



# Unaudited quarterly results

Q1 2022

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# Q1 Highlights

During the period, the Group has maintained the continuous growth trend in loan sales by issuing €141m to customers, demonstrating increasing levels of issuance each quarter on quarter since Q2 of 2020

For the 3rd consecutive quarter revenues over €50m were delivered, being an increase of 15% compared to the same period last year

At the end of the period, our net portfolio reached €111m (an increase of 28% vs 2021), driven by continuously growing our customer base and product offerings as well as working on portfolio quality improvements

As part of our expansion strategy, a strong focus was set on new product development and scaling during Q1'22, including the Buy Now Pay Later (BNPL) and installment loan product, expected to further enhance the Group's growth path in forthcoming periods

## Volumes issued

**€141m**

↑ 36% PoP

The Group has issued **€141m** in loans during Q1'22, being an increase by 36% compared to **€103m** in Q1'21, and 15% increase since Q4'21. The growth has been driven by strong demand in our operational markets as well as new product scaling

## Net portfolio

**€111m**

↑ 28% PoP

Our net portfolio has reached **€111m**, an increase of **€24.1m** (+28%) vs Q1'21, supported by the significant growth in loan issuance volumes and improving portfolio dynamics during the period

## Cost/income ratio

**24.2%**

↑ 358bps PoP

Cost/income ratio of **24.2%** was recorded in Q1'22, an increase of 358 bps vs Q1'21. As anticipated, a slight rise has been observed as a result of new product development and scaling initiatives, yet the metric is expected to gradually reduce in forthcoming periods

## EBITDA

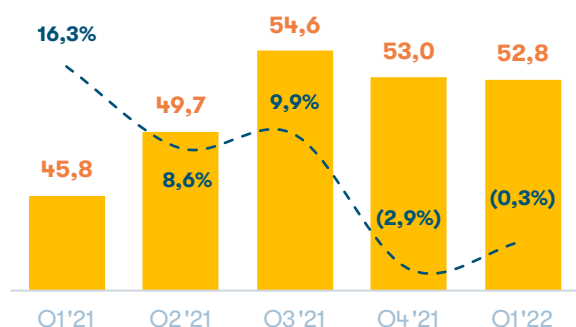
**€19.4m**

36.6% margin

EBITDA of €19.4m was delivered during the period (**margin of 36.6%**), although being a decrease compared to Q1'21 by 15%, justified by the increasing provisioning levels due to loan sales and portfolio growth and cost/income ratio dynamics

# Key Developments & Business Performance

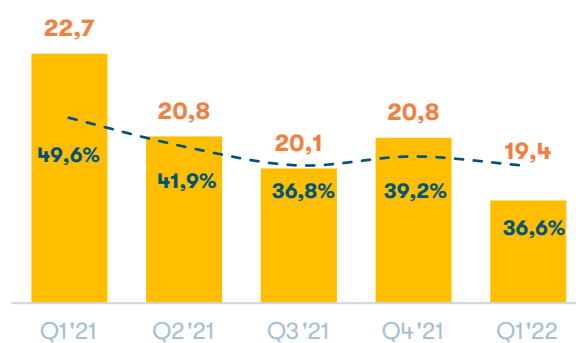
## Revenues (QoQ growth %)



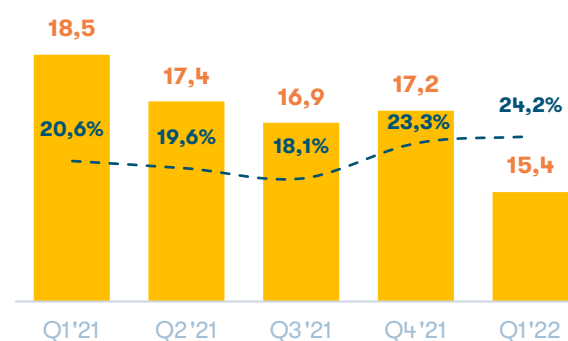
## Net portfolio (capitalisation ratio %)



## EBITDA (EBITDA margin %)



## Operating profit (cost/income %)



- For the third consecutive period revenues have **exceeded the €50m mark – recording €52.8m** in Q1'22, a 15% increase vs Q1'21
- Our net portfolio has significantly increased during the period, **reaching €111m** – an increase of 27.8% vs Q1'21. The key growth driver during the period was the Central Asia HUB. Capitalisation ratio in Q1'22 remained at a level of more than 2x the covenant threshold
- In Q1'22, the Group recorded an **EBITDA of €19.4m**. Albeit being a decrease compared to last year, the result has been largely driven by the increased provisions amount for the quarter, resulting from the rapid sales and portfolio growth, which the Group perceives as an investment for future returns
- Cost/income ratio of **24.2%** was recorded for Q1'22 – a slight increase in the metric in comparison to the prior year as a consequence of our strong focus on new product development and scaling projects during the period

# Performance Overview by Geography

**Sun Finance Group Q1'22 sales: €141m** ↑ 36% PoP

## EUROPE HUB

The European HUB has continued to deliver strong results in terms of revenue and profitability over the period

The market has preserved a stable loan issuance level vs Q4'21 and we continue to see increasing demand from customers in the market

The region continuously demonstrates high quality portfolio performance as this is our most mature and stable market in terms of operations and industry development stage

Nevertheless, we are working on new product development also in this region to offer our clients an enhanced product mix

## SCANDINAVIA HUB

The Scandinavian HUB continued to grow the loan issuance level and recorded a solid revenue increase, while also maintaining strong profitability

We continue to assess our product setup and strategy going forward in the Danish market, having obtained a consumer lending licence to our Danish business

Our portfolio structure remains very solid, inhibiting qualities of portfolios typically seen in Scandinavian countries

## CENTRAL ASIA HUB

During Q1'22, the Central Asian HUB has achieved significant increase in loan sales and net portfolio, while also delivering solid revenues

Notwithstanding the growth dynamics, portfolio quality has not been compromised, driven by an improved scoring methodology

We expect to further grow issuance levels in our Central Asian HUB by scaling new products as well as strengthening positions of the mature ones

# Performance Overview by Geography (cont.)

**Sun Finance Group Q1'22 sales: €141m** ↑ 36% PoP

## **SOUTH EAST ASIA HUB**

The South East Asian HUB delivered strong financial results during the period by significantly growing loan sales, followed by a solid increase in revenue and profitability

We have continued to observe portfolio quality improvements during the period, which allowed us to reduce the provisioning level, albeit still maintaining a conservative approach in the market

We continue to review new geographies in the region and assess the situation in the market, while also preparing for new product launches in the upcoming periods

## **LATIN AMERICA HUB**

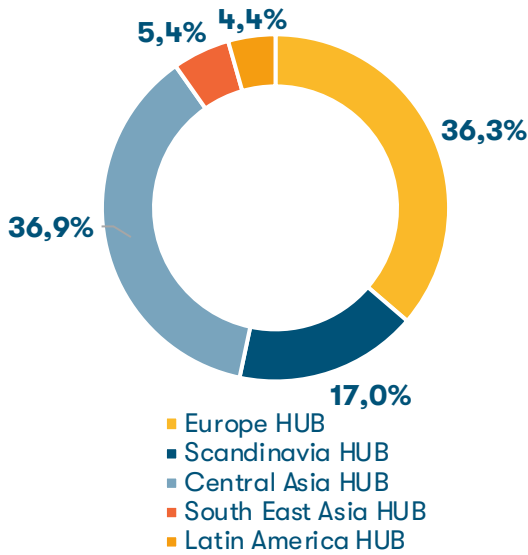
Latin America remains the smallest market in our portfolio, while we see material potential in the region in the long term, given the large unbanked population

During the period, stable financial results have been achieved in terms of revenues, net profits and portfolio performance

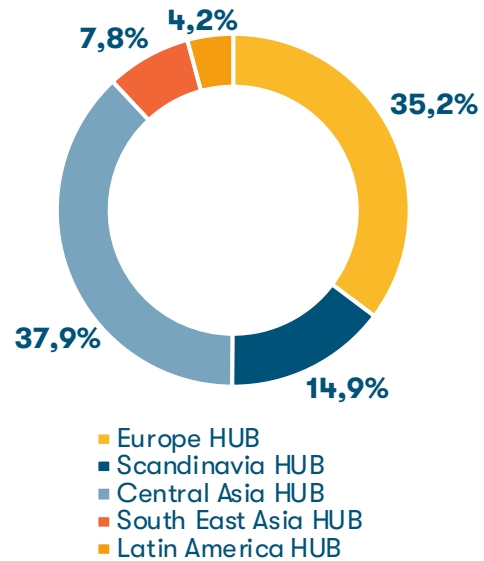
We expect the economic situation to further improve in the forthcoming periods and consequently grow the loan issuance volumes

# Portfolio Analysis – Group & Regions

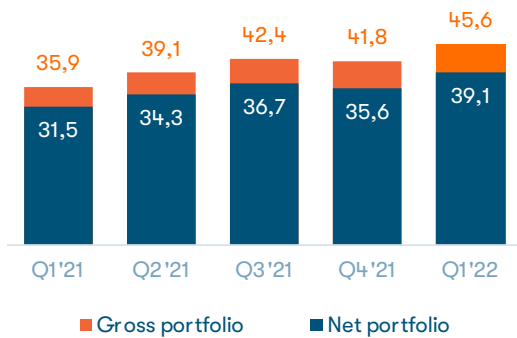
Portfolio dynamics (Q1'21)



Portfolio dynamics (Q1'22)

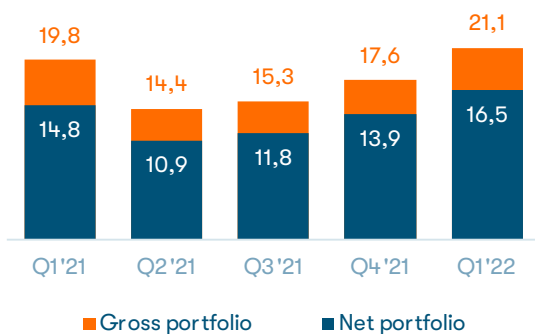


Portfolio – Europe HUB (Q1'21 – Q1'22)



- A stable loan issuance level vs Q4'21 has been preserved and we continue to observe a high quality portfolio performance
- Our most mature and stable region in terms of operations and industry development stage

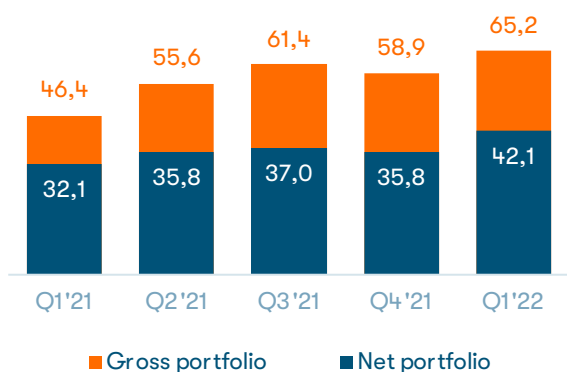
Portfolio – Scandinavia HUB (Q1'21 – Q1'22)



- A strong demand is continuously observed in the market, resulting in increased loan sales during the period
- We continue to assess our product setup and strategy going forward in the Danish market

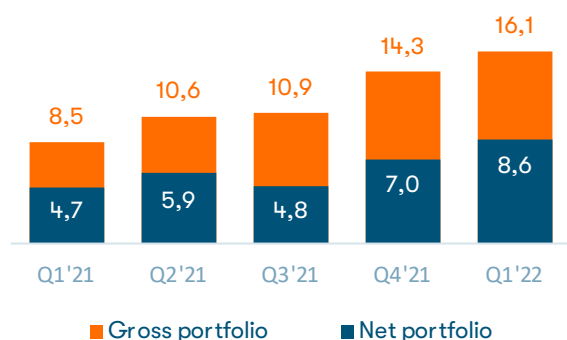
# Portfolio Analysis – Group & Regions (cont.)

## Portfolio – Central Asia HUB (Q1'21 – Q1'22)



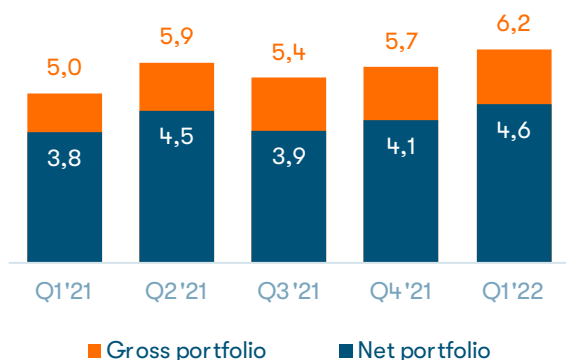
- An increase in net portfolio has been achieved, as a result of significant increase in loan sales throughout the first quarter of 2022
- The client performance remains high quality, continuing to deliver solid profitability quarter on quarter

## Portfolio – South East Asia HUB (Q1'21 – Q1'22)



- A steady growth trend has been maintained in the South East Asian market loan issuance volumes
- An improved client performance and portfolio quality observed during the period

## Portfolio – Latin America HUB (Q1'21 – Q1'22)



- While the total loan sales recorded in Q1'21 have been similar to Q4'21, a sharper increase was achieved during the last month of the period
- Customer dynamics have remained stable, with healthy portfolio performance



# Financial Performance: Income Statement

Income statement (EURm)	2021				2022		2021 vs 2022		
	Q1	Q2	Q3	Q4	Q1	Q1	Δ QoQ	ΔQoQ(%)	
<b>Turnover</b> <sup>1</sup>	<b>45,8</b>	<b>49,7</b>	<b>54,6</b>	<b>53,0</b>	<b>52,8</b>	<b>45,8</b>	<b>52,8</b>	<b>7,1</b>	<b>15%</b>
Interest expense	(3,2)	(3,0)	(2,9)	(2,7)	(2,8)	<b>(3,2)</b>	<b>(2,8)</b>	<b>0,4</b>	<b>(12,9%)</b>
Net provisions <sup>2</sup>	(14,7)	(19,6)	(24,9)	(20,7)	(21,9)	<b>(14,7)</b>	<b>(21,9)</b>	<b>(7,2)</b>	<b>48,8%</b>
<b>GROSS PROFIT</b>	<b>27,9</b>	<b>27,1</b>	<b>26,8</b>	<b>29,5</b>	<b>28,2</b>	<b>27,9</b>	<b>28,2</b>	<b>0,3</b>	<b>1,2%</b>
Salaries and related taxes <sup>3</sup>	(3,4)	(3,4)	(3,2)	(3,7)	(3,8)	<b>(3,4)</b>	<b>(3,8)</b>	<b>(0,4)</b>	<b>10,9%</b>
Direct operating expense	(2,0)	(2,1)	(2,0)	(2,4)	(2,5)	<b>(2,0)</b>	<b>(2,5)</b>	<b>(0,5)</b>	<b>23,9%</b>
Indirect operating expense	(2,5)	(2,3)	(2,5)	(3,3)	(3,4)	<b>(2,5)</b>	<b>(3,4)</b>	<b>(0,9)</b>	<b>38,1%</b>
Marketing expense	(1,6)	(1,9)	(2,1)	(2,9)	(3,1)	<b>(1,6)</b>	<b>(3,1)</b>	<b>(1,6)</b>	<b>99,7%</b>
<b>OPERATING PROFIT/(LOSS)</b> <sup>4</sup>	<b>18,3</b>	<b>17,2</b>	<b>16,8</b>	<b>17,3</b>	<b>15,4</b>	<b>18,5</b>	<b>15,4</b>	<b>(3,0)</b>	<b>(16,4%)</b>
Other non-operating income	1,2	0,8	1,0	1,1	1,2	<b>1,2</b>	<b>1,2</b>	<b>0,0</b>	<b>4,2%</b>
Other expense	(0,3)	(0,6)	(1,0)	(0,5)	(0,3)	<b>(0,3)</b>	<b>(0,3)</b>	<b>(0,0)</b>	<b>7,0%</b>
<b>NET PROFIT/(LOSS) BEFORE TAXES</b>	<b>19,3</b>	<b>17,6</b>	<b>17,0</b>	<b>17,8</b>	<b>16,3</b>	<b>19,3</b>	<b>16,3</b>	<b>(3,0)</b>	<b>(15,5%)</b>
Profit tax	(4,5)	(5,4)	(4,3)	(3,7)	(4,1)	<b>(4,5)</b>	<b>(4,1)</b>	<b>0,4</b>	<b>(8,4%)</b>
<b>NET PROFIT/(LOSS) before FX effect</b> <sup>5</sup>	<b>14,9</b>	<b>12,2</b>	<b>12,7</b>	<b>14,1</b>	<b>12,2</b>	<b>14,9</b>	<b>12,2</b>	<b>(2,6)</b>	<b>(17,7%)</b>
FX income/(expense) <sup>6</sup>	0,8	(0,2)	0,6	0,8	(1,5)	<b>0,8</b>	<b>(1,5)</b>	<b>(2,3)</b>	<b>(296,6%)</b>
<b>NET PROFIT/(LOSS) after FX</b>	<b>15,6</b>	<b>12,0</b>	<b>13,3</b>	<b>14,9</b>	<b>10,7</b>	<b>15,6</b>	<b>10,7</b>	<b>(4,9)</b>	<b>(31,3%)</b>
Adj.:									
Tax	4,5	5,4	4,3	3,7	4,1	<b>4,5</b>	<b>4,1</b>	<b>(0,4)</b>	<b>(8,4%)</b>
Interest	3,2	3,0	2,9	2,7	2,8	<b>3,2</b>	<b>2,8</b>	<b>(0,4)</b>	<b>(12,9%)</b>
<b>EBIT</b>	<b>23,3</b>	<b>20,4</b>	<b>20,5</b>	<b>21,3</b>	<b>17,6</b>	<b>23,3</b>	<b>17,6</b>	<b>(5,7)</b>	<b>(24,4%)</b>
Depreciation and amortization	0,2	0,2	0,2	0,2	0,3	<b>0,2</b>	<b>0,3</b>	<b>0,1</b>	<b>29,7%</b>
FX income/(expense)	(0,8)	0,2	(0,6)	(0,8)	1,5	<b>(0,8)</b>	<b>1,5</b>	<b>2,3</b>	<b>(296,6%)</b>
<b>EBITDA</b> <sup>7</sup>	<b>22,7</b>	<b>20,8</b>	<b>20,1</b>	<b>20,8</b>	<b>19,4</b>	<b>22,7</b>	<b>19,4</b>	<b>(3,4)</b>	<b>(14,8%)</b>
<b>EBITDA %</b>	<b>49,6%</b>	<b>41,9%</b>	<b>36,8%</b>	<b>39,2%</b>	<b>36,6%</b>	<b>49,6%</b>	<b>36,6%</b>	<b>(13,0%)</b>	<b>(26,2%)</b>

**1** Revenues remained above €50m for the third consecutive period, an increase of 15% vs Q1'21

**2** Net provisions increase driven by the significant portfolio growth

**3** A slight increase in Salaries and related taxes costs in line with the growth in operational activity

**4** Operating profit has decreased compared to Q1'21 (-16.4%), mainly driven by the provisions amount increase as a result of significant portfolio growth during the period

**5** Net profit before FX effect of €12.2m was recorded, a decrease by 17.7% vs Q1'21, also predominantly affected by the provisions increase

**6** FX movements in Q1'22 have been mainly driven by the turbulent situation in the financial markets, resulting in an FX loss of €1.5m for the period

**7** As solid EBITDA of €19.4 was recorded in Q1'22, resulting in a margin of 36.6%

# Financial Performance: Balance Sheet

Balance Sheet (EURm)	2021				2022			2021 FY vs 2022 FY	
	Q1	Q2	Q3	Q4	Q1	Q1	Q1	Δ QoQ	ΔQoQ (%)
<b>Non-current assets</b> <sup>1</sup>	<b>23,4</b>	<b>23,3</b>	<b>23,3</b>	<b>25,4</b>	<b>26,4</b>	<b>23,4</b>	<b>26,4</b>	<b>3,0</b>	<b>13,0%</b>
Goodwill & intangible assets	19,5	19,5	19,6	20,9	21,2	19,5	21,2	1,6	8,3%
Fixed assets	3,4	3,5	3,4	3,4	4,5	3,4	4,5	1,2	34,8%
Accrued D&A	(0,9)	(1,1)	(1,1)	(1,3)	(1,5)	(0,9)	(1,5)	(0,6)	59,2%
Other non-current assets	1,4	1,4	1,4	2,5	2,2	1,4	2,2	0,8	56,7%
<b>Current assets</b>	<b>111,1</b>	<b>120,2</b>	<b>117,4</b>	<b>123,0</b>	<b>143,0</b>	<b>111,1</b>	<b>143,0</b>	<b>31,9</b>	<b>28,7%</b>
Loans receivable	115,6	125,8	135,5	138,5	154,7	115,6	154,7	39,1	33,8%
Provisions for doubtful debts	(28,7)	(34,4)	(41,3)	(42,0)	(43,7)	(28,7)	(43,7)	(15,0)	52,2%
Accounts receivable	2,6	0,1	0,2	0,2	–	2,6	–	(2,6)	(100,0%)
Cash in bank	9,0	14,8	8,3	7,9	9,8	9,0	9,8	0,7	8,1%
Other receivables	12,6	13,9	14,7	18,4	22,2	12,6	22,2	9,6	76,6%
<b>ASSETS</b> <sup>3</sup>	<b>134,4</b>	<b>143,5</b>	<b>140,7</b>	<b>148,4</b>	<b>169,4</b>	<b>134,4</b>	<b>169,4</b>	<b>34,9</b>	<b>26,0%</b>
<b>Equity</b> <sup>4</sup>	<b>46,9</b>	<b>42,9</b>	<b>45,7</b>	<b>57,1</b>	<b>67,6</b>	<b>46,9</b>	<b>67,6</b>	<b>20,7</b>	<b>44,3%</b>
Share capital and subordinated debt	20,8	21,2	22,1	25,2	24,2	20,8	24,2	3,4	16,3%
Retained earnings	24,0	21,0	22,3	29,9	42,9	24,0	42,9	18,9	78,6%
Other reserves	1,2	1,2	1,2	1,4	1,4	1,2	1,4	0,2	16,5%
FX reserve	0,9	(0,4)	0,0	0,7	(0,8)	0,9	(0,8)	(1,7)	(198,6%)
<b>Liabilities</b> <sup>5</sup>	<b>87,6</b>	<b>100,6</b>	<b>95,0</b>	<b>91,3</b>	<b>101,8</b>	<b>87,6</b>	<b>101,8</b>	<b>14,2</b>	<b>16,2%</b>
Loans payable	70,4	78,1	71,4	66,9	71,6	70,4	71,6	1,2	1,7%
Deferred income	3,0	3,4	3,9	3,4	3,8	3,0	3,8	0,7	24,4%
Accounts payable	2,9	4,2	3,9	3,9	6,8	2,9	6,8	3,9	135,4%
Taxes payable	7,9	10,7	12,0	11,1	12,2	7,9	12,2	4,4	55,7%
Accrued expenses	1,6	1,7	1,4	2,3	3,1	1,6	3,1	1,5	93,0%
Other payables	1,8	2,4	2,5	3,6	4,2	1,8	4,2	2,5	139,8%
<b>EQUITY AND LIABILITIES</b> <sup>6</sup>	<b>134,4</b>	<b>143,5</b>	<b>140,7</b>	<b>148,4</b>	<b>169,4</b>	<b>134,4</b>	<b>169,4</b>	<b>34,9</b>	<b>26,0%</b>

**1** No material movements in the non-current assets during the period

**2** Increase in gross and net portfolio related to a growth in issuance levels during the period

**3** Total assets have increased to €169m, in line with the overall business growth dynamics

**4** Healthy equity base, driven by the solid and profitable financial performance

**5** Loans payable include the issued Bonds, loans placed on the Mintos P2P platform, shareholder loans and other loans payable

**6** Our total balance sheet has increased by ~26% vs Q1'21, mainly driven by the growth and profitability of our business (key increases in equity)

# Financial Performance: Financial Metrics & Ratios

Key financial metrics & ratios	2021				2022	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q1	Q1
Turnover	45,8	49,7	54,6	53,0	52,8	<b>45,8</b>	<b>52,8</b>
EBITDA	22,7	20,8	20,1	20,8	19,4	<b>22,7</b>	<b>19,4</b>
EBITDA margin (%)	49,6%	41,9%	36,8%	39,2%	36,6%	<b>49,6%</b>	<b>36,6%</b>
Gross loan portfolio	115,6	125,8	135,5	138,5	154,7	<b>115,6</b>	<b>154,7</b>
Net loan portfolio	86,9	91,4	94,2	96,5	111,0	<b>86,9</b>	<b>111,0</b>
Capitalization ratio (%)	53,9%	47,0%	48,5%	59,2%	60,9%	<b>53,9%</b>	<b>60,9%</b>
Interest coverage ratio	7,2x	6,9x	6,9x	7,6x	7,0x	<b>7,2x</b>	<b>7,0x</b>
ROA, % <sup>1</sup>	25,6%	29,2%	37,5%	37,6%	30,1%	<b>25,6%</b>	<b>30,1%</b>
ROE, % <sup>2</sup>	73,4%	97,7%	115,5%	97,7%	75,4%	<b>73,4%</b>	<b>75,4%</b>
Cost/Income Ratio, % <sup>3</sup>	20,6%	19,6%	18,1%	23,3%	24,2%	<b>20,6%</b>	<b>24,2%</b>

## Notes

- 1 Return on Average Total Assets (ROAA) equals Net Income of the period on an LTM basis divided by Total Assets at the end of the same period
- 2 Return on Average Total Equity (ROAE) equals Net Income of the period on an LTM basis divided by Total Equity at the end of the same period
- 3 Cost / Income ratio is calculated by dividing Operating costs with operating income (revenue)



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