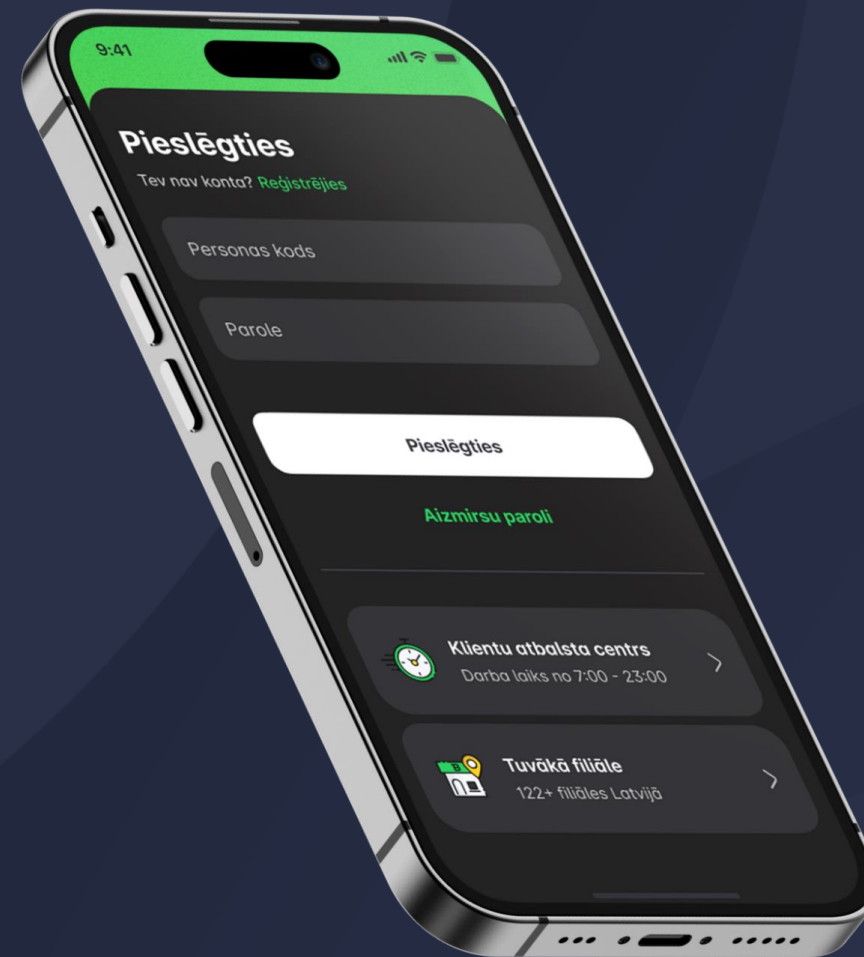


Financial report



Key results

Business highlights

Business performance

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Key characteristics of Q1 2024

Lending

+2%

3M consumer loan issuance
growth y-o-y

+11%

3M pawn loan issuance
growth y-o-y

+7%

3M net loan portfolio growth
since the start of 2024

Financial results

+26%

3M revenue growth y-o-y

+28%

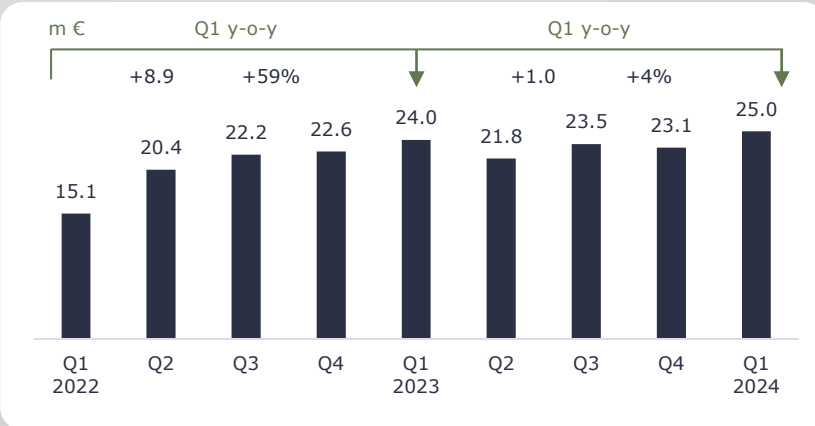
3M EBITDA growth y-o-y

+12%

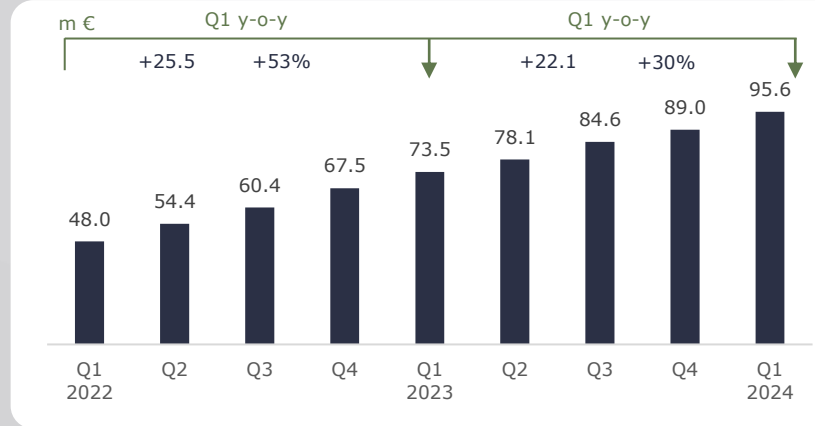
3M profit before tax
growth y-o-y

Key results

Total loans issued



Net loan portfolio



In Q1 2024, the company continued to focus on a lower-risk client base, thus steadily increasing loan issuance while demand for lending products remained stable.

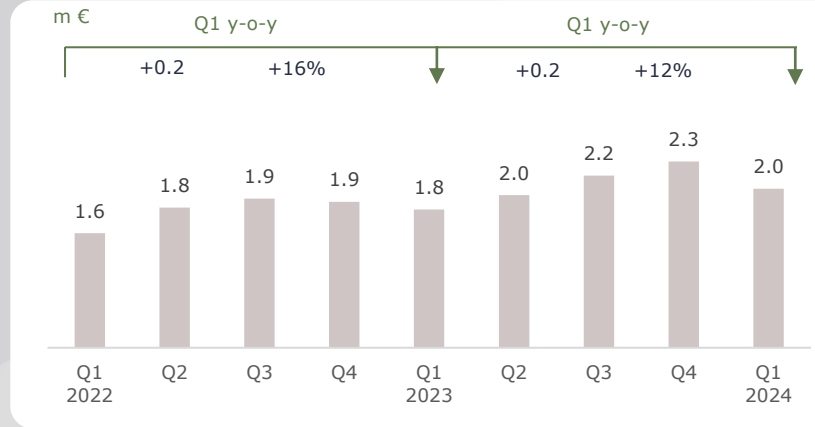
The net loan portfolio increased by 7% in the first three months of 2024, reaching EUR 95.6 million.

Quarterly revenues reached another all-time high, reaching EUR 14.3 million, a 26% growth compared to the previous year.

Total revenue



Profit before tax



Profit before tax in Q1 reached EUR 2 million. Over the last twelve months, the profit margin has been mainly affected by increasing interest and credit loss expenses due to a growing loan portfolio.

Key results

Business highlights

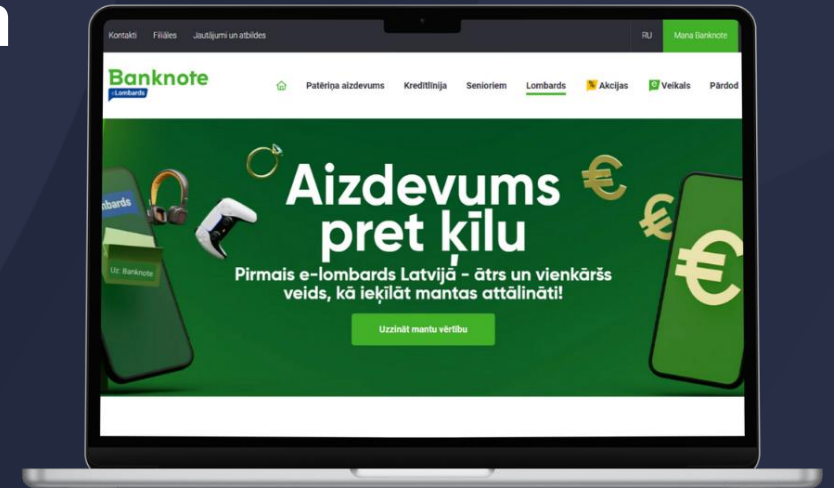
Business performance

Appendix



Launch of digital pawnshop in Latvia

This is the first fully remote pawn lending experience in the Baltics. The new service allows people to obtain a secured loan by completing an online application with no additional fees. The contract is signed remotely, and the goods are sent to the branch via parcel machines.



1



Submission of an application

Submission of an item for pre-evaluation on the *Banknote* website

2



Shipping of the item

Confirmation of the preliminary valuation and transfer of the item via parcel machine

3



Final evaluation

Client receives a final evaluation and reads the terms of the contract

4



Transfer of the money

Client confirms final evaluation and receives money in bank account

5



Return of the pledge

Once the loan is repaid the pledge is sent back to the client

Digital *VISA* payment card in mobile app



Instantly accessible *Banknote* credit line on *Banknote* mobile app



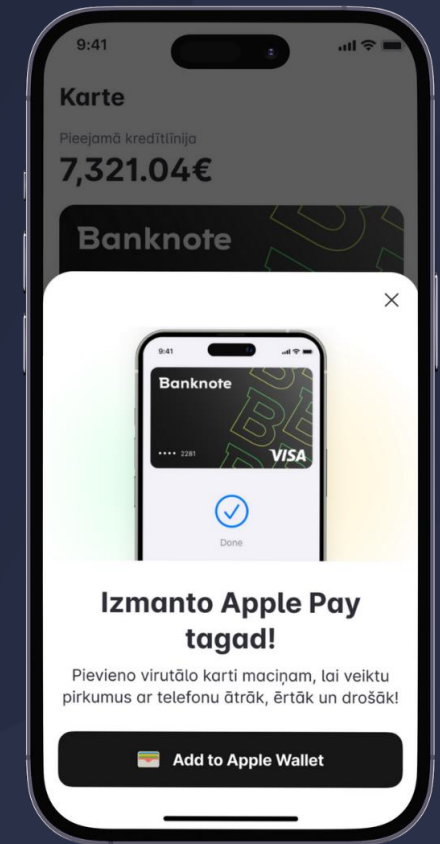
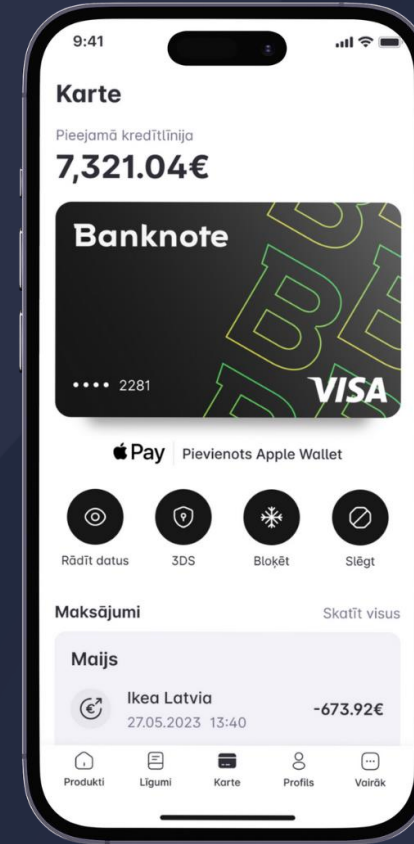
Made for online and in-store purchases



Simple integration with *Apple Pay* and *Google Wallet*



High security standards with built-in biometric security checks



Expansion of Banknote XL branches

In April 2023, DelfinGroup opened the first circular economy store, Banknote XL, in Riga.

After a successful first year of operations, it is planned to open **two more XL concept stores in Daugavpils and Rēzekne** during Q2 2024.



The Banknote XL circular economy stores, unique in their concept, provide clients with **a wider shopping area compared to average Banknote branches and with a larger variety of goods available for sale.**

Clients in Banknote XL stores can sell and purchase pre-owned goods and receive consumer and pawn lending services.



Banknote marketing activities



Recently, DelfinGroup has focused on promoting the circular economy and the Banknote brand, thus engaging in various marketing activities. As a result, the company is able to raise brand awareness and acquire new customers.

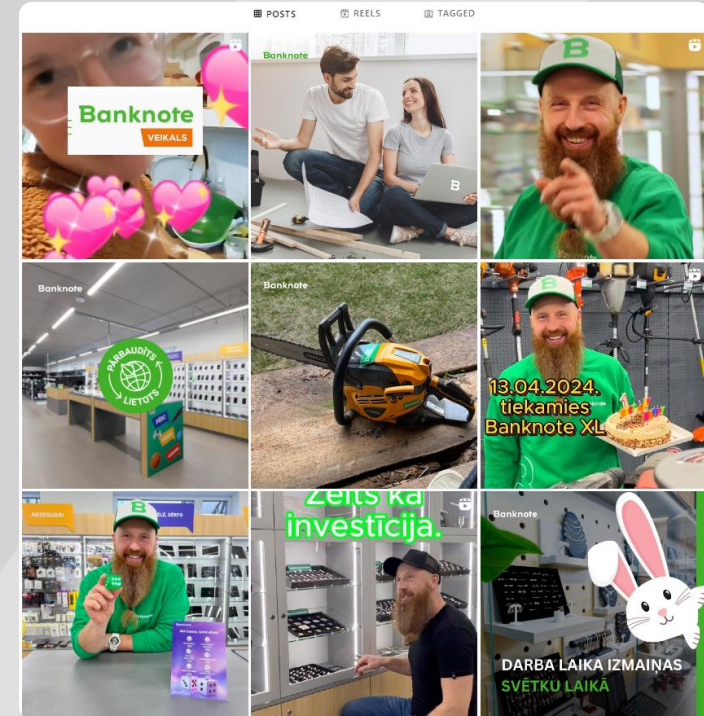


Focus on social media marketing:

- TikTok
- Instagram
- Facebook
- Partnerships with influencers



In recent months, various on-site activities have been held at company stores, where clients can spin the wheel of fortune, get snacks, and talk to the welcoming staff.



Signet Bank initiates coverage of DelfinGroup stock

The initiated coverage provides insights into DelfinGroup results, market environment and stock valuation.

Investors can access the independent evaluation of DelfinGroup to enhance their understanding of the company's business model and possible growth opportunities.

Read full report here: [DelfinGroup Initiation of Coverage Report](#)



Investment Summary

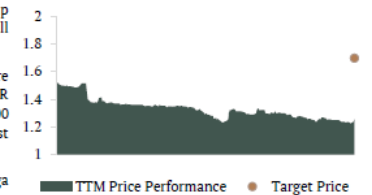
Pawn Stars of Latvia



Company overview

- AS DelfinGroup (hereafter referred to as "DelfinGroup", "DGR" or the "Group") is a top 5 non-bank consumer lending company and the largest pawn loan provider in Latvia. The Group provides consumer loans and pawn loans operating through three brands - Banknote, VIZIA, and "Rīgas Pilsetas Lombards". Additionally, DGR has developed a pre-owned goods retail, supporting pawn shop and BNPL loan operations. The Group has initiated its operations in Lithuania, aiming to offer full scope of services in near future.
- In Latvia, DGR operates over 90 branches, of which 40 are located in Riga, and recently added 5 branches in Vilnius. DGR has coverage in all populated areas with at least 4,000 inhabitants, thereby earning the distinction of being the most geographically accessible financial service brand in Latvia.
- Since 2014, DelfinGroup has been known on the Nasdaq Riga Stock Exchange as an experienced bond issuer. In 2021 the Group conducted an Initial Public Offering raising EUR 8.1m or 73% from its base offer, and is listed on the Baltic Main List.

| Company profile | |
|-----------------|---|
| Listing market | Nasdaq Riga |
| Ticker | DGR1R |
| Industry | Financial services |
| Website | https://delfingroup.lv/ |



Sector overview

- Non-bank consumer lenders, assuming higher risk, have taken significant share of the consumer lending market, holding roughly 40% of the market share.
- Over the past five years, the non-bank consumer loan portfolio has demonstrated consistent growth, experiencing a slight setback in 2020 due to Covid-19 yet achieving a notable 5Y CAGR of 13.9% at the end of H1 2023. Despite encountering challenging economic conditions throughout 2022 and H1 2023, the consumer loan portfolio exhibited robust expansion, recording y-o-y growth rates of 26.6% and 12.2%, respectively. Similarly, pawn loan portfolio has shown y-o-y growth of 25.5% in 2022 and 14.6% in H1 2023, however, still lags 4.6% behind 2019 level. Analysis indicates that the growth witnessed in the last two years has been primarily propelled by inflation.

| Share Data (April 9 2024) | |
|------------------------------|-----------|
| Current price, EUR | 1.26 |
| Target price, EUR | 1.70 |
| Potential Upside/Downside, % | 35.49 |
| 52 week Low/High, EUR | 1.20/1.46 |
| 3 month av. daily volume | 12557 |
| Market cap, EURm | 57.1 |
| Ordinary shares | 45.4 |

| Analyst | |
|--|--|
| Valters Smiltans | |
| Valters.Smiltans@Signetbank.com | |
| +371 66956529 | |

| Key Numbers (EURm) | 2021 | 2022 | 2023 | 2024E | 2025E | 2026E | 2027E | 2028E |
|--------------------|------|------|------|-------|-------|-------|-------|-------|
| Revenue | 24.7 | 35.9 | 50.4 | 58.8 | 63.3 | 67.9 | 70.7 | 72.8 |
| EBITDA | 10.2 | 13.1 | 18.2 | 22.1 | 23.4 | 25.0 | 25.9 | 26.5 |
| Operating Profit | 5.2 | 7.5 | 8.3 | 11.7 | 12.7 | 14.5 | 15.1 | 15.7 |
| EPS | 0.09 | 0.15 | 0.15 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| Total Net Loans | 45.0 | 67.4 | 89.0 | 98.0 | 107.8 | 117.8 | 124.6 | 130.5 |
| Net Debt | 30.3 | 54.7 | 74.2 | 78.3 | 83.6 | 88.1 | 89.4 | 89.2 |
| Total Equity | 17.4 | 18.0 | 21.3 | 26.2 | 31.4 | 37.3 | 43.4 | 50.2 |
| Dividends | 3.7 | 5.4 | 3.5 | 4.5 | 5.1 | 5.7 | 6.0 | 6.2 |
| Dividend Yield (%) | 5.9 | 8.1 | 5.9 | 7.9 | 8.9 | 10.1 | 10.5 | 10.9 |
| ROE (%) | 29.8 | 33.5 | 33.6 | 39.6 | 35.4 | 34.0 | 30.0 | 27.8 |
| EV/EBITDA (x) | 9.4 | 9.7 | 7.3 | 5.9 | 5.6 | 5.3 | 5.1 | 4.9 |
| P/E (x) | 15.8 | 11.3 | 8.9 | 6.1 | 5.6 | 4.9 | 4.7 | 4.4 |
| P/Book (x) | 3.6 | 3.7 | 2.8 | 2.2 | 1.8 | 1.5 | 1.3 | 1.1 |

Source: DelfinGroup, Signet Bank for estimates. Valuation multiples 2024-2028E are calculated based on the share price EUR 1.26 at April 9, 2024.

Corporate social responsibility

DelfinGroup, in cooperation with the Children's Hospital Foundation, helped the Children's Clinical University Hospital (BKUS) **to provide a new anaesthetic device that will allow young patients to prepare for surgery more calmly.** The company has also supported the training of pediatric cardiologists and the purchase of 3D software. The total donation amount to the hospital is almost € 66 000.



As part of Financial Literacy Week, in partnership with Bank of Latvia, the **DelfinGroup team educated seniors and taught them to be critical if someone wants to scam personal data and finances.** DelfinGroup experts informed seniors about different types of scams and methods and role-played real-life situations where seniors gained practical skills in recognising scams and protecting their data.



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Consumer net loan portfolio



Average loan*



The consumer lending portfolio continued increasing, as did the average loan amount and term. At the end of Q1 2024, the net loan portfolio reached 87.3 million euros.

Weighted average term of loans issued



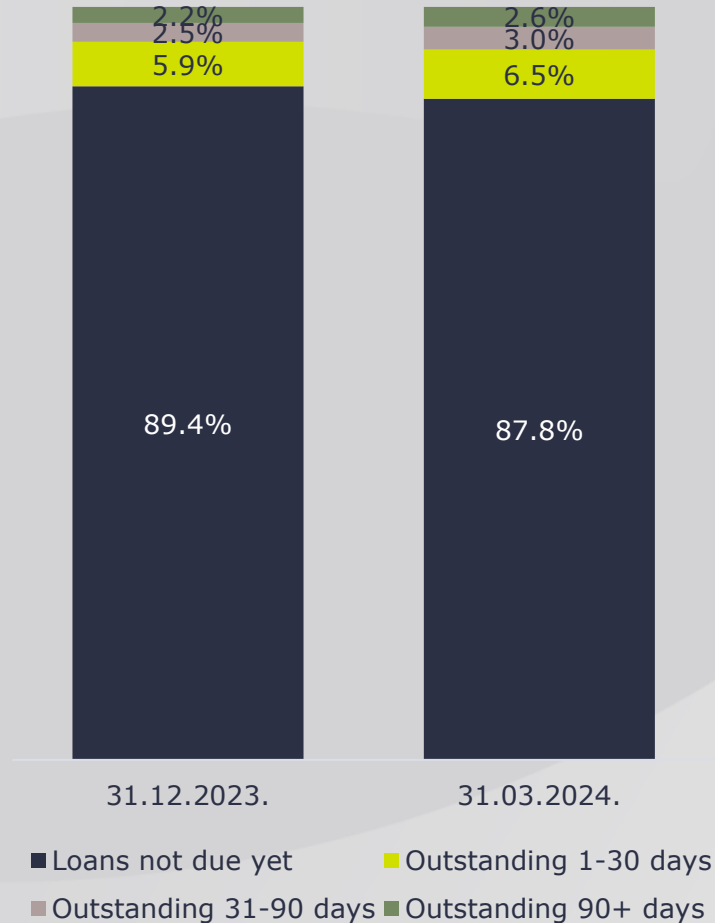
Non-performing loan ratio



Due to stable demand and increasing ticket and term size, the consumer loan portfolio grew by 29% over a 12-month period.

NPL ratio continues to be on a solid level due to constant improvements in client scoring, collection and loan cession.

Age analysis of consumer lending portfolio*



Consumer loan portfolio quality remains stable with current loans of more than 87%.

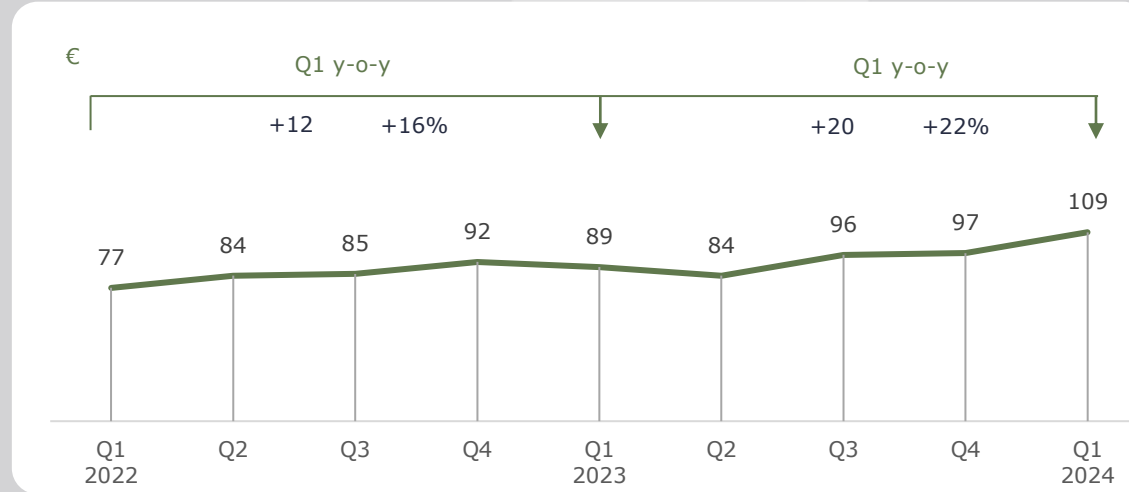
Company continue to focus on lower-risk lending clients to reduce portfolio expenses.

Improved underwriting processes and risk policy.

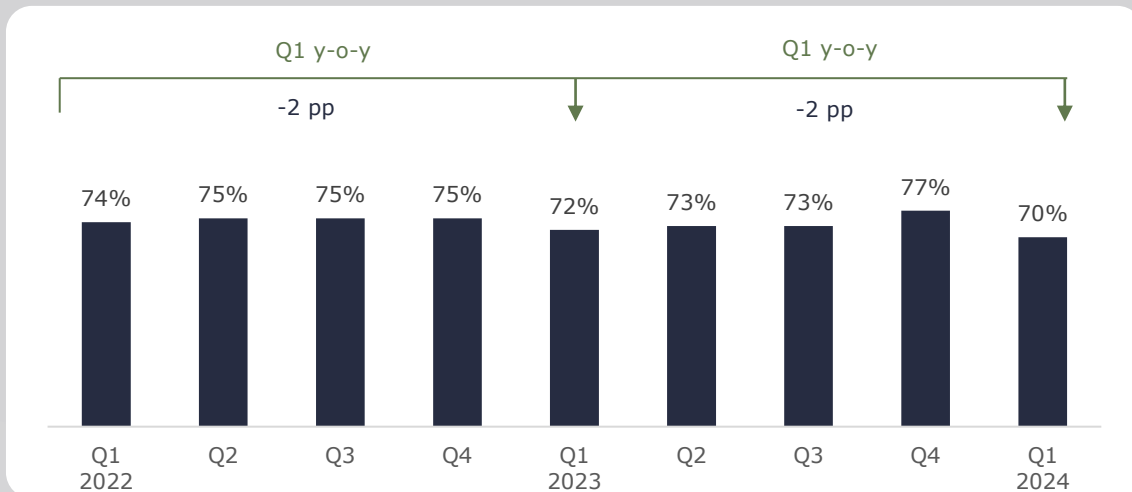
Pawn net loan portfolio*



Average pawn loan amount



Repaid pawn loans**



The pawn lending segment continues to show stable results. The pawn loan portfolio has increased by 19% over the last twelve months and by 8% in the last three months.

Redemption rate of pledged items remain stable, above 70% over the recent years.

Retail of pre-owned goods*

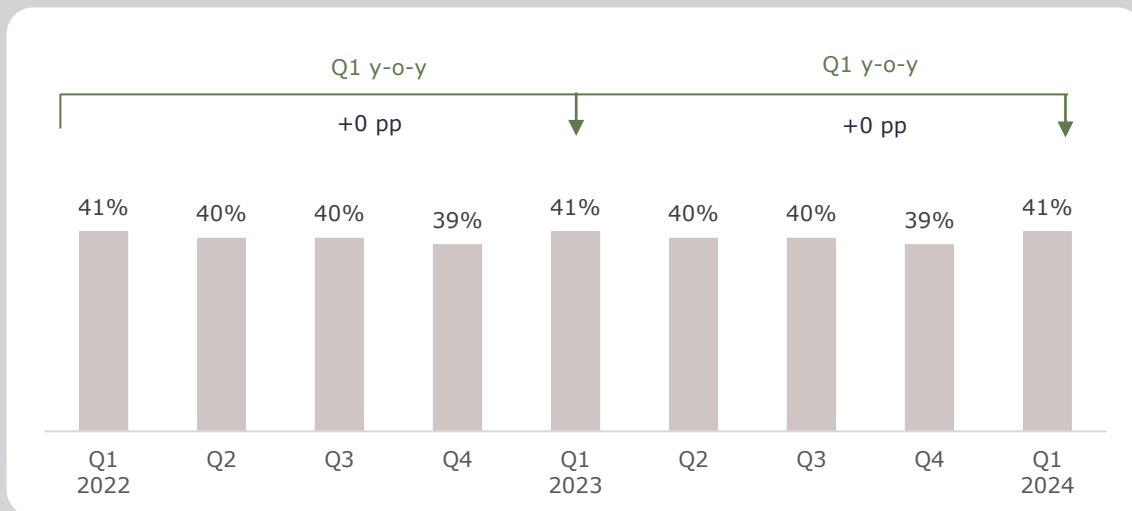
Sale of pre-owned goods**



Stable growth, taking into consideration quieter first months after Christmas and New Year celebrations.

Retail sales of pre-owned goods in Q1 2024 increased by 9% compared to last year's respective period, reaching EUR 3.6 million.

Gross margin***



Gross margin remains stable over the last years around 40%.

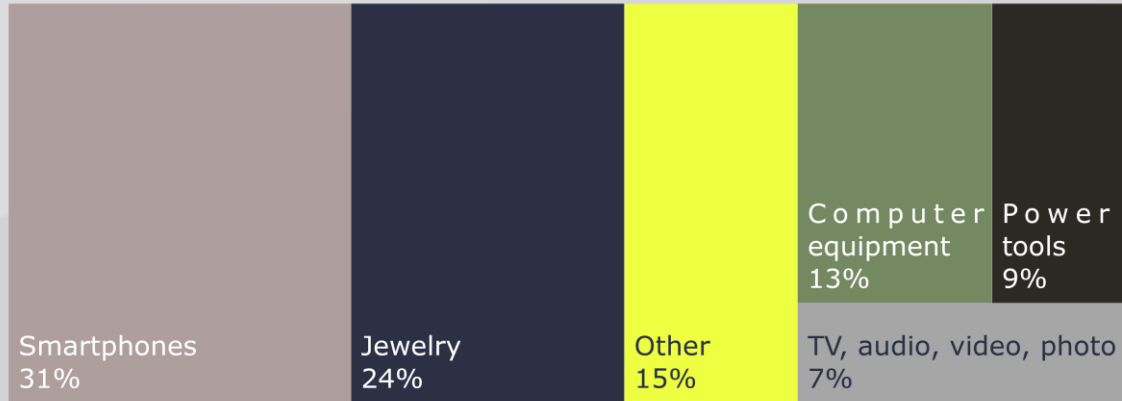
*Excluding wholesale of precious metals (scrap).

**Including directly purchased goods from clients and unredeemed items from pawnshop.

***2023 gross margin figures restated as per audited annual statements of 2023.

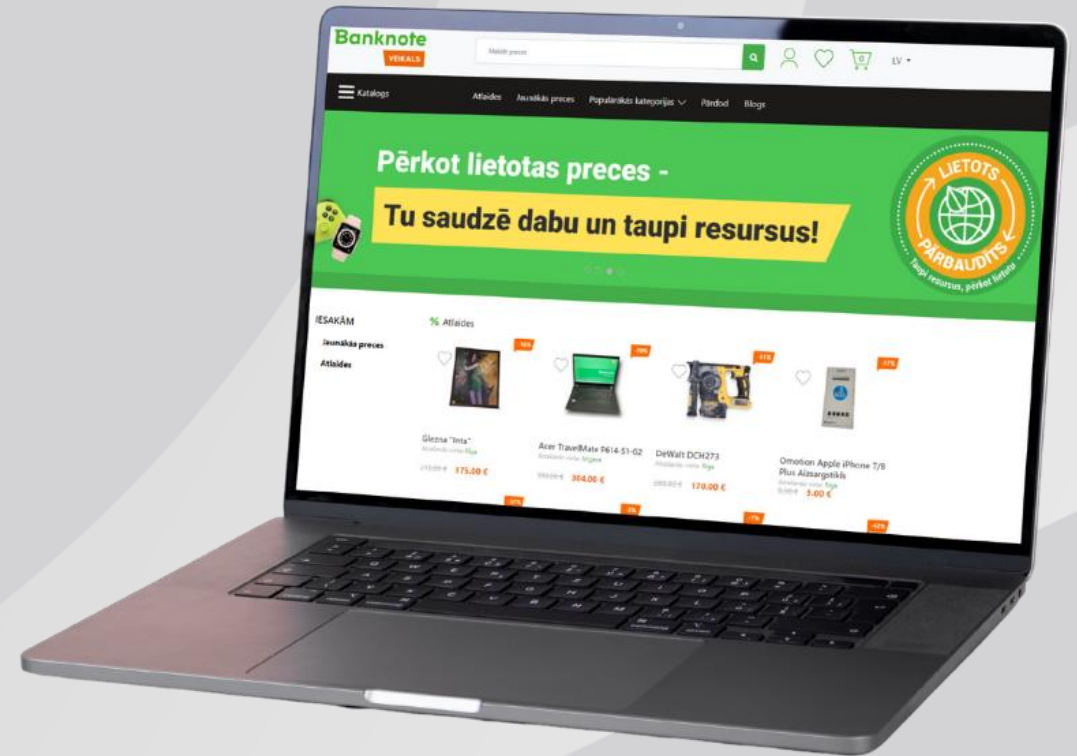
Sales split by product category

Sales split by product category (3M 2024)



Clients have access to a wide range of pre-owned goods at *Banknote* online store and branch network. The most demanded product categories are electronics, such as smartphones, computers, TVs and jewelry.

Jewelry is polished and sold with its original appearance but for a more affordable price.

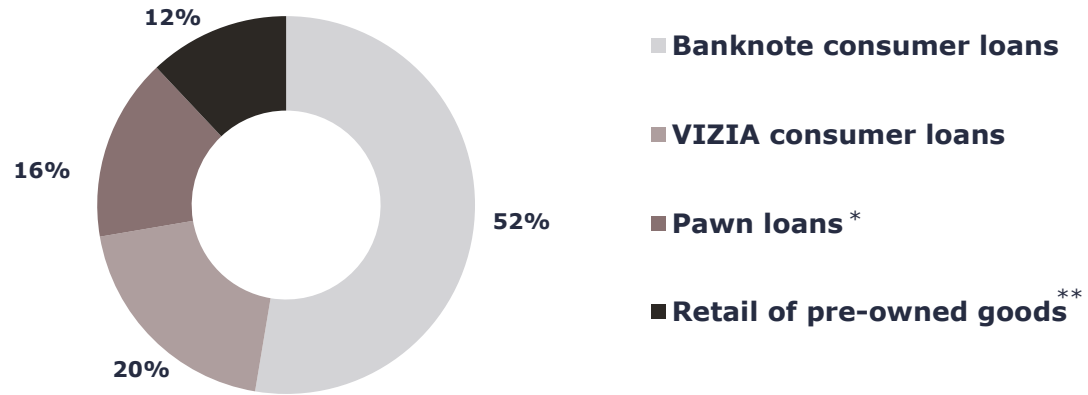


Diversification

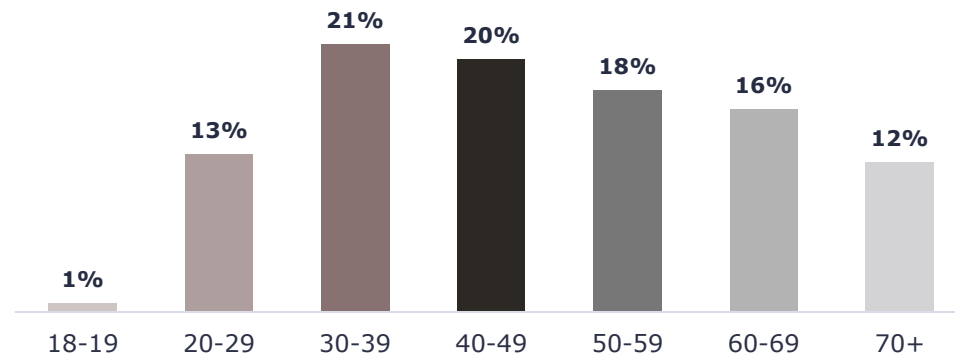
Although the most significant part of the revenue stream comes from the consumer loan segment, we see great potential in gradually growing other *DelfinGroup* segments.

DelfinGroup products cover all age groups thanks to customised financial solutions.

Revenue by business segments 3M 2024



Distribution of active clients by age on 31 March 2024***



*including sold pawn pledges and pledge storage commissions
 **excluding wholesale of precious metals (scrap) and pawn pledges
 ***Active consumer lending segment clients

Consolidated income statement

| INCOME STATEMENT, EUR'000 | 2024 Q1 | 2023 Q1 | Change % |
|--|--------------|--------------|-------------|
| Total revenue | 14,260 | 11,333 | +26% |
| Cost of sales | -1,505 | -1,372 | +10% |
| Credit loss expense | -3,421 | -2,466 | +39%* |
| Interest expenses and similar expenses | -2,561 | -1,792 | +43%** |
| Gross profit | 6,773 | 5,702 | +19% |
| Selling expenses | -2,588 | -2,062 | +26% |
| Administrative expenses | -2,068 | -1,766 | +17% |
| Other operating income | 25 | 15 | +66% |
| Other operating expenses | -103 | -64 | +60% |
| Profit before tax | 2,039 | 1,825 | +12% |
| Income tax expense | -420 | -212 | +98%*** |
| Net profit | 1,619 | 1,613 | +0% |
| EBITDA | 5,028 | 3,923 | +28% |

* Due to the increasing loan portfolio, credit loss expenses have grown alongside it.

** Increase of interest expenses due to increasing interest rates in capital markets and growing loan portfolio which is partially financed with debt.

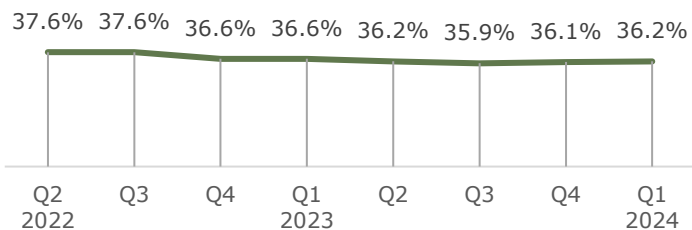
*** Increase of tax due to approved changes in corporate income tax law at the end of 2023. As a result, tax is calculated from full profit amount whereas in Q1 2023 tax was calculated only from the approved dividends.

Consolidated balance sheet

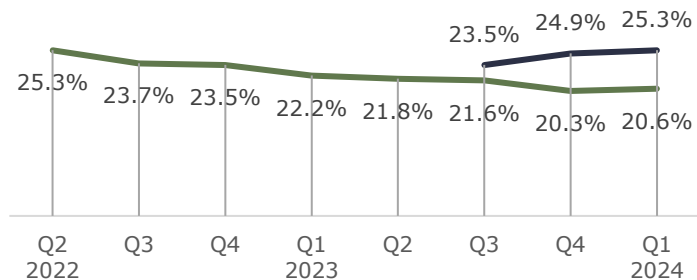
| BALANCE SHEET, EUR'000 | 31.03.2024 | 31.12.2023 | Change % |
|---|----------------|----------------|------------|
| Fixed and intangible assets | 2,814 | 2,680 | +5% |
| Right-of-use assets | 2,701 | 2,887 | -6% |
| Net loan portfolio | 95,554 | 89,026 | +7% |
| Inventory and scrap | 3,558 | 3,391 | +5% |
| Other assets | ,893 | 1,149 | -22% |
| Cash | 2,995 | 5,929 | -49% |
| TOTAL ASSETS | 108,515 | 105,061 | +3% |
| EQUITY | 22,332 | 21,322 | +5% |
| Share capital and reserves | 4,538 | 4,538 | +0% |
| Share premium | 6,891 | 6,891 | +0% |
| Other capital reserves | 210 | 170 | +24% |
| Retained earnings | 10,694 | 9,724 | +10% |
| LIABILITIES | 86,183 | 82,613 | +3% |
| Interest-bearing debt | 78,152 | 76,971 | +2% |
| Trade payables and other liabilities | 5,045 | 2,474 | +40% |
| Lease liabilities for right-of-use assets | 2,986 | 3,168 | -6% |
| TOTAL EQUITY AND LIABILITIES | 108,515 | 105,061 | +3% |

Financial ratios

EBITDA margin*

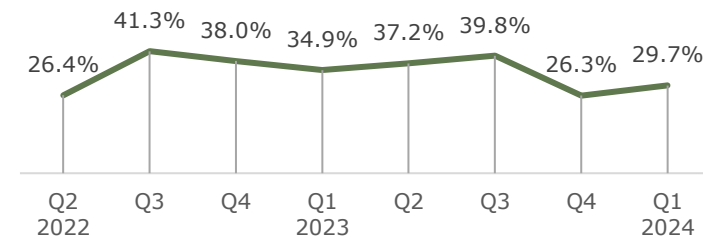


Equity ratio and adjusted equity ratio



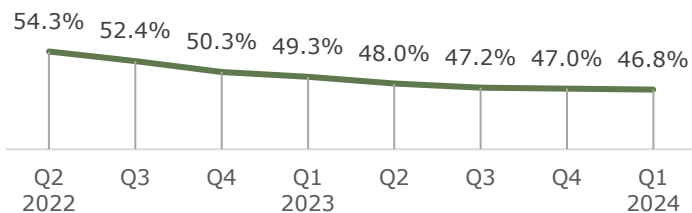
— Equity ratio
 — Adjusted equity ratio including subordinated bonds

ROE**

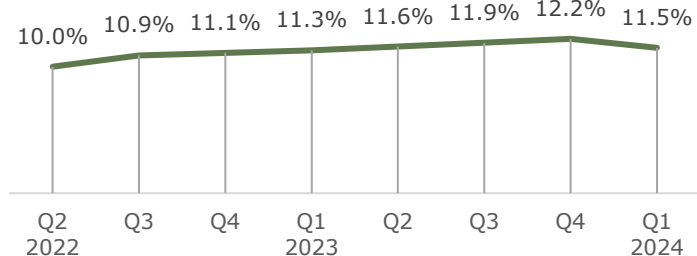


Decrease of ROE starting from Q4 2023 due to changes in corporate income tax legislation in Latvia. All tax amount was attributed to Q4 2023.

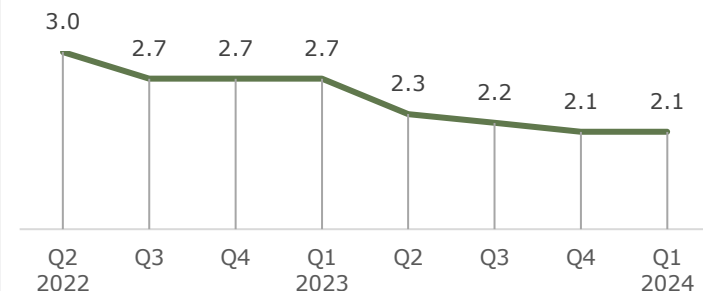
Cost-to-income ratio*



Cost of interest-bearing liabilities

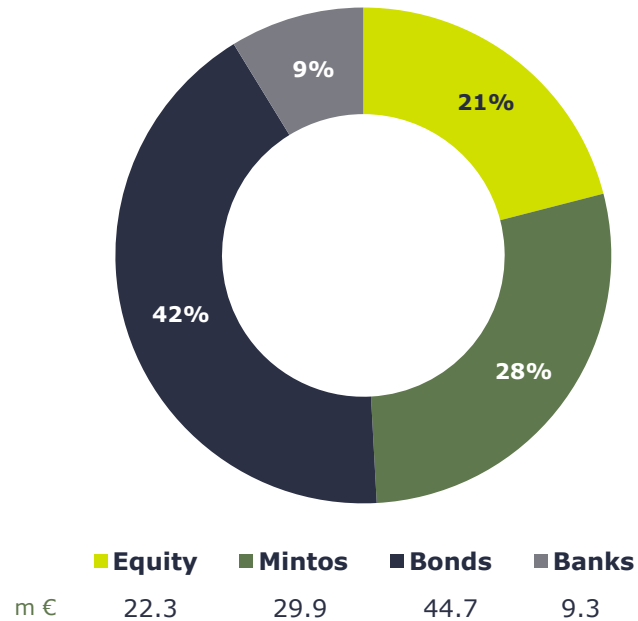


Interest coverage ratio*

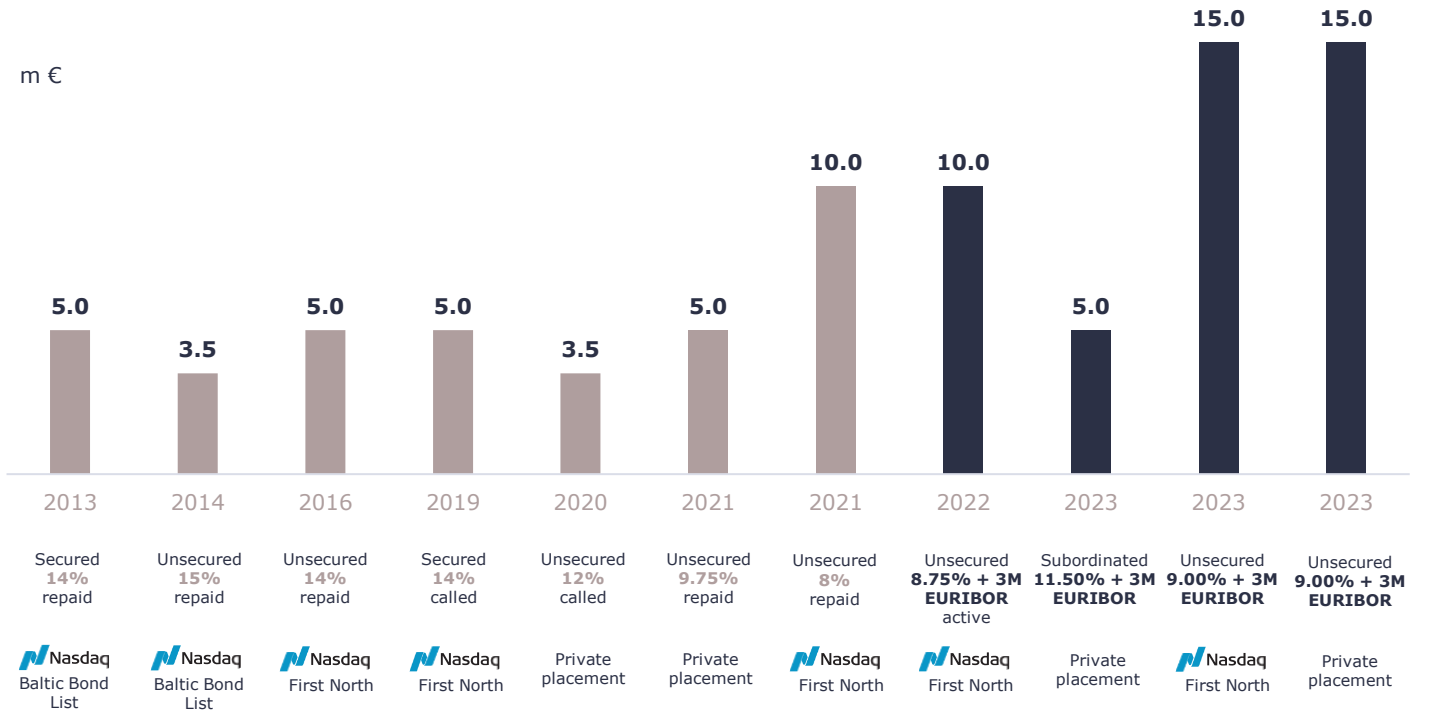


Capital structure

Capital structure 31.03.2024



Bond financing track record



DelfinGroup on Mintos

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

With the maturity of the EUR 10 million bond (LV0000850055) approaching, *DelfinGroup* is working on a refinancing strategy and intends to initiate a new bond offering during Q3 2024. Also, in order to strengthen the capital structure, company might issue new subordinated bond this year, subject to market conditions.

Dividends

Unique dividend distribution proposal in Baltics

Quarterly dividends

- At least **4 dividend payments** per year
- Up to 50% from previous Q profit

Dividend yield of 6.0%*

| Dividend period | Dividend payment date | EUR/share | EUR total | Payout ratio*** |
|-----------------|------------------------------|-----------|-----------|-----------------|
| Q1 2024 | Upon shareholders approval** | 0.0178** | 807 720** | 49.89%** |
| Q4 2023 | 16.04.2024 | 0.0143 | 648 898 | 49.99% |
| Q3 2023 | 28.12.2023 | 0.0214 | 969 839 | 49.80% |
| Q2 2023 | 29.09.2023 | 0.0195 | 883 732 | 49.95% |
| Q1 2023 | 30.06.2023 | 0.0177 | 802 157 | 49.73% |

| Dividend period | Dividend payment date | EUR/share | EUR total |
|-----------------|--------------------------|---|-----------|
| Annual | 2024 | Proposed annual dividend for 2023 will be disclosed until 16.05.2024. | |
| Annual | 17.05.2022 15.07.2022 | 0.0552 | 2 501 642 |

Share performance

Share price and turnover, €



Share dynamics compared to indexes



— DGR1R – DelfinGroup
— OMX_Baltic_Benchmark_GI

Decrease of the share price in Q2 2023 due to the largest shareholder's public share offering. The shares were offered at a discount from the previous market price of EUR 1.35 per share.

DelfinGroup investors have received additionally EUR 0.2224 per share in dividends since IPO.

**Average ratio for financial services companies listed on Nasdaq Baltic Main list on 31.03.2024, as per last published financial data.*

| 31.03.2024 | <i>DelfinGroup</i> | Financial industry* |
|--------------------|--------------------|---------------------|
| Capitalization m € | 56.0 | - |
| EPS TTM € | 0.147 | - |
| P/E | 8.40 | 6.32 |
| ROE | 29.7% | 21.1% |

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Visit our website to subscribe to the newsletter

www.delfingroup.lv



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| BALANCE SHEET, EUR'000 | 2021 | | | | 2022 | | | | 2023 | | | | 2024 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1* | Q2* | Q3* | Q4 | Q1 |
| Total revenue | 5,890 | 5,765 | 6,335 | 7,199 | 7,586 | 8,095 | 9,587 | 10,507 | 11,333 | 11,970 | 13,208 | 13,912 | 14,260 |
| Cost of sales | -620 | -862 | -721 | -955 | -780 | -1,080 | -1,179 | -1,164 | -1,372 | -1,096 | -1,641 | -1,977 | -1,505 |
| Credit loss expense | -735 | -595 | -827 | -658 | -1,410 | -1,082 | -1,628 | -2,041 | -2,466 | -2,769 | -2,843 | -2,608 | -3,421 |
| Interest expenses and similar expenses | -1,011 | -852 | -918 | -1,046 | -689 | -958 | -1,390 | -1,632 | -1,792 | -2,052 | -2,285 | -2,450 | -2,561 |
| Gross profit | 3,524 | 3,457 | 3,868 | 4,541 | 4,707 | 4,975 | 5,390 | 5,670 | 5,702 | 6,052 | 6,439 | 6,878 | 6,773 |
| Selling expenses | -1,326 | -1,442 | -1,524 | -1,832 | -1,757 | -1,686 | -1,939 | -2,118 | -2,062 | -2,054 | -2,244 | -2,388 | -2,588 |
| Administrative expenses | -945 | -1,054 | -1,019 | -1,200 | -1,280 | -1,346 | -1,477 | -1,671 | -1,766 | -1,957 | -1,942 | -2,063 | -2,068 |
| Other operating income | 16 | 11 | 29 | 29 | 24 | 22 | 21 | 37 | 15 | 12 | 11 | 37 | 25 |
| Other operating expenses | -142 | 154 | -127 | -20 | -115 | -123 | -60 | -16 | -64 | 82 | -92 | -145 | -103 |
| Profit before tax | 1,128 | 1,125 | 1,227 | 1,517 | 1,579 | 1,842 | 1,935 | 1,901 | 1,825 | 1,971 | 2,174 | 2,319 | 2,039 |
| Income tax expense | -324 | -299 | -201 | -155 | -188 | -742 | -154 | -212 | -212 | -202 | -226 | -1,021 | -420 |
| Net profit | 804 | 826 | 1,026 | 1,362 | 1,391 | 1,099 | 1,782 | 1,689 | 1,613 | 1,769 | 1,948 | 1,298 | 1,619 |
| EBITDA | 2,399 | 2,241 | 2,400 | 2,922 | 2,559 | 3,091 | 3,628 | 3,833 | 3,923 | 4,345 | 4,786 | 5,137 | 5,028 |

Consolidated balance sheet

Financial report

| BALANCE SHEET, EUR'000 | 2021* | | | | 2022* | | | | 2023 | | | | 2024 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| Fixed and intangible assets | 864 | 818 | 789 | 1,201 | 1,301 | 1,351 | 1,387 | 1,470 | 1,595 | 1,823 | 2,150 | 2,680 | 2,814 |
| Right-of-use assets | 3,281 | 3,145 | 3,013 | 2,973 | 2,915 | 2,773 | 2,783 | 2,636 | 2,698 | 2,712 | 2,655 | 2,887 | 2,701 |
| Loans to related parties | 445 | - | - | - | - | - | - | - | - | - | - | - | - |
| Net loan portfolio | 32,937 | 33,859 | 38,812 | 43,755 | 47,967 | 54,397 | 60,501 | 67,518 | 73,453 | 78,099 | 84,552 | 89,026 | 95,554 |
| Inventory and scrap | 976 | 938 | 1,167 | 1,255 | 1,240 | 1,566 | 1,844 | 2,290 | 3,909 | 4,662 | 3,571 | 3,391 | 3,558 |
| Other assets | 495 | 331 | 746 | 520 | 541 | 364 | 1,333 | 875 | 1,042 | 1,105 | 1,081 | 1,149 | ,893 |
| Cash | 1,907 | 594 | 2,541 | 2,460 | 1,704 | 2,314 | 4,010 | 2,369 | 2,398 | 3,013 | 3,222 | 5,929 | 2,995 |
| TOTAL ASSETS | 40,905 | 39,688 | 47,069 | 52,163 | 55,667 | 62,765 | 71,858 | 77,158 | 85,095 | 91,415 | 97,232 | 105,061 | 108,515 |
| EQUITY | 8,639 | 8,108 | 8,696 | 17,476 | 17,989 | 15,885 | 17,059 | 18,106 | 18,915 | 19,917 | 21,016 | 21,322 | 22,332 |
| Share capital and reserves | 4,000 | 4,000 | 4,000 | 4,532 | 4,532 | 4,532 | 4,532 | 4,532 | 4,532 | 4,532 | 4,532 | 4,538 | 4,538 |
| Share premium | - | - | - | 6,891 | 6,891 | 6,891 | 6,891 | 6,981 | 6,891 | 6,891 | 6,891 | 6,891 | 6,891 |
| Other capital reserves | - | - | - | - | - | - | - | 93 | 128 | 163 | 198 | 170 | 210 |
| Retained earnings | 4,639 | 4,108 | 4,696 | 6,053 | 6,566 | 4,462 | 5,636 | 6,590 | 7,364 | 8,331 | 9,395 | 9,724 | 10,694 |
| LIABILITIES | 32,266 | 31,580 | 38,373 | 34,687 | 37,678 | 46,881 | 54,799 | 59,052 | 66,180 | 71,497 | 76,216 | 82,613 | 86,183 |
| Interest-bearing debt | 26,894 | 26,360 | 33,290 | 29,412 | 31,644 | 40,477 | 49,704 | 53,974 | 59,840 | 65,872 | 71,336 | 76,971 | 78,152 |
| Trade payables and other liabilities | 1,798 | 1,768 | 1,751 | 1,970 | 2,788 | 3,307 | 1,999 | 2,159 | 3,365 | 2,629 | 1,934 | 2,474 | 5,045 |
| Lease liabilities for right-of-use assets | 3,574 | 3,452 | 3,332 | 3,305 | 3,246 | 3,096 | 3,097 | 2,918 | 2,974 | 2,997 | 2,946 | 3,168 | 2,986 |
| TOTAL EQUITY AND LIABILITIES | 40,905 | 39,688 | 47,069 | 52,163 | 55,667 | 62,765 | 71,858 | 77,158 | 85,095 | 91,415 | 97,232 | 105,061 | 108,515 |

Sustainability

DelfinGroup **ESG report** for 2022 available [here](#).



Promotion of circular economy

- Prolonged life-cycle of consumer goods.
- More than 160k pre-owned items sold yearly.

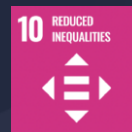
Inclusive society

- The most geographically available financial institution in Latvia.
- Serving the underserved customer segments.
- Charitable activities for children, seniors and people living in regions.
- Inclusive workplace.

Sustainable corporate governance

- 3 independent members of the Supervisory Board.
- Independent internal audit unit.

Relevant United Nations Sustainable Development Goals:



Historic timeline



Highly appreciated company



CV-Online Latvia

Top employer



Latvian Traders Association

Best Trader of Latvia



Institute for Corporate
Sustainability and Responsibility
**Gold category in Sustainability
Index 2023**



Latvian Corporate Governance
Advisory Board

**Latvian Corporate
Governance Award 2021**



The Society
Integration Foundation

**Family-Friendly
Workplace**



Bureau Veritas

**ISO 9001
ISO 50001
certification**

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 EBITDA / Interest expenses and similar expenses. Used to determine how easily a company can pay interest on its outstanding debt.

Cost-to-income Ratio

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

Return on Equity (ROE)

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

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 consumer loan portfolio

Dividend yield

Dividends per share paid over the last 12 months / price per share. If additional dividend payment is proposed by the company's Management Board but not yet paid, it is included in the calculation, and the last 12 months are calculated from the proposed dividend payment date.

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.

Facts and information used in this presentation might be subject to revision in the future. Any forward-looking information may be subject to change as well.

This presentation is not a legally binding document, and the Company has no liability for any direct or indirect loss from the use of this presentation.

This presentation does not intend to contain all the information that investors may require in evaluating the Company. Investors should read publicly available information regarding the Company to make an investment decision.

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