

## **Supervisory Board Report on the Year 2024**

The year 2024 for AS “DelfinGroup” (DG) was marked by intensive development and technological challenges, culminating in the launch of consumer credit services in Lithuania and the highest-ever credit portfolio for DG in Latvia. This solidified DG’s position as a significant regional player in pawn loans, consumer credit, and the retail of used goods.

### **Strengthening of Management**

In December 2024, Andrejs Aleksandrovičs joined the company’s Management Board. Since August 2024, he has served as the new Chief Financial Officer, overseeing accounting, financial control, capital raising, and the prevention of money laundering, terrorism, and proliferation financing. During the summer of 2024, Sanita Pudnika left the Management Board, and by the end of the year, the former Chief Financial Officer Aldis Umblejs also departed.

Throughout 2024, several changes and additions were made at both the management and department head levels to strengthen DG’s potential to expand its business not only in Latvia and Lithuania but also in other new markets.

### **Technological Transformation**

DG continued to implement several significant technological initiatives:

- Development of a new mobile application,
- Modernization of the online store and improvement of the buy-back platform,
- IT support for market expansion in Lithuania.

These activities significantly improved customer experience and helped attract digitally-oriented consumers.

### **Fundraising**

In 2024, DG successfully secured additional funds for company growth:

- For the first time in DG’s history, a public bond issuance was carried out in the Baltics, raising €15 million from around 2,700 institutional and private investors (with demand exceeding the issuance by nearly 50%).
- Also for the first time, DG signed an overdraft agreement with one of Latvia’s largest commercial banks, AS Citadele banka, with a total limit of €4.9 million.

### **Work of the Supervisory Board and Committees**

The Supervisory Board and committees operated according to a pre-approved work calendar, ensuring timely review of all strategic issues planned under DG policies. Supervisory Board and committee members regularly enhanced their professional knowledge.

### **Corporate Governance**

DG improved its corporate governance framework by introducing and updating the following policies and codes:

- Corporate Governance policy
- Market Abuse Prevention policy
- Whistleblowing channel
- Code of Ethics
- Dividend policy

### **Geographical Expansion**

DG continued expanding its presence in Lithuania, opening new Banknote branches and launching online consumer credit issuance in November 2024. Preparations were also made to start in-person loan issuance in Lithuania beginning January 2025.

### **Internal Audit Development**

Under the leadership of the Risk and Audit Committee, a new head of internal audit was recruited, who began developing and implementing the internal audit plan.

### **Evaluation of Management Board Performance**

For the third consecutive year, the Supervisory Board set and evaluated the collective and individual short-term goals (KPIs) of the Management Board, enabling objective performance assessment and identification of development opportunities.

### **Budget and Strategy Oversight**

The Supervisory Board actively participated in the development of the 2025 budget, setting ambitious goals to promote company growth, and monitored the achievement of 2024 targets. The Supervisory Board also discussed and approved DG's new strategy for 2025–2027, engaging in the development of the company's mission, vision, and values.

### **Dialogue and Culture**

The Supervisory Board maintained close dialogue with the management regarding organizational structure, objectivity of reporting, succession planning, and strengthening the risk management culture, while also actively overseeing the implementation of the funding diversification strategy.

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Respectfully,

**Agris Evertovskis**  
**Chairman of the Supervisory Board**  
**AS "DelfinGroup"**