominal value 1 000 euro per each bond, coupon rate – 3M EURIBOR + 11.50%, coupon is paid once a month on the 25th date. The principal amount (EUR 1 000 per each bond) is to be repaid by 25 July 2028. The bonds are not secured.

As of 30 September 2024, the Company of the Group has outstanding bonds (ISIN LV0000860146) in the amount of EUR 15 000 000, registered with the Latvia Central Depository and issued in a closed offer on 03 October 2023 on the following terms – number of financial instruments is 15 000, with a nominal value 1 000 euro per each bond, coupon rate – 3M EURIBOR + 9.00%, coupon is paid once a month on the 25th date. The principal amount (EUR 1 000 per each bond) is to be repaid by 25 July 2028. The bonds are not secured.

As of 30 September 2024, the Company of the Group has outstanding subordinated bonds (ISIN LV0000870145) in the amount of EUR 5 000 000, registered with the Latvia Central Depository and issued in a closed offer on 29 May 2024 on the following terms – number of financial instruments is 5 000, with a nominal value 1 000 euro per each bond, coupon rate – 3M EURIBOR + 11.00%, coupon is paid once a month on the 25th date. The principal amount (EUR 1 000 per each bond) is to be repaid by 25 May 2029. The bonds are not secured.

As of 30 September 2024, the Company of the Group has outstanding bonds (ISIN LV0000803914) in the amount of EUR 15 000 000, registered with the Latvia Central Depository and issued in a public offer on 25 September 2024 on the following terms – number of financial instruments is 150 000, with a nominal value 100 EUR per each bond, coupon rate – 10.00%, coupon is paid once a month on the 25th date. The principal amount (EUR 100 per each bond) is to be repaid by the 25 September 2028. The bond issue in full amount is traded on NASDAQ Baltic Regulated market as of 25 September 2024. The bonds are not secured.

As at 30 September 2024 the Group is in compliance with covenants stated in all Terms of the Notes Issue. Please see covenants disclosed in Management report.

Notes (continued)

(11) Loans from credit institutions

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Long-term loans from credit institutions	11 713 475	6 406 925
Total long-term loans from credit institutions	11 713 475	6 406 925
Short-term loans from credit institutions	1 599 030	887 067
Total short-term loans from credit institutions	1 599 030	887 067
Loans from credit institutions, total	13 312 505	7 293 992

At 30 September 2024 the Company of the Group have loans from credit institutions with floating interest rates (the base interest rate of 3M EURIBOR plus fixed rate) and maturities in 2025 and 2026.
To ensure fulfilment of liabilities the Group has registered commercial pledge, see note 15. As at 30 September 2024 the Group is in compliance with covenants.

(12) Other borrowings

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Other long-term loans	14 572 222	14 904 405
Total other long-term loans	14 572 222	14 904 405
Other short-term loans	11 537 802	14 505 929
Total other short-term loans	11 537 802	14 505 929
Other loans, total	26 110 024	29 410 334

Amount of other borrowings is represented by loans received from crowdfunding platform Mintos, a platform registered in the European Union. The weighted average annual interest rate as of 30 September 2024 is 8.42%. According to the loan agreement with SIA Mintos Finance the loans matures according to the particular loan agreement terms concluded by the Group with its customers.
To ensure fulfilment of liabilities the Group has registered commercial pledge, see note 15. As at 30 September 2024 the Group is in compliance with covenants.

(13) Related party transactions

Group's transactions

	Transactions for 9 months 2024 EUR	Transactions in 2023 EUR
Shareholders		
Interest paid	70 763	38 786
Key management personnel		
Interest paid	2 915	36
Other related companies		
Services received	2 000	1 500

Bonds issued to the related companies

	Group 30 September 2024 EUR	Group 31 December 2023 EUR
Key management personnel	43 000	20 000
Shareholders	948 600	300 000
Long-term part of bonds issued to the related companies, total	991 600	320 000
Shareholders	-	307 000
Short-term part of bonds issued to the related companies, total	-	307 000
Bonds issued to the related companies, total	991 600	627 000

Notes (continued)

(14) Segment information

For management purposes, the Group is organised into four operating segments based on products and services as follows:

Pawn loan segment	Handling pawn loan issuance, sale of pawn shop items in the branches and online.
Retail of pre-owned goods	Sale of pre-owned goods in the branches and online purchased from customers.
Consumer loan segment	Handling consumer loans to customers, debt collection activities and debt sales to external debt collection companies.
Other operations segment	Providing loans for real estate development, general administrative services to the companies of the Group, transactions with related parties, dividends payable. Loans for real estate development are no longer issued and are fully recovered.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance, as explained in the table below, is measured on consolidation basis. Management mainly focuses on net sales, interest income and similar income and profit before taxes of the segment. For the costs, for which direct allocation to a particular segment is not attributable, the judgement of the management is used to allocate general costs by segments, based on the following cost allocation drivers – loan issuance, segment income, segment employee count, segment employee costs, the amount of segment assets.

Based on the nature of the services, the Group's operations can be divided as follows (statement of profit or loss is compared for the same period of the previous year, balance sheet positions are compared to the data as at 31.12.2023):

EUR	Consumer loans For 9 months period ended 30 September		Pawn loans For 9 months period ended 30 September		Retail of pre-owned goods For 9 months period ended 30 September		Other For 9 months period ended 30 September		Total For 9 months period ended 30 September	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets	108 419 351	90 623 040	10 883 826	9 802 525	5 170 983	4 632 912	8 861	2 597	124 483 021	105 061 074
Liabilities of the segment	87 053 122	71 448 313	9 505 111	8 518 974	3 921 661	3 770 088	6 812	1 586	100 486 706	83 738 961
Net sales	-	-	-	-	7 158 103	6 381 677	-	-	7 158 103	6 381 677
Interest income and similar income	32 318 916	24 866 094	6 124 141	5 260 147	-	-	-	2 834	38 443 057	30 129 075
Net performance of the segment	11 980 111	9 524 120	2 103 277	1 714 307	623 478	848 506	95 289	12 703	14 802 155	12 099 636
Financial (expenses)	(7 091 985)	(5 274 562)	(646 484)	(580 511)	(281 293)	(274 272)	-	-	(8 019 762)	(6 129 345)
Profit/(loss) before taxes	4 888 126	4 249 558	1 456 793	1 133 796	342 185	574 234	95 289	12 703	6 782 393	5 970 291
Corporate income tax	(1 013 334)	(455 848)	(301 995)	(121 622)	(70 935)	(61 598)	(19 754)	(1 362)	(1 406 018)	(640 430)

(15) Guarantees issued, pledges

The Group has registered commercial pledges by pledging its assets and claim rights for a maximum amount of EUR 34.8 million as collateral registered to *SIA Mintos Finance* No.20 and *AS Mintos Marketplace* to provide collateral for loans placed on the Mintos P2P platform.

On 25 May 2023, the Company registered a 2nd rank commercial pledge by pledging its assets for a maximum amount of EUR 1.4 million as collateral registered to *AS Signet Bank*.

On 25 September 2023, the Company registered a 2nd rank commercial pledge by pledging its assets for a maximum amount of EUR 1.883 million as collateral registered to *AS Signet Bank*.

On 25 September 2023, the Company registered a commercial pledge by pledging its assets for a maximum amount of EUR 15 million as collateral registered to *MULTITUDE BANK P.L.C.*

On 14 December 2023, on 20 February, 14 May, 26 June and 17 July 2024, the Company signed an agreement for the pledge of bank accounts and balances in the amount of EUR 999 900 as part of the collateral with *MULTITUDE BANK P.L.C.*

As of 30 September 2024, the amount of secured liabilities constitutes EUR 39 422 529 (As of 31 December 2023 EUR 36 704 326).

Notes (continued)

(16) Subsequent events

By implementing the conversion of employee stock options on 14 August 2024, the Management Board of the Company decided to increase the Company's share capital by EUR 2 893.00 by issuing new 28 930 dematerialized shares with a nominal value of EUR 0.10 per share, which were registered in the Commercial Register on 21 October 2024. The newly issued shares are distributed to the Company's employee stock option program participants. After increasing the share capital, the Company's total share capital is EUR 4 540 643.50.

By continuing to ensure a diversified capital structure, the Company has raised 4.9 million euros in funding from AS *Citadele banka* on 22 October 2024. The term of the credit line facility agreement is two years.

Didzis Ādmīdiņš
Chairman of the Board

Aldis Umblejs
Board Member

Nauris Bloks
Board Member

This document is electronically signed with safe electronical signature and contains time stamp.