

Financial report



**Unaudited results for 3 months
ending 31 March 2022**

Key characteristics

2009

founded in

4

business segments

90+

branches

38

cities

300+

employees

400 000+

customers

12 YEARS

profitable operations

Q1 highlights

1

CHANGES IN MANAGEMENT

On 1 March Sanita Zitmane was appointed as a Member of the Management Board.

2

DIVIDEND DISTRIBUTION

Shareholders of the company approved dividend payment in the amount of EUR 780 thousand, namely EUR 0.0172 per share for Q4 2021.

3

MAJOR DEALS

Acquisition of *AS Moda Kapitāls* pawn shop business was completed.

4

PRODUCT IMPROVEMENTS

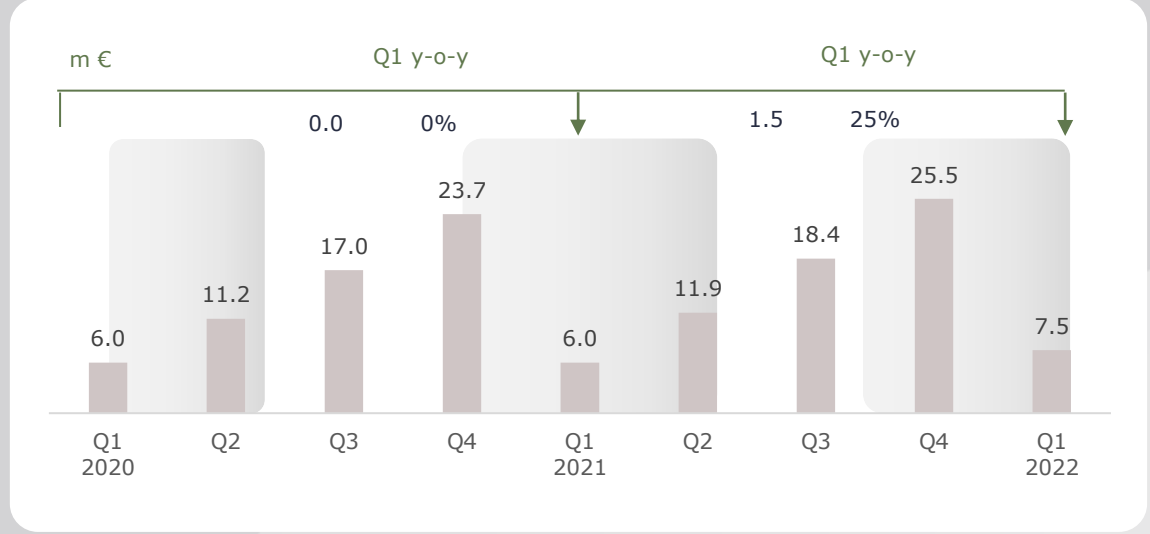
VIZIA consumer loan limit increase from EUR 7 000 to 10 000.

Selected financials

Total loans issued



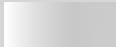
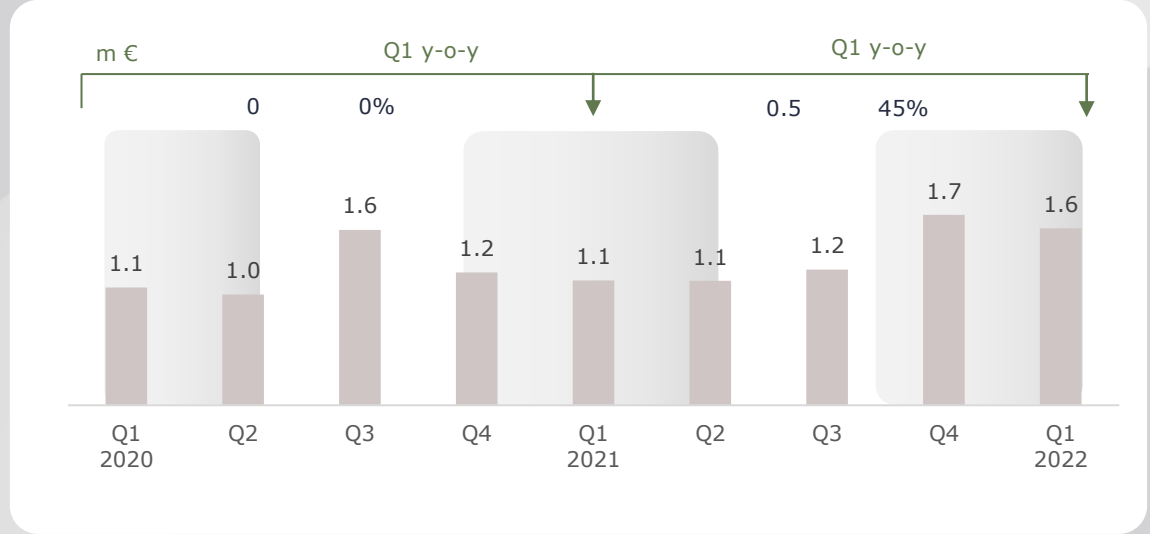
Total revenue, quarterly cumulative



EBITDA



Profit before tax



1st, 2nd and 3rd wave of COVID-19 restrictions in Latvia

Despite the Covid-19 restrictions DelfinGroup showed strong performance in issuance of new loans. Compared to Q1 2021 company issued more than 61% in new loans.

Consumer loans

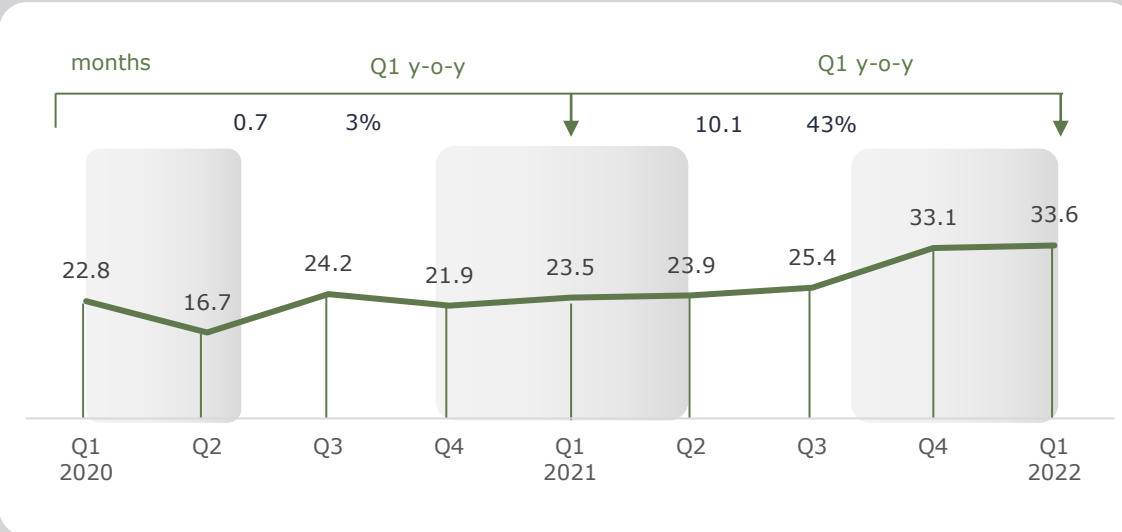
Consumer net loan portfolio



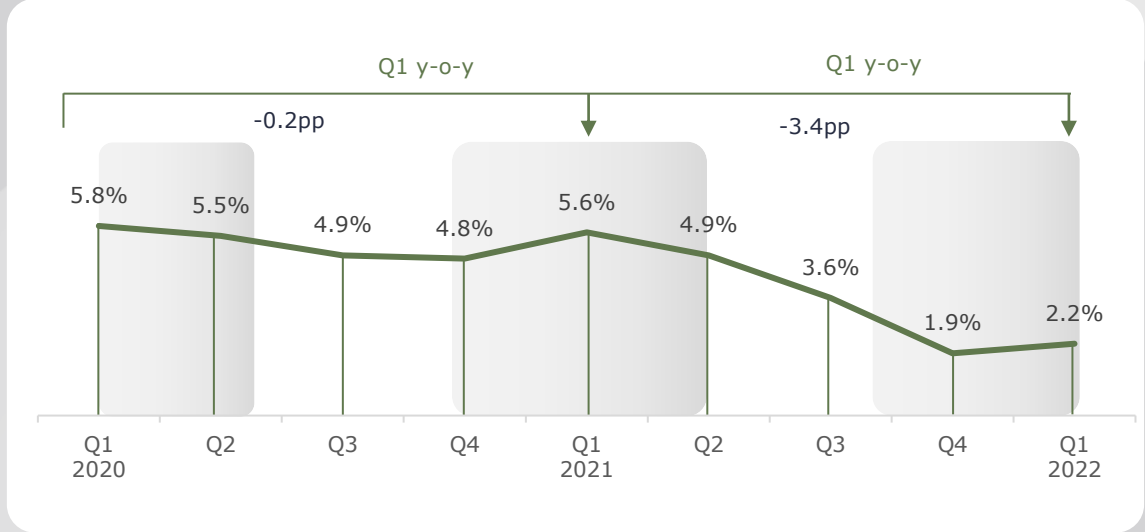
Average loan*



Weighted average term of loans issued



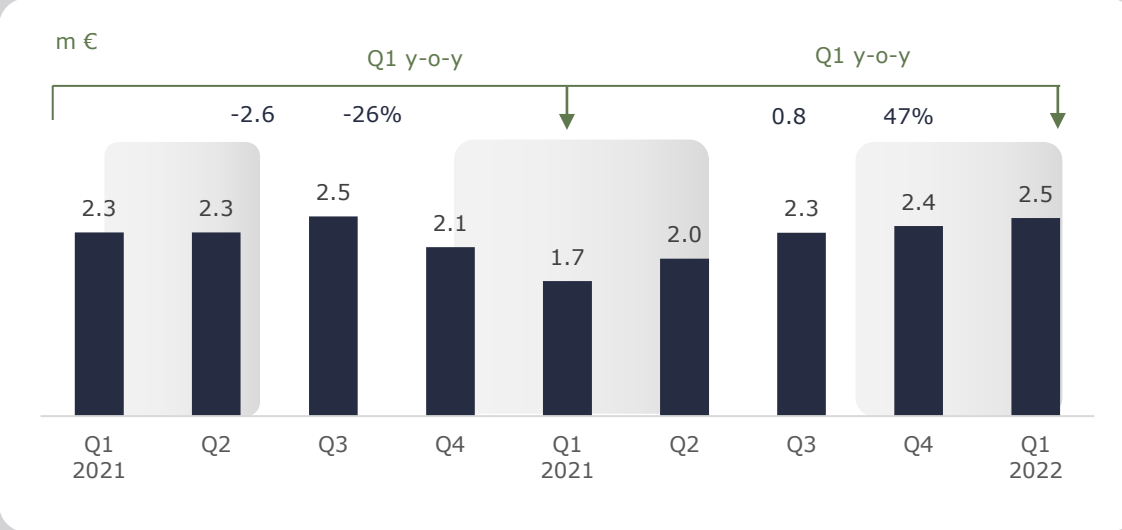
Non-performing loan ratio



1st, 2nd and 3rd wave of COVID-19 restrictions in Latvia

*Average consumer loan balance for one client at the end of period

Pawn net loan portfolio



Average pawn loan amount



Redemption rate*



Despite the Covid-19 restrictions in Latvia DelfinGroup showed strong performance in pawn loan segment. Compared to Q1 2021 company issued more than 30% in new loans.

*Items redeemed or extended within 2 months since issuance

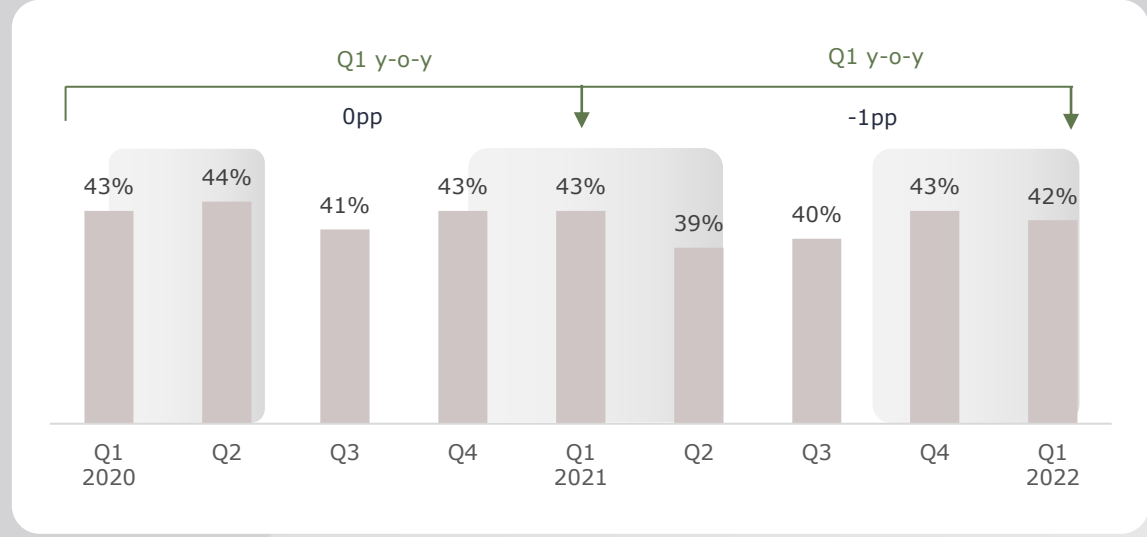
1st, 2nd and 3rd wave of COVID-19 restrictions in Latvia

Retail of pre-owned goods*

Sale of pre-owned goods



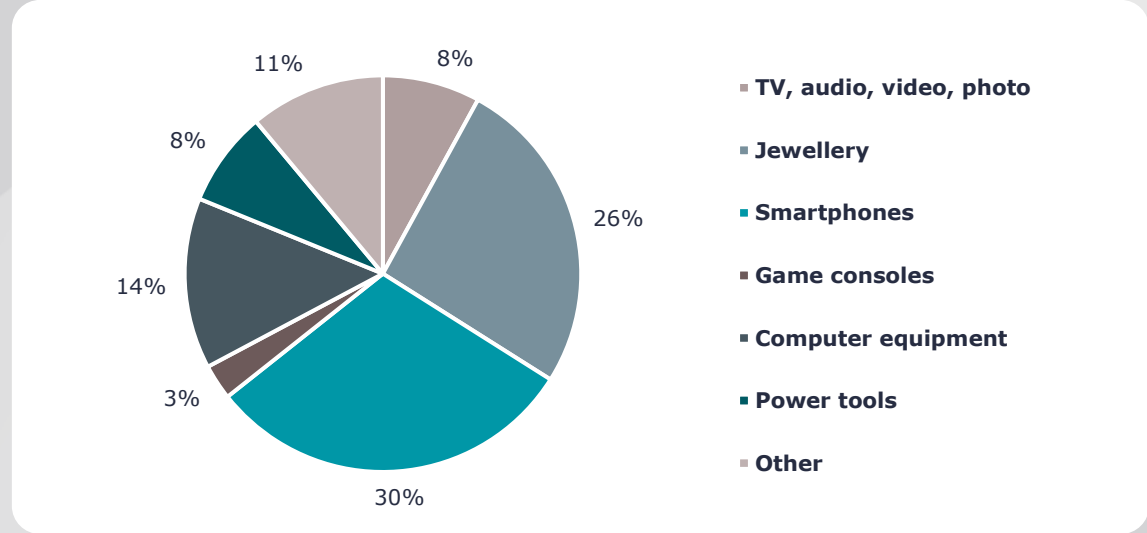
Gross margin



Number of items sold



Sales split by product category (3M)

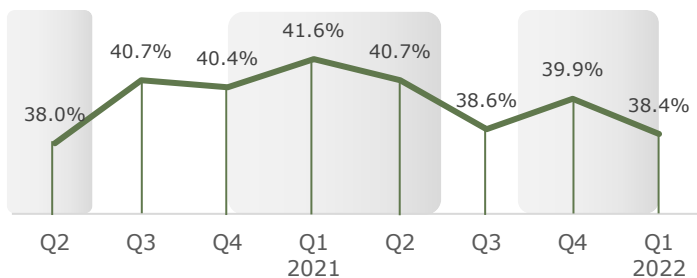


1st, 2nd and 3rd wave of COVID-19 restrictions in Latvia

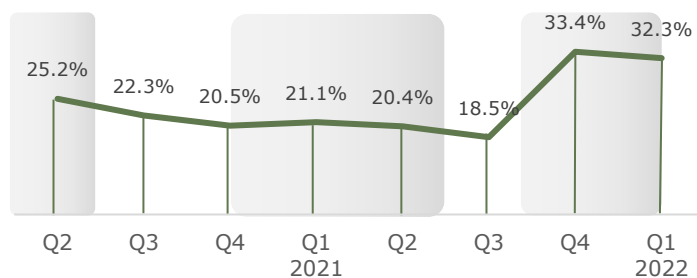
*Excluding wholesale of precious metals (scrap)

Financial ratios

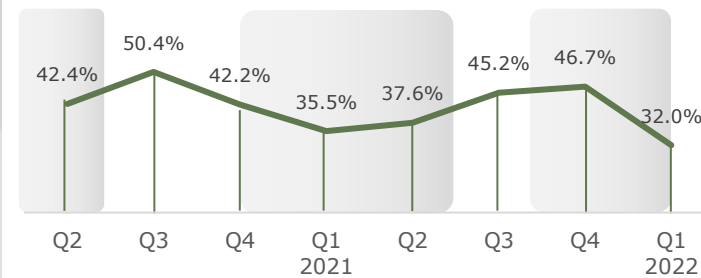
EBITDA margin*



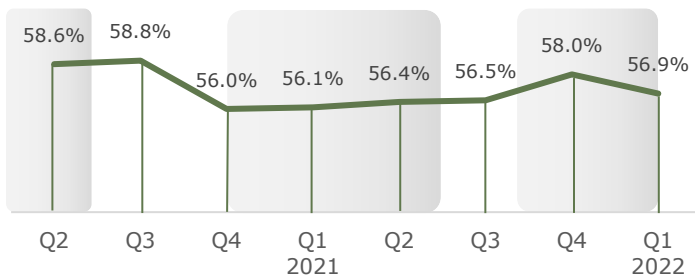
Equity ratio



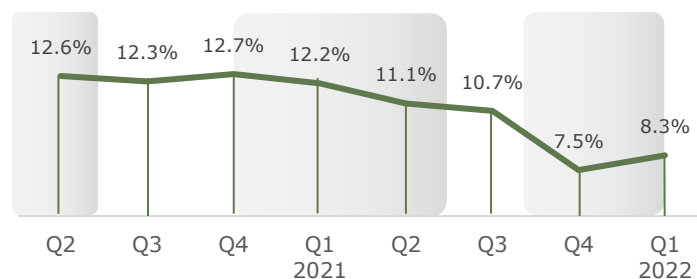
ROE**



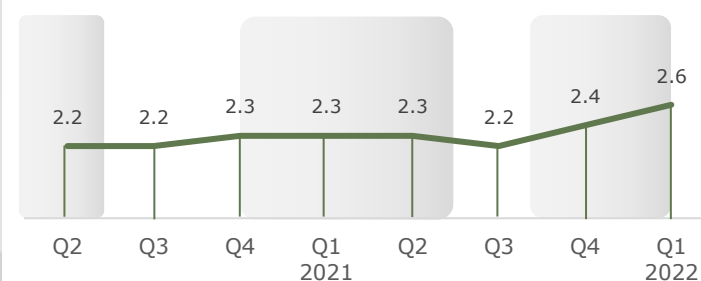
Cost-to-income ratio*



Cost of interest-bearing liabilities



Interest coverage ratio*

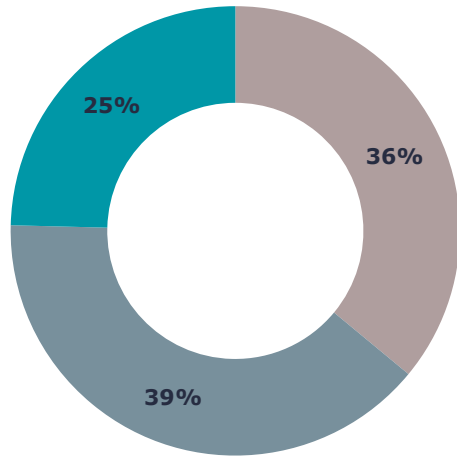


1st, 2nd and 3rd wave of COVID-19 restrictions in Latvia

*Last 12 months figures
**Annualized. Decrease of ROE in Q1 2022 is a result of increased equity after attracting funds during the IPO process.

Capital structure

Capital structure, Q1 2022



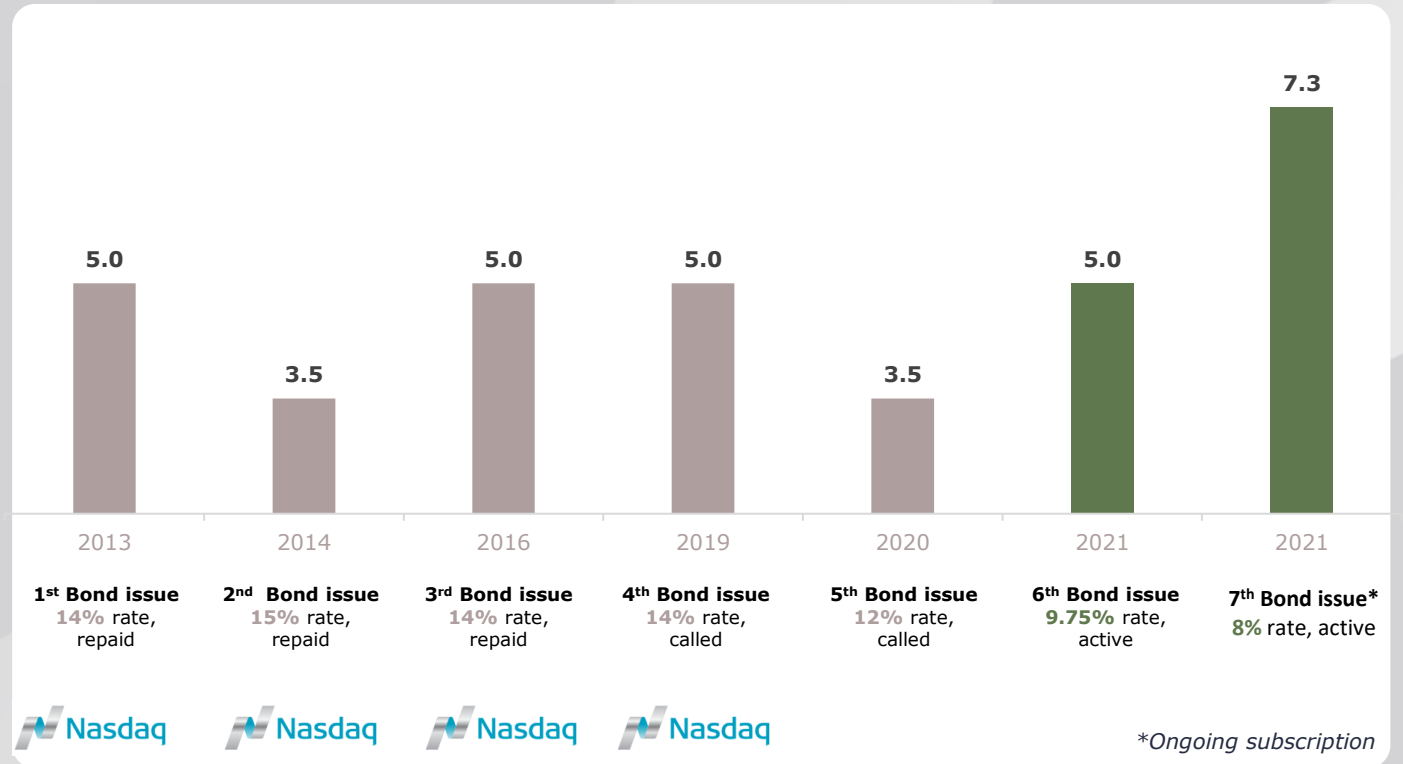
■ Equity
 ■ Mintos
 ■ Bonds

m € 18.0 19.7 12.3

DelfinGroup on Mintos

- Since 2016
- 76.3 thousand active investors
- Investors from 114 countries

Bond financing track record



Consolidated income statement

INCOME STATEMENT, EUR'000	2021 Q1	2022 Q1	Change %
Total revenue	6,018	7,476	+24%
Cost of sales	-748	-894	+20%
Credit loss expense*	-877	-1,279	+46%
Interest expenses and similar expenses	-1,011	-689	-32%
Gross profit	3,382	4,614	+36%
Selling expenses	-1,326	-1,757	+33%
Administrative expenses	-945	-1,279	+35%
Other operating income	16	24	+49%
Profit before tax	1,128	1,601	+42%
Income tax expense	-324	-188	-42%
Net profit	804	1,414	+76%
EBITDA	2,399	2,581	+8%

* 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).

** Data reflected according to restated comparatives in newest FS's.

Consolidated balance sheet

BALANCE SHEET, EUR'000	31.12.2021	31.03.2022	Change %
Fixed and intangible assets	1,201	1,301	+8%
Right-of-use assets	2,973	2,915	-2%
Loans to related parties	-	-	-
Net loan portfolio	42,962	47,091	+10%
Inventory and scrap	1,949	2,138	+10%
Other assets	520	541	+4%
Cash	2,460	1,704	-31%
TOTAL ASSETS	52,065	55,690	+7%
EQUITY	17,377	18,011	+4%
Share capital and reserves	4,532	4,532	0%
Share premium	6,891	6,891	0%
Retained earnings	1,731	5,175	+199%
Profit/loss for the current year	4,224	1,414	-67%
LIABILITIES	34,687	37,678	+9%
Interest-bearing debt	29,412	31,644	+8%
Trade payables and other liabilities	1,970	2,788	+42%
Lease liabilities for right-of-use assets	3,305	3,246	-2%
TOTAL EQUITY AND LIABILITIES	52,065	55,690	+7%

Dividend policy

Regular cash distribution to shareholders

Dividend payments

5 times a year:

- 4 quarterly
- 1 annual

Quarterly dividends

- Up to 50% from previous Q profit

Annual dividends

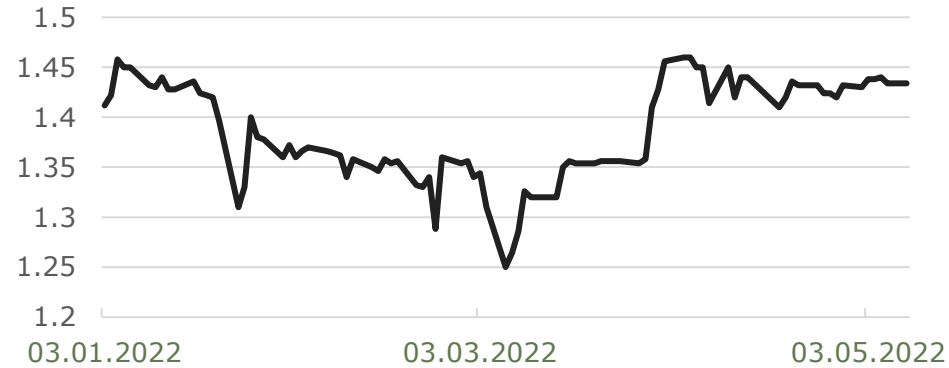
- In amount to ensure optimal capital structure

Dividend distribution

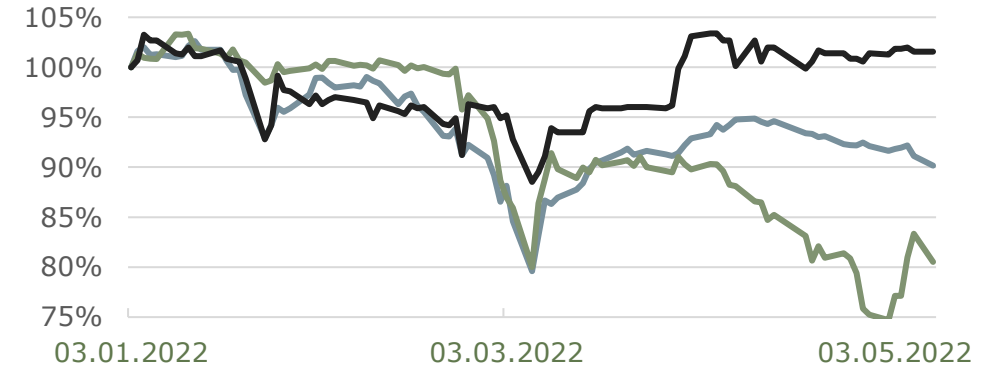
Dividend period	Dividend payment date	EUR/share	EUR total	Payout ratio*
Q1 2022**	29.06.2022	0.0155	702 454	49.69%
Q4 2021	12.04.2022	0.0172	779 497	49.72%
Q3 2021	29.12.2022	0.0113	512 111	49.91%
Annual 2021	17.05.2022 15.07.2022	0.0552	2 501 642	-

Share performance

Share price, €



Share dynamics compared to indexes



- DGR1R – DelfinGroup
- OMX_Baltic_Benchmark_GI
- OMX Riga_GI

31.03.2022	DelfinGroup	Financial industry**
Capitalization m €	64.7	-
EPS TTM €*	0.114	-
P/E	12.5	14.8
ROE (quarterly)	32.0%	12.8%

*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 at 31.03.2022.

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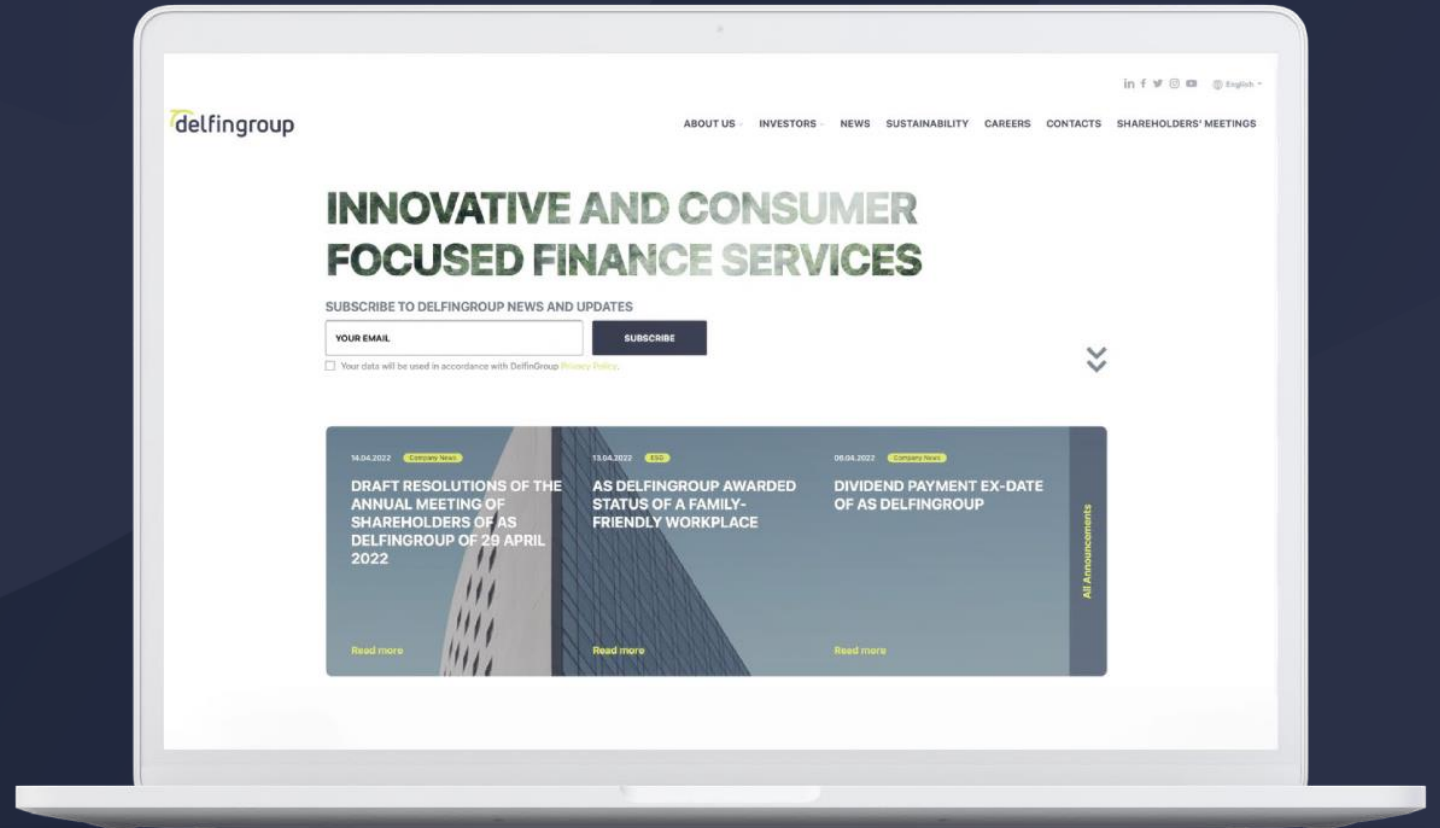
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Appendix

Consolidated income statement

BALANCE SHEET, EUR'000	2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total revenue	4,936	5,429	5,951	5,861	6,020	5,195	5,788	6,659	6,018	5,918	6,463	7,089	7,476
Cost of sales	-756	-856	-1009	-982	-1215	-961	-993	-1,055	-748	-1,015	-849	-1,057	-894
Credit loss expense*	-408	-643	-695	-893	-725	-439	-303	-850	-877	-445	-954	-263	-1,279
Interest expenses and similar expenses	-536	-664	-739	-914	-823	-887	-808	-1,115	-1,011	-852	-920	-1,044	-689
Gross profit	3,236	3,266	3,508	3,072	3,257	2,908	3,684	3,639	3,382	3,607	3,741	4,726	4,614
Selling expenses	-1,185	-1,420	-1,325	-1,496	-1,342	-1,155	-1,247	-1,703	-1,326	-1,442	-1,524	-1,832	-1,757
Administrative expenses	-707	-863	-876	-1,042	-855	-776	-865	-765	-945	-1,050	-1,018	-1,200	-1,279
Other operating income	6	52	16	21	4	25	16	28	16	11	29	29	24
Profit before tax	1,350	1,035	1,323	555	1,064	1,002	1,588	1,199	1,128	1,125	1,227	1,723	1,601
Income tax expense	-338	-2	-3	-7	-26	-7	-462	-259	-324	-299	-201	-155	-188
Net profit	1,012	1,033	1,320	548	1,038	995	1,126	940	804	826	1,026	1,568	1,414
EBITDA	1,915	1,784	2,112	2,376	2,110	2,155	2,659	2,629	2,399	2,241	2,402	3,126	2,581

* 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).

** Data reflected according to restated comparatives in newest FS's.

Consolidated balance sheet

BALANCE SHEET, EUR'000	2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Fixed and intangible assets	652	621	775	691	748	860	927	1,038	864	818	790	1,201	1,301
Right-of-use assets	-	-	-	2,049	1,950	3,056	2,928	3,194	3,281	3,145	3,013	2,973	2,915
Loans to related parties	1,295	1,389	1,397	1,308	1,376	1,381	376	474	445	-	-	-	-
Net loan portfolio	20,761	26,609	29,474	31,547	32,493	32,256	34,040	34,674	32,220	33,265	38,182	42,962	47,091
Inventory and scrap	1,111	1,173	1,231	1,155	1,224	1,186	1,545	1,534	1,693	1,533	1,797	1,949	2,138
Other assets	339	256	231	384	503	536	365	655	495	331	746	520	541
Cash	2,686	469	1,296	1,136	2,037	1,958	2,434	4,592	1,907	594	2,541	2,460	1,704
TOTAL ASSETS	26,844	30,517	34,404	38,270	40,331	41,233	42,615	46,161	40,905	39,686	47,069	52,065	55,690
EQUITY	5,466	6,499	7,819	8,367	9,405	10,401	9,513	9,454	8,639	8,108	8,696	17,377	18,011
Share capital and reserves	1,500	1,500	1,500	1,500	1,500	1,500	4,000	4,000	4,000	4,000	4,000	4,532	4,532
Share premium	-	-	-	-	-	-	-	-	-	-	-	6,891	6,891
Retained earnings	2,954	2,954	2,954	2,954	6,867	6,867	2,354	1,354	3,835	2,478	2,040	1,731	5,175
Profit/loss for the current year	1,012	2,045	3,365	3,913	1,038	2,034	3,159	4,100	804	1,630	2,656	4,224	1,414
LIABILITIES	21,378	24,018	26,585	29,903	30,926	30,832	33,102	36,708	32,266	31,578	38,373	34,687	37,678
Interest-bearing debt	20,023	22,832	25,311	26,438	27,316	25,586	27,575	31,151	26,894	26,360	33,290	29,412	31,644
Trade payables and other liabilities	1,355	1,186	1,274	1,337	1,596	2,047	2,418	2,121	1,798	1,765	1,751	1,970	2,788
Lease liabilities for right-of-use assets	-	-	-	2,128	2,014	3,199	3,109	3,436	3,574	3,453	3,332	3,305	3,246
TOTAL EQUITY AND LIABILITIES	26,844	30,517	34,404	38,270	40,331	41,233	42,615	46,161	40,905	39,686	47,069	52,065	55,690

Environmental sustainability

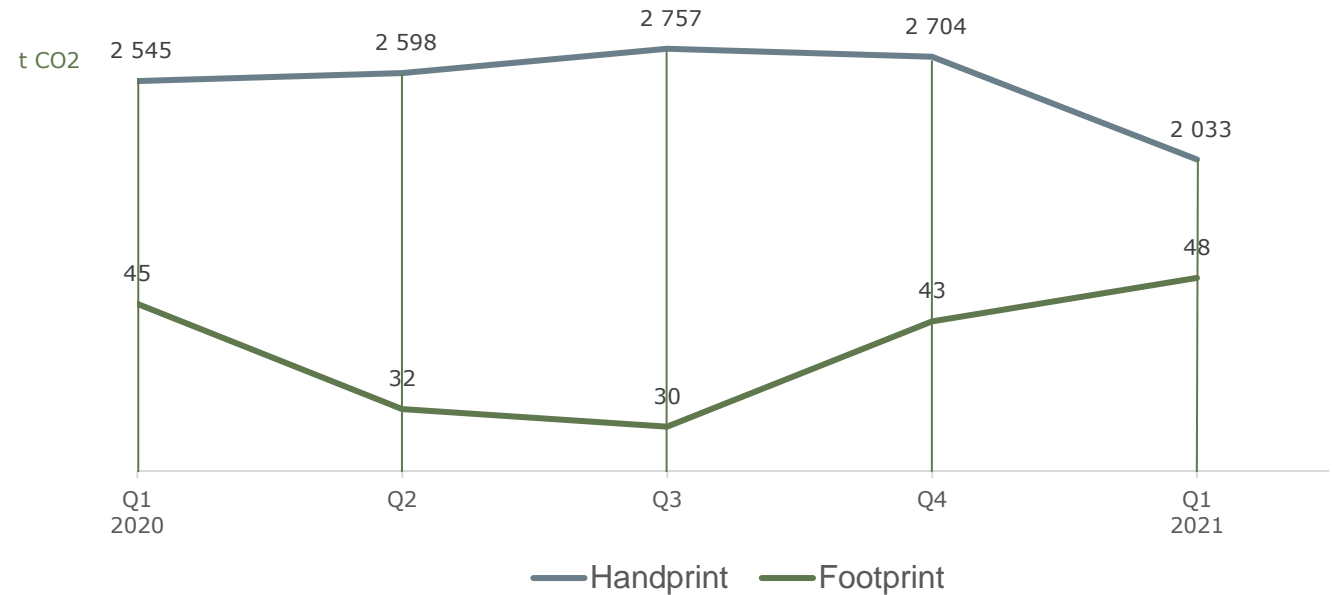
CARBON FOOTPRINT

The amount of CO2 released into atmosphere as a result of the activities of DelfinGroup. Footprint include emissions from consumed electricity, heat energy and fuel (Scope1 + Scope2)

CARBON HANDPRINT

Positive climate impact of a product. Handprint shows how much emissions we have saved from selling pre-owned goods instead to producing new goods.

DelfinGroup impact on climate



Definitions for Alternative Performance Measures*

EBITDA

Earnings before interest, taxes, depreciation and amortization = (Profit before tax) + (Interest expenses and similar expenses) + (Rights of used assets depreciation) + (Depreciation of fixed assets) + (Amortization). Used as a measure of corporate performance as it shows earnings before the influence of accounting and financial deductions.

EBITDA Margin

Operating profitability as a percentage of its total revenue, calculated as EBITDA / (Interest income + Gross profit from sale of foreclosed items). Used as a profitability measure that is factoring out the effects of decisions related to financing and accounting.

Interest Coverage Ratio

Profitability and debt ratio, calculated as ((Profit before corporate income tax) + (Interest expenses and similar expenses) / (Interest expenses and similar expenses). Used to determine how easily a company can pay interest on its outstanding debt.

Cost-to-income Ratio

((Sales expenses) + (Administrative expenses) + (Other expenses (excluding Loss from cession (debt sales) of non-performing loans))) / ((Net sales) - (Cost of sales) + (Interest income and similar income) + (Other operating income) - (Interest expenses and similar expenses))

Return on Equity (ROE)

Net profit for the period/months in the period*12 / (((Equity as at start of the period) + (Equity as at period end)) / 2)

Total revenue

Net sales + Interest income and similar income. Represents income generated by Company's business segments.

Interest-Bearing Debt

Liabilities that require the payment of interest, including bonds, other loans, leasing liabilities etc. Interest-Bearing Debt has a priority over other debts.

Cost of interest-bearing liabilities

Weighted average nominal interest rate calculated by amount of interest bearing liabilities as at period end

Equity ratio

Equity/Total assets

Non-performing loan ratio

90+ days overdue portfolio share in total loan portfolio

The goal of alternative performance measures is to provide investors with performance measures that are widely used when making investment decisions and comparing the performance of different companies.

* As stipulated by FCMC Regulations on Alternative Performance Measures

Disclaimer

This presentation is of selective nature and is made to provide an overview of the Company's (AS DelfinGroup and its subsidiaries) business.

Unless stated otherwise, this presentation shows information from consolidated perspective.

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