



financing and  
circular retail

**AS “DelfinGroup”**  
Unaudited  
consolidated interim  
report  
January – June  
2024

Translation from Latvian

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# Information on the Company and Subsidiaries

|  |  |
|--|--|
| <b>Name of the Company</b>   | DelfinGroup  |
| <b>Legal status of the Company</b>                                 | Joint stock company (till 19.01.2021, Limited liability company)   |
| <b>Number, place and date of registration</b>                      | 40103252854 Commercial Registry<br>Riga, 12 October 2009   |
| <b>Operations as classified by NACE classification code system</b> | NACE2 64.92 Other credit granting<br>NACE2 47.91 Retail sale via mail order houses or via Internet<br>NACE2 47.79 Retail sale of second-hand goods in stores<br>NACE 47.77 Retail sale of watches and jewellery in specialised stores                          |
| <b>Address</b>   | 50A Skanstes Street,<br>Riga, LV-1013<br>Latvia  |
| <b>Names and addresses of shareholders</b>                         | SIA ALPPES Capital<br>(18.35%),<br>12 Juras Street, Liepaja, Latvia<br><br>SIA EC finance<br>(14.93%),<br>50A Skanstes Street, Riga, Latvia<br><br>SIA AE Consulting<br>(8.21%),<br>50A Skanstes Street, Riga, Latvia<br><br>Other<br>(58.51%)                 |
| <b>Names and positions of Board members</b>                        | Didzis Ādmīdiņš – Chairman of the Board (from 19.01.2021)<br><br>Aldis Umblejs – Member of the Board (from 15.12.2021)<br><br>Nauris Bloks – Member of the Board (from 08.06.2023)<br><br>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 June 2024

## Information on the Subsidiaries

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

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# Statement of management`s responsibility

The management of AS *DelfinGroup* (hereinafter – the Company) is responsible for the preparation of the Consolidated interim report January – June 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 June 2024 and the results of its operations, changes in shareholders' equity and cash flows for the six-month period ended 30 June 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.

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**Didzis Ādmīdiņš**  
Chairman of the Board

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**Aldis Umblejs**  
Board Member

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**Nauris Bloks**  
Board Member

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# Management report

In the first half of 2024, the Latvian financial services group AS *DelfinGroup* achieved revenues of EUR 29.1 million, 25% more than in the corresponding period of 2023. In addition, EBITDA in the first six months of 2024 showed solid growth, increasing by 25% year-on-year to EUR 10.5 million. The significant improvement in revenue also contributed to the increase in profitability. Profit before tax for the first six months of 2024 was EUR 4.4 million, up 15%, while net profit increased by 2% to EUR 3.5 million.

Similar positive results were recorded in Q2 2024. Revenues increased by 24% compared to the same period last year and amounted to 14.8 million euros. EBITDA increased by 25% in Q2, while profit before tax rose by 18% to EUR 2.3 million. Net profit for the period was EUR 1.8 million, up 4%.

Strong demand for *DelfinGroup* products continued throughout the first half of 2024. The Group disbursed a record EUR 51.1 million in loans during this period, up 12%, while Q2 disbursements increased by 20% compared to last year. New consumer loan originations increased by 24% to EUR 19.6 million in Q2 and by 12% in the first 6 months of the year. Meanwhile, the pawn lending segment showed a significant improvement, increasing loan issuance by 10% to EUR 12.8 million in the 6-month period and setting a historical quarterly origination record of EUR 6.5 million in the second quarter of 2024. With increased lending in the first half of the year, a record net loan portfolio of EUR 101.5 million was achieved, already exceeding the strategic target of a net loan portfolio of EUR 100 million at the end of 2025. Since the beginning of the year, the Group's loan portfolio has grown by 14%.

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 six-month period amounted to EUR 7.6 million, an increase of 12% compared to 2023, while in the second quarter, sales amounted to EUR 4 million.

In the 2nd quarter of 2024, the Group continued active work on business expansion, efficiency and promoting circular economy principles. Business development in Lithuania, where the first branches were opened at the end of 2023, continued, and based on the growing demand, the Group worked on expanding the branch network, leading to the opening of two more branches in Vilnius in July 2024. Also, during the second quarter, active efforts were made to obtain a licence for the provision of consumer loan services, which resulted in the Company's subsidiary *DelfinGroup* LT UAB being included in the Lithuanian public list of consumer lending service providers at the beginning of July 2024. During the rest of 2024, the Group will continue to work on expanding its branch network in Lithuania and launching its consumer loan offering in Lithuania.

In response to demand, the existing *Banknote* circular economy store in Daugavpils was expanded into a *Banknote XL* concept store, increasing the floor space and doubling the range of pre-owned and verified products. This step follows the *Banknote XL* concept, established last year with the opening of the first XL concept branch in Riga. Similarly, a third *Banknote XL* branch was opened in Rēzekne shortly after the end of Q2. The new store is almost four times bigger, providing people with an even more comprehensive range of pre-owned and verified products in one place.

In Q2, the Group's management team was strengthened, and Edgars Kokins, who is experienced in the industry, joined the team as Chief Revenue Officer. He will lead processes related to product and service sales, efficiency improvement, branch network development, and international expansion and take part in shaping the company's strategic growth. Edgars Kokins has rich and varied international experience, having worked in 35 countries – Europe, Africa, Asia and South America – and has worked for companies such as *Eleving Group*, *Nutrateg*, *4Finance*, and *CIVITTA*, where he led the organisation towards successful change, growth and expansion. E. Kokins graduated with honours from the *Stockholm School of Economics in Riga* and has successfully led a team of over 250 people in fintech in 9 countries, as well as managed both restructuring and growth projects for existing businesses in Europe and Asia. Sanita Pudnika, the company's former Management Board Member and Chief Commercial Officer, resigned on 28 June.

Thanks to the public offering of shares by the Company's largest shareholders *ALPPES Capital AS* and *Curiosity Capital SIA*, the number of the Group's investors increased significantly during the last quarter. During the public offering, *ALPPES Capital AS* and *Curiosity Capital SIA* offered to sell up to 8,985,000 shares, representing 19.8% of the Company's total share capital. 1,046 investors from all the Baltic states participated, subscribing for 8,293,780 shares worth EUR 9,040,220, representing 92% of the offer volume. The highest demand came from Latvian investors. In addition to broad based retail interest, several family offices and large investors from Baltic states also participated in the share offer. With the successful closing of the public offer, the number of *DelfinGroup* shares in free float increased from 29.1% to 47.4%, one of the highest on the *Nasdaq Baltic* Exchange, which will further increase the liquidity of *DelfinGroup* shares on the exchange.

On 30 May 2024, the Annual General Meeting approved the 2023 Annual Report and the dividend payment. *DelfinGroup* shareholders approved two dividend payments. An annual dividend on 2023 profits of EUR 400 thousand, or EUR 0.0088 per share, with a payment date of 12 July 2024, and a quarterly dividend on 2024 Q1 profits of EUR 808 thousand, or EUR 0.0178 per share, with a payment date of 14 June 2024 were approved. As a result of these decisions, a dividend of EUR 1.2 million or EUR 0.0266 per share was paid to *DelfinGroup* shareholders.

During the reporting period, the Group continued its efforts to improve and diversify its capital structure, issuing new subordinated bonds with a nominal value of EUR 5 million. The bonds are offered as a private placement with a minimum investment of EUR 100,000. The coupon rate of the bonds is set at 11.00% + 3M EURIBOR with maturity on 25 May 2029. The issuance of the subordinated bonds ensures the long-term strengthening of the Group's capital structure, compliance with financial covenants and diversification.

The Group also continues its work on refinancing the existing bonds ISIN LV0000850055, maturing on 25 September 2024. To refinance the bonds, the Group is taking the necessary steps to organise a new public bond issue in the Baltics, offering the Company's bonds to retail and institutional investors. At the General Meeting held on 25 July 2024, the Company's shareholders approved a new public bond issue of up to EUR 15 million, delegating the Company's Management Board to take all necessary steps to conduct the public offer and bond issue. The planned bond issue will be the first public bond issue in the Group's history, as until now, all issues have been organised in the form of a private placement with a higher investment threshold. By organising a public bond issue, the Group intends to expand the Group's investor base by making the Company's bonds more accessible to Baltic investors.

By continuing to support the introduction of new and innovative solutions in children's healthcare services, the Group, in cooperation with the *Children's Hospital Foundation*, helped the *Children's Clinical University Hospital (BKUS)* to provide a new anaesthesia machine that will allow young patients to prepare more calmly for surgery. The Group has also supported the training of doctors in new technologies. The total donation to the hospital amounts to almost EUR 66,000.



## Management report (CONTINUED)

By implementing the business strategy and all planned activities, the following financial results of the Group were achieved in the first six 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  | 101.5        | +14.1     |
| Assets              | 117.4        | +11.7     |
| Revenue             | 29.1         | +24.9     |
| EBITDA              | 10.5         | +26.4     |
| Profit before taxes | 4.4          | +14.9     |
| Net profit          | 3.5          | +2.3*     |

*\*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 six months of 2023 were recognised only for the distributed dividends. If these changes had not come into effect, the net profit for first six months of 2024 would have been EUR 4.0 million, representing an 18.0% 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 Q2 | 2023 Q3 | 2023 Q4 | 2024 Q1 | 2024 Q2 |
|----------------------------------|---------|---------|---------|---------|---------|
| Revenue, EUR million             | 12.0    | 13.2    | 13.9    | 14.3    | 14.8    |
| EBITDA, EUR million              | 4.3     | 4.8     | 5.1     | 5.0     | 5.4     |
| EBITDA margin, %                 | 36%     | 36%     | 36%     | 36%     | 36%     |
| EBIT, EUR million                | 4.0     | 4.5     | 4.8     | 4.6     | 5.0     |
| EBIT margin, %                   | 33%     | 33%     | 34%     | 34%     | 34%     |
| Profit before taxes, EUR million | 2.0     | 2.2     | 2.3     | 2.0     | 2.3     |
| Net profit, EUR million          | 1.8     | 1.9     | 1.3     | 1.6     | 1.8     |
| Net profit margin, %             | 16%     | 15%     | 13%     | 12%     | 13%     |
| ROE (annualised), %              | 37%     | 40%     | 26%     | 30%     | 33%     |
| ROA (annualised), %              | 8%      | 9%      | 6%      | 6%      | 7%      |
| ROCE (annualised), %             | 36%     | 35%     | 34%     | 25%     | 26%     |
| Current ratio                    | 0.7     | 0.9     | 1.0     | 0.9     | 1.0     |

*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 and Q2 are corrected by restatements in Note 1.*

### EBITDA calculation, EUR million:

| Item  | 2024 Q2    | 2023 Q2    |
|---|------------|------------|
| Profit before tax                             | 2.3        | 2.0        |
| Interest expenses and similar expenses        | 2.7        | 2.1        |
| Depreciation of fixed assets and amortisation | 0.4        | 0.3        |
| <b>EBITDA, EUR million</b>                    | <b>5.4</b> | <b>4.3</b> |

## Management report (CONTINUED)

As for compliance with the Issue Terms of notes ISIN LV0000850055, ISIN LV0000802718, ISIN LV0000802700, ISIN LV0000860146 and ISIN LV0000870145 the financial covenant computation is as follows:

| Covenant  | Value as of<br>30.06.2024 | Compliance |
|---|---------------------------|------------|
| to maintain a Capitalization Ratio at least 25%   | 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.

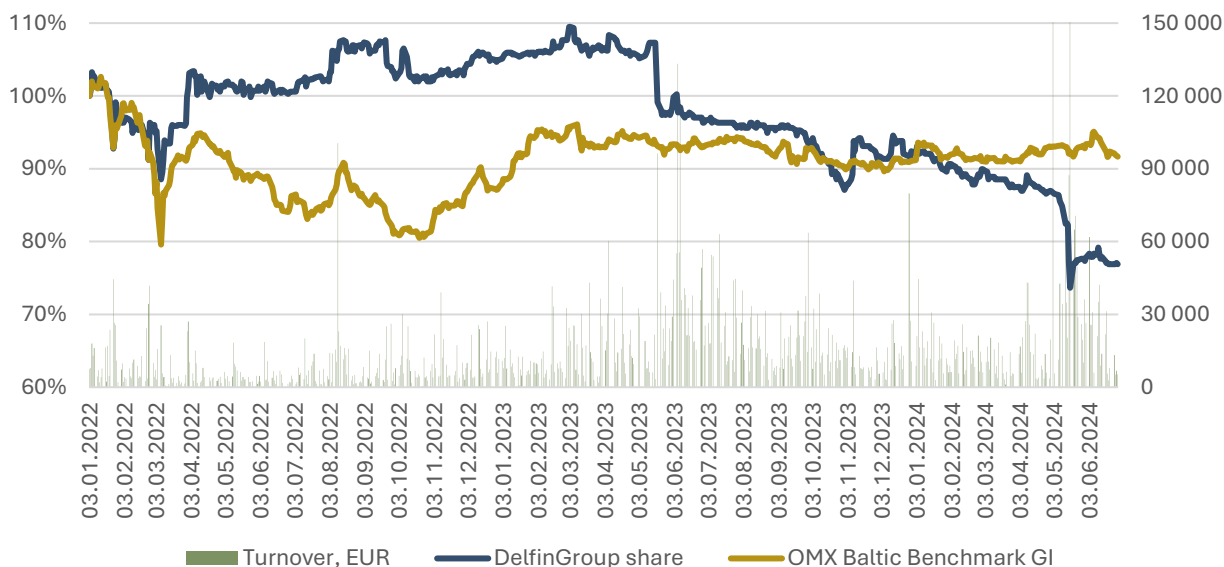
## Management report (CONTINUED)

### 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 June, 2024, a total of 45 377 505 share were issued, the price of which was 1.086 euros, making the total market capitalization of 49.3 million euros.

| Share trading information | 2023 Q2 | 2023 Q3 | 2023 Q4 | 2024 Q1 | 2024 Q2 |
|---------------------------|---------|---------|---------|---------|---------|
| Opening price, EUR        | 1.51    | 1.365   | 1.33    | 1.305   | 1.23    |
| High price, EUR           | 1.54    | 1.37    | 1.34    | 1.32    | 1.266   |
| Low price, EUR            | 1.355   | 1.32    | 1.22    | 1.22    | 1.00    |
| Last price, EUR           | 1.365   | 1.32    | 1.305   | 1.235   | 1.086   |
| Turnover, mEUR            | 1.67    | 1.40    | 0.89    | 0.79    | 1.87    |
| Capitalization, mEUR      | 61.86   | 59.82   | 59.22   | 56.04   | 49.28   |

### Share price changes and turnover



### Branches

As at 30 June 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, 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 Q2 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 – June 2024

|   | Notes | For 6 months ended 30 June |                               | For 3 months ended 30 June |                               |
|---|-------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   |       | 2024                       | 2023<br>(restated,<br>note 1) | 2024                       | 2023<br>(restated,<br>note 1) |
|   |       | EUR                        | EUR                           | EUR                        | EUR                           |
| Net sales                                 | (2)   | 4 287 230                  | 3 912 554                     | 1 959 078                  | 1 813 990                     |
| Cost of sales                             |       | (2 670 468)                | (2 468 200)                   | (1 165 548)                | (1 095 977)                   |
| Interest income and similar income        | (3)   | 24 810 540                 | 19 389 997                    | 12 878 786                 | 10 155 940                    |
| Interest expenses and similar expenses    | (4)   | (5 222 432)                | (3 844 283)                   | (2 661 772)                | (2 052 323)                   |
| Credit loss expenses                      |       | (6 971 408)                | (5 235 588)                   | (3 549 987)                | (2 769 195)                   |
| <b>Gross profit</b>                       |       | <b>14 233 462</b>          | <b>11 754 480</b>             | <b>7 460 557</b>           | <b>6 052 435</b>              |
| Selling expenses                          | (5)   | (5 163 325)                | (4 115 790)                   | (2 575 167)                | (2 053 218)                   |
| Administrative expenses                   | (6)   | (4 550 238)                | (3 722 602)                   | (2 482 441)                | (1 957 751)                   |
| Other operating income                    |       | 62 394                     | 26 911                        | 37 524                     | 11 968                        |
| Other operating expenses                  |       | (219 198)                  | (146 333)                     | (116 680)                  | (82 084)                      |
| <b>Profit before corporate income tax</b> |       | <b>4 363 095</b>           | <b>3 796 666</b>              | <b>2 323 793</b>           | <b>1 971 350</b>              |
| Income tax expenses                       |       | (902 021)                  | (414 428)                     | (481 581)                  | (202 198)                     |
| <b>Net profit</b>                         |       | <b>3 461 074</b>           | <b>3 382 238</b>              | <b>1 842 212</b>           | <b>1 769 152</b>              |
| <b>Basic earnings per share</b>           | (7)   | 0.076                      | 0.075                         | 0.041                      | 0.039                         |
| <b>Diluted earnings per share</b>         | (7)   | 0.076                      | 0.075                         | 0.041                      | 0.039                         |

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 June 2024

| <b>Assets</b>                                    |              | <b>Group</b><br><b>30 June 2024</b> | <b>Group</b><br><b>31 December 2023</b> |
|--|--------------|-------------------------------------|---|
|  | <b>Notes</b> | <b>EUR</b>                          | <b>EUR</b>                              |
| <b>Non-current assets:</b>                       |              |                                     |   |
| <b>Intangible assets:</b>                        |              |                                     |   |
| Patents, licences, trademarks and similar rights |              | 11 624                              | 13 946                                  |
| Internally developed software                    |              | 896 436                             | 799 156                                 |
| Other intangible assets                          |              | 1 051 216                           | 769 917                                 |
| Goodwill   |              | 127 616                             | 127 616                                 |
| Work in progress internally developed software   |              | 27 248                              | 31 678                                  |
| Advances for intangible assets                   |              | 35 523                              | 125 044                                 |
| <b>Total intangible assets:</b>                  |              | <b>2 149 663</b>                    | <b>1 867 357</b>                        |
| <b>Property, plant and equipment:</b>            |              |                                     |   |
| Land, buildings and structures                   |              | 177 240                             | 174 597                                 |
| Leasehold improvements                           |              | 336 138                             | 315 442                                 |
| Right-of-use assets                              |              | 2 804 126                           | 2 887 270                               |
| Other fixtures and fittings, tools and equipment |              | 369 014                             | 322 104                                 |
| <b>Total property, plant and equipment</b>       |              | <b>3 686 518</b>                    | <b>3 699 413</b>                        |
| <b>Non-current financial assets:</b>             |              |                                     |   |
| Loans and receivables                            | (8)          | 78 974 281                          | 66 686 257                              |
| <b>Total non-current financial assets:</b>       |              | <b>78 974 281</b>                   | <b>66 686 257</b>                       |
| <b>Total non-current assets:</b>                 |              | <b>84 810 462</b>                   | <b>72 253 027</b>                       |
| <b>Current assets:</b>                           |              |                                     |   |
| <b>Inventories:</b>                              |              |                                     |   |
| Finished goods and goods for sale                |              | 3 781 846                           | 3 390 882                               |
| <b>Total inventories:</b>                        |              | <b>3 781 846</b>                    | <b>3 390 882</b>                        |
| <b>Receivables:</b>                              |              |                                     |   |
| Loans and receivables                            | (8)          | 22 575 061                          | 22 339 708                              |
| Other debtors                                    |              | 1 315 283                           | 913 637                                 |
| <b>Total receivables:</b>                        |              | <b>23 890 344</b>                   | <b>23 253 345</b>                       |
| Deferred expenses                                |              | 544 275                             | 235 250                                 |
| Cash and cash equivalents                        |              | 4 354 119                           | 5 928 570                               |
| <b>Total current assets:</b>                     |              | <b>32 570 584</b>                   | <b>32 808 047</b>                       |
| <b>Total assets</b>                              |              | <b>117 381 046</b>                  | <b>105 061 074</b>                      |

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 June 2024

| <b>Liabilities and equity</b>             |              | <b>Group</b>        | <b>Group</b>            |
|---|--------------|---------------------|-------------------------|
|   |              | <b>30 June 2024</b> | <b>31 December 2023</b> |
| <b>Equity:</b>                            | <b>Notes</b> | <b>EUR</b>          | <b>EUR</b>              |
| Share capital                             |              | 4 537 751           | 4 537 751               |
| Share premium                             |              | 6 890 958           | 6 890 958               |
| Other capital reserves                    |              | 214 812             | 169 812                 |
| Retained earnings                         | (9)          | 11 328 727          | 9 723 592               |
| <b>Total equity:</b>                      |              | <b>22 972 248</b>   | <b>21 322 113</b>       |
| <b>Liabilities:</b>                       |              |                     |                         |
| <b>Long-term liabilities:</b>             |              |                     |                         |
| Bonds issued                              | (10)         | 31 699 321          | 26 862 004              |
| Loans from credit institutions            | (11)         | 11 683 681          | 6 406 925               |
| Other borrowings                          | (12)         | 15 220 393          | 14 904 405              |
| Lease liabilities for right-of-use assets |              | 2 295 060           | 2 337 138               |
| <b>Total long-term liabilities:</b>       |              | <b>60 898 455</b>   | <b>50 510 472</b>       |
| <b>Short-term liabilities:</b>            |              |                     |                         |
| Bonds issued                              | (10)         | 14 021 963          | 13 404 540              |
| Loans from credit institutions            | (11)         | 1 615 030           | 887 067                 |
| Other borrowings                          | (12)         | 12 057 567          | 14 505 929              |
| Lease liabilities for right-of-use assets |              | 800 866             | 831 318                 |
| Trade payables                            |              | 910 647             | 1 011 347               |
| Taxes and social insurance                |              | 2 422 766           | 393 498                 |
| Unpaid dividends                          |              | 399 322             | 996 770                 |
| Accrued liabilities                       |              | 1 282 182           | 1 198 020               |
| <b>Total short-term liabilities:</b>      |              | <b>33 510 343</b>   | <b>33 228 489</b>       |
| <b>Total liabilities</b>                  |              | <b>94 408 798</b>   | <b>83 738 961</b>       |
| <b>Total liabilities and equity</b>       |              | <b>117 381 046</b>  | <b>105 061 074</b>      |

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 Statement of changes in equity January - June 2024

|                                 | Share capital<br>EUR | Share premium<br>EUR | Other capital<br>reserves<br>EUR | Retained<br>earnings<br>EUR | Total<br>EUR      |
|---------------------------------|----------------------|----------------------|----------------------------------|-----------------------------|-------------------|
| <b>As at 01 January 2023</b>    | <b>4 531 959</b>     | <b>6 890 958</b>     | <b>93 058</b>                    | <b>6 589 761</b>            | <b>18 105 736</b> |
| Profit for the reporting period | -                    | -                    | -                                | 3 382 238                   | 3 382 238         |
| Dividends paid                  | -                    | -                    | -                                | (1 640 568)                 | (1 640 568)       |
| Share-based payments            | -                    | -                    | 70 002                           | -                           | 70 002            |
| <b>As at 30 June 2023</b>       | <b>4 531 959</b>     | <b>6 890 958</b>     | <b>163 060</b>                   | <b>8 331 431</b>            | <b>19 917 408</b> |
| <b>As at 01 January 2024</b>    | <b>4 537 751</b>     | <b>6 890 958</b>     | <b>169 812</b>                   | <b>9 723 592</b>            | <b>21 322 113</b> |
| Profit for the reporting period | -                    | -                    | -                                | 3 461 074                   | 3 461 074         |
| Dividends paid                  | -                    | -                    | -                                | (1 855 939)                 | (1 855 939)       |
| Share-based payments            | -                    | -                    | 45 000                           | -                           | 45 000            |
| <b>As at 30 June 2024</b>       | <b>4 537 751</b>     | <b>6 890 958</b>     | <b>214 812</b>                   | <b>11 328 727</b>           | <b>22 972 248</b> |

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## Interim consolidated statement of cash flows January - June 2024

|  | For 6 months<br>ended<br>30 June<br>2024<br>EUR | For 6 months<br>ended<br>30 June<br>2023<br>EUR |
|--|---|---|
| <b>Notes</b>   |   |   |
| <b><u>Cash flow from operating activities</u></b>                              |   |   |
| <b>Profit before corporate income tax</b>                                      | <b>4 363 095</b>                                | <b>3 796 666</b>                                |
| <b>Adjustments for non-cash items:</b>   |   |   |
| a) depreciation and amortisation   | 427 796   | 230 462   |
| b) depreciation of right-of-use assets   | 436 640   | 349 676   |
| c) credit loss expenses  | 6 971 408                                       | 5 235 588                                       |
| d) share-based payment expense   | 45 000  | 70 002  |
| e) interest income and similar income  | (3) (24 810 540)                                | (19 389 997)                                    |
| f) interest expenses and similar expenses                                      | (4) 5 222 432                                   | 3 844 283                                       |
| <b>Profit before adjustments of working capital and short-term liabilities</b> | <b>(7 344 169)</b>                              | <b>(5 863 320)</b>                              |
| <b>Change in operating assets/liabilities:</b>                                 |   |   |
| a) (Increase) on loans and receivables and other debtors                       | (20 600 007)                                    | (14 966 783)                                    |
| b) (Increase)/ decrease on inventories   | (390 964)                                       | (2 372 530)                                     |
| c) (Decrease)/ increase on trade payable and accrued liabilities               | 788 150   | 1 472 552                                       |
| <b>Gross cash flow from operating activities</b>                               | <b>(27 546 990)</b>                             | <b>(21 730 081)</b>                             |
| Interest received  | 25 205 091                                      | 18 310 109                                      |
| Interest paid  | (5 971 294)                                     | (4 218 186)                                     |
| Corporate income tax payments  | (611 818)                                       | (1 296 108)                                     |
| <b>Net cash flow from operating activities</b>                                 | <b>(8 925 011)</b>                              | <b>(8 934 266)</b>                              |
| <b><u>Cash flow from investing activities</u></b>                              |   |   |
| Acquisition of property, plant and equipment                                   | (203 281)                                       | (139 284)                                       |
| Acquisition of intangible assets   | (577 070)                                       | (444 574)                                       |
| <b>Net cash flow from investing activities</b>                                 | <b>(780 351)</b>                                | <b>(583 858)</b>                                |
| <b><u>Cash flow from financing activities</u></b>                              |   |   |
| Loans received   | 16 234 780                                      | 10 609 891                                      |
| Loans repaid   | (11 149 833)                                    | (3 804 877)                                     |
| Bonds issued   | 5 991 000                                       | 5 466 000                                       |
| Redemption of bonds  | (1 000 000)                                     | -   |
| Repayment of lease liabilities   | (488 419)                                       | (468 746)                                       |
| Dividends paid   | (1 456 617)                                     | (1 640 568)                                     |
| <b>Net cash flow from financing activities</b>                                 | <b>8 130 911</b>                                | <b>10 161 700</b>                               |
| Net cash flow of the reporting period  | (1 574 451)                                     | 643 576   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>      | <b>5 928 570</b>                                | <b>2 369 029</b>                                |
| <b>Cash and cash equivalents at the end of the reporting period</b>            | <b>4 354 119</b>                                | <b>3 012 605</b>                                |

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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 six-months ended 30 June 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 June 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. The error resulted in overstatement of the Group's Net sales by EUR 637 210, Cost of sales by EUR 376 405 for 6 months ended 30 June and Net sales by EUR 432 968, Cost of sales by EUR 305 291 for 3 months ended 30 June understatement of Interest income and similar income by EUR 260 805 in statement of profit and loss for the prior 6 months ended 30 June 2023 and 127 677 for the 3 months ended 30 June 2023.

The aforementioned corrections were performed by restating each of the affected financial statements line items for the prior 6 months ended 30 June period, as follows:

#### Statement of profit or loss

|   | Reference | Before restatement<br>for 6 months ended 30 June 2023 | Restatement | After restatement<br>for 6 months ended 30 June 2023 |
|---|-----------|---|-------------|--|
| Net sales                                 | (a)       | 4 549 764   | (637 210)   | 3 912 554  |
| Cost of sales                             | (a)       | (2 844 605)   | 376 405     | (2 468 200)  |
| Interest income and similar income        | (a)       | 19 129 192  | 260 805     | 19 389 997   |
| Interest expenses and similar expenses    |           | (3 844 283)   | -           | (3 844 283)  |
| Credit loss expense                       |           | (5 235 588)   | -           | (5 235 588)  |
| <b>Gross profit</b>                       |           | <b>11 754 480</b>                                     | -           | <b>11 754 480</b>                                    |
| Selling expenses                          |           | (4 115 790)   | -           | (4 115 790)  |
| Administrative expenses                   |           | (3 722 602)   | -           | (3 722 602)  |
| Other operating income                    |           | 26 911  | -           | 26 911   |
| Other operating expenses                  |           | (146 333)   | -           | (146 333)  |
| <b>Profit before corporate income tax</b> |           | <b>3 796 666</b>                                      | -           | <b>3 796 666</b>                                     |
| Income tax expenses                       |           | (414 428)   | -           | (414 428)  |
| <b>Net profit</b>                         |           | <b>3 382 238</b>                                      | -           | <b>3 382 238</b>                                     |

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

#### Statement of profit or loss

|   | Reference | Before restatement<br>for 3 months ended 30 June 2023 | Restatement | After restatement<br>for 3 months ended 30 June 2023 |
|---|-----------|---|-------------|--|
| Net sales                                 | (a)       | 2 246 958   | (432 968)   | 1 813 990  |
| Cost of sales                             | (a)       | (1 401 268)   | 305 291     | (1 095 977)  |
| Interest income and similar income        | (a)       | 10 028 263  | 127 677     | 10 155 940   |
| Interest expenses and similar expenses    |           | (2 052 323)   | -           | (2 052 323)  |
| Credit loss expense                       |           | (2 769 195)   | -           | (2 769 195)  |
| <b>Gross profit</b>                       |           | <b>6 052 435</b>                                      | -           | <b>6 052 435</b>                                     |
| Selling expenses                          |           | (2 053 218)   | -           | (2 053 218)  |
| Administrative expenses                   |           | (1 957 751)   | -           | (1 957 751)  |
| Other operating income                    |           | 11 968  | -           | 11 968   |
| Other operating expenses                  |           | (82 084)  | -           | (82 084)   |
| <b>Profit before corporate income tax</b> |           | <b>1 971 350</b>                                      | -           | <b>1 971 350</b>                                     |
| Income tax expenses                       |           | (202 198)   | -           | (202 198)  |
| <b>Net profit</b>                         |           | <b>1 769 152</b>                                      | -           | <b>1 769 152</b>                                     |

Notes (continued)

(2) Net sales

Net revenue by type of revenue

|  | For 6 months ended 30 June |                               | For 3 months ended 30 June |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 2024                       | 2023<br>(restated,<br>note 1) | 2024                       | 2023<br>(restated,<br>note 1) |
|  | EUR                        | EUR                           | EUR                        | EUR                           |
| Income from sales of goods   | 2 878 440                  | 3 264 004                     | 1 208 509                  | 1 558 431                     |
| Income from sales of precious metals   | 839 690                    | 140 936                       | 461 224                    | -                             |
| Other income (loan and storage commission) for financial instruments measured as FVTPL | 569 100                    | 507 614                       | 289 345                    | 255 559                       |
|  | <b>4 287 230</b>           | <b>3 912 554</b>              | <b>1 959 078</b>           | <b>1 813 990</b>              |

(3) Interest income and similar income

|  | For 6 months ended 30 June |                               | For 3 months ended 30 June |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 2024                       | 2023<br>(restated,<br>note 1) | 2024                       | 2023<br>(restated,<br>note 1) |
|  | EUR                        | EUR                           | EUR                        | EUR                           |
| Interest income on unsecured loans according to effective interest rate method | 20 836 373                 | 16 484 378                    | 10 797 110                 | 8 905 542                     |
| Interest income on pawn loans  | 3 974 268                  | 2 903 001                     | 2 081 676                  | 1 248 457                     |
| Other interest income according to effective interest rate method              | (101)                      | 2 618                         | -                          | 1 941                         |
|  | <b>24 810 540</b>          | <b>19 389 997</b>             | <b>12 878 786</b>          | <b>10 155 940</b>             |

(4) Interest expenses and similar expenses

|   | For 6 months ended 30 June |                  | For 3 months ended 30 June |                  |
|---|----------------------------|------------------|----------------------------|------------------|
|   | 2024                       | 2023             | 2024                       | 2023             |
|   | EUR                        | EUR              | EUR                        | EUR              |
| Bonds' interest expense                                   | 3 179 304                  | 1 326 879        | 1 621 269                  | 718 971          |
| Interest expense on other borrowings                      | 1 278 416                  | 2 447 811        | 613 436                    | 1 304 100        |
| Interest expense on loans from credit institutions        | 652 606                    | 21 269           | 366 597                    | 21 269           |
| Interest expense on lease liabilities for leased premises | 110 963                    | 46 957           | 59 935                     | 7 266            |
| Interest expense lease liabilities for leased vehicles    | 1 143                      | 1 349            | 535                        | 735              |
| Net loss on foreign exchange                              | -                          | 18               | -                          | (18)             |
|   | <b>5 222 432</b>           | <b>3 844 283</b> | <b>2 661 772</b>           | <b>2 052 323</b> |

Notes (continued)

(5) Selling expenses

|   | For 6 months ended 30 June |                  | For 3 months ended 30 June |                  |
|---|----------------------------|------------------|----------------------------|------------------|
|   | 2024                       | 2023             | 2024                       | 2023             |
|   | EUR                        | EUR              | EUR                        | EUR              |
| Salary expenses   | 1 873 700                  | 1 653 394        | 928 875                    | 859 130          |
| Advertising expenses  | 834 161                    | 448 403          | 418 216                    | 217 808          |
| Depreciation of property, plant and equipment and amortisation of intangible assets | 427 796                    | 230 462          | 215 599                    | 112 311          |
| Social insurance expenses   | 416 846                    | 390 358          | 209 629                    | 203 644          |
| Depreciation of right-of-use assets - premises                                      | 379 374                    | 344 729          | 193 475                    | 182 443          |
| Non-deductible VAT  | 334 994                    | 258 761          | 183 977                    | 102 750          |
| Maintenance expenses  | 290 090                    | 227 525          | 152 546                    | 113 691          |
| Utilities expenses  | 184 088                    | 175 583          | 74 404                     | 70 164           |
| Provisions for unused annual leave  | 56 495                     | 53 530           | 24 772                     | 19 713           |
| Transportation expenses   | 45 092                     | 39 753           | 22 702                     | 21 948           |
| Depreciation of right-of-use assets - motor vehicles                                | 5 574                      | 4 947            | 2 787                      | 2 787            |
| Other expenses  | 315 115                    | 288 345          | 148 185                    | 146 829          |
|   | <b>5 163 325</b>           | <b>4 115 790</b> | <b>2 575 167</b>           | <b>2 053 218</b> |

(6) Administrative expenses

|  | For 6 months ended 30 June |                  | For 3 months ended 30 June |                  |
|--|----------------------------|------------------|----------------------------|------------------|
|  | 2024                       | 2023             | 2024                       | 2023             |
|  | EUR                        | EUR              | EUR                        | EUR              |
| Salary expenses                                      | 2 553 297                  | 2 060 558        | 1 399 000                  | 1 077 254        |
| Social insurance expenses                            | 602 444                    | 523 166          | 323 868                    | 272 322          |
| Bank commission                                      | 544 936                    | 484 130          | 298 480                    | 271 714          |
| Communication expenses                               | 290 557                    | 193 593          | 148 881                    | 65 932           |
| Legal and professional services                      | 96 242                     | 65 650           | 65 281                     | 54 089           |
| State fees and duties, licence expenses              | 68 313                     | 67 447           | 34 007                     | 33 630           |
| Provisions for unused annual leave                   | 60 104                     | 75 895           | 16 687                     | 36 884           |
| Depreciation of right-of-use assets - premises       | 49 345                     | 46 957           | 23 314                     | 23 478           |
| Public relations expenses                            | 46 089                     | 38 838           | 30 979                     | 26 432           |
| Audit expenses                                       | 13 200                     | 7 510            | 13 200                     | 7 510            |
| Depreciation of right-of-use assets - motor vehicles | 2 347                      | -                | 1 174                      | -                |
| Other administrative expenses                        | 223 364                    | 158 858          | 127 570                    | 88 506           |
|  | <b>4 550 238</b>           | <b>3 722 602</b> | <b>2 482 441</b>           | <b>1 957 751</b> |

(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 6 months ended 30 June |              | For 3 months ended 30 June |              |
|--|----------------------------|--------------|----------------------------|--------------|
|  | 2024                       | 2023         | 2024                       | 2023         |
|  | EUR                        | EUR          | EUR                        | EUR          |
| Net profit attributed to shareholders  | 3 461 074                  | 3 382 238    | 1 842 212                  | 1 769 152    |
| Weighted average number of shares  | 45 377 505                 | 45 319 594   | 45 377 505                 | 45 319 594   |
| <b>Earnings per share</b>  | <b>0.076</b>               | <b>0.075</b> | <b>0.041</b>               | <b>0.039</b> |
| Weighted average number of shares used for calculating the diluted earnings per shares | 45 419 370                 | 45 363 687   | 45 419 370                 | 45 363 687   |
| <b>Diluted earnings per share</b>  | <b>0.076</b>               | <b>0.075</b> | <b>0.041</b>               | <b>0.039</b> |

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<br>EUR | Actual number of shares<br>after transaction<br>EUR |
|--|---------------|---|
| <b>For 6 months ended 30 June 2023</b>   |               |   |
| Number of shares at the beginning of the period  |               | 45 319 594  |
| Number of shares at the end of the period  |               | 45 319 594  |
| <b>Weighted average number of shares:</b>  |               | <b>45 319 594</b>                                   |
| Weighted average number of share options for DelfinGroup AS employees granted in January – June 2023*  |               | 52 033  |
| <b>Weighted average potential number of shares</b>   |               | <b>45 363 687</b>                                   |
| <b>For 6 months ended 30 June 2024</b>   |               |   |
| Number of shares at the beginning of the period  |               | 45 377 505  |
| Number of shares at the end of the period  |               | 45 377 505  |
| <b>Weighted average number of shares:</b>  |               | <b>45 377 505</b>                                   |
| Weighted average number of share options for DelfinGroup AS employees granted in January – June 2024** |               | 41 865  |
| <b>Weighted average potential number of shares</b>   |               | <b>45 419 370</b>                                   |

\*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<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|---|------------------------------|----------------------------------|
| <b>Pawn loans measured at fair value</b>              |                              |                                  |
| Long-term pawn loans                                  | 191 331                      | 198 079                          |
| Short-term pawn loans                                 | 8 117 509                    | 6 982 259                        |
| Interest accrued for pawn loans                       | 312 063                      | 261 743                          |
| <b>Pawn loans measured at fair value, total</b>       | <b>8 620 903</b>             | <b>7 442 081</b>                 |
| <b>Debtors for loans issued without pledge</b>        |                              |                                  |
| Long-term debtors for loans issued without pledge     | 78 782 950                   | 66 488 178                       |
| Short-term debtors for loans issued without pledge    | 19 797 570                   | 18 909 730                       |
| Interest accrued for loans issued without pledge      | 3 539 865                    | 2 989 733                        |
| <b>Debtors for loans issued without pledge, total</b> | <b>102 120 385</b>           | <b>88 387 641</b>                |
| <b>Loans and receivables before allowance, total</b>  | <b>110 741 288</b>           | <b>95 829 722</b>                |
| <b>ECL allowance on loans issued without pledge</b>   | <b>(9 191 946)</b>           | <b>(6 803 757)</b>               |
| <b>Loans and receivables</b>                          | <b>101 549 342</b>           | <b>89 025 965</b>                |

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 8 620 903 (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 six-month period ended 30 June 2024 is as follows:

| Group  | Stage 1           | Stage 2          | Stage 3          | Total              |
|--|-------------------|------------------|------------------|--------------------|
| <b>Gross carrying value as at 1 January 2024</b> | <b>84 286 323</b> | <b>2 199 712</b> | <b>1 901 606</b> | <b>88 387 641</b>  |
| New assets originated or purchased               | 38 264 068        | -                | -                | 38 264 068         |
| Assets settled or partly settled                 | (18 663 242)      | (2 018 898)      | (744 002)        | (21 426 142)       |
| Assets derecognised due to debt sales            | -                 | (2 451 965)      | (1 094 034)      | (3 545 999)        |
| Assets written off                               | -                 | -                | (216 757)        | (216 757)          |
| Effect of interest accruals                      | 461 614           | 60 800           | 135 160          | 657 574            |
| Transfers to Stage 1                             | 477 054           | (420 343)        | (56 711)         | -                  |
| Transfers to Stage 2                             | (6 937 783)       | 6 942 588        | (4 805)          | -                  |
| Transfers to Stage 3                             | (1 089 353)       | (1 420 989)      | 2 510 342        | -                  |
| <b>At 30 June 2024</b>                           | <b>96 798 681</b> | <b>2 890 905</b> | <b>2 430 799</b> | <b>102 120 385</b> |

| Group   | Stage 1          | Stage 2          | Stage 3          | Total            |
|---|------------------|------------------|------------------|------------------|
| <b>ECL as at 1 January 2024</b>   | <b>4 161 063</b> | <b>855 126</b>   | <b>1 787 568</b> | <b>6 803 757</b> |
| New assets originated or purchased  | 3 183 943        | -                | -                | 3 183 943        |
| Assets settled or partly settled  | (1 515 970)      | (894 341)        | (413 372)        | (2 823 683)      |
| Assets derecognised due to debt sales   | -                | (1 933 276)      | (1 035 569)      | (2 968 845)      |
| Assets written off  | -                | -                | (214 771)        | (214 771)        |
| Effect of interest accruals   | 50 983           | 35 928           | 135 160          | 222 071          |
| Transfers to Stage 1  | 39 194           | (185 792)        | (31 491)         | (178 089)        |
| Transfers to Stage 2  | (599 873)        | 3 072 050        | (2 684)          | 2 469 493        |
| Transfers to Stage 3  | (84 713)         | (627 550)        | 1 396 433        | 684 170          |
| Impact on period end ECL changes in credit risk and inputs used for ECL calculation | 385 816          | 931 990          | 696 094          | 2 013 900        |
| <b>At 30 June 2024</b>  | <b>5 620 443</b> | <b>1 254 135</b> | <b>2 317 368</b> | <b>9 191 946</b> |

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

|  | Group<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|--|------------------------------|----------------------------------|
| Receivables not yet due                              | 89 226 548                   | 79 059 132                       |
| Outstanding 1-30 days                                | 7 572 134                    | 5 227 191                        |
| Outstanding 31-90 days                               | 2 890 905                    | 2 199 712                        |
| Outstanding 91-180 days                              | 599 351                      | 494 068                          |
| Outstanding for 181-360 days                         | 685 871                      | 514 729                          |
| Outstanding for more than 360 days                   | 1 145 576                    | 892 809                          |
| <b>Total claims against debtors for loans issued</b> | <b>102 120 385</b>           | <b>88 387 641</b>                |

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

|  | Group<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|--|------------------------------|----------------------------------|
| For trade debtors not yet due                              | 4 244 353                    | 3 299 618                        |
| Outstanding 1-30 days                                      | 1 454 376                    | 912 746                          |
| Outstanding 31-90 days                                     | 1 379 303                    | 930 393                          |
| Outstanding 91-180 days                                    | 466 702                      | 350 619                          |
| Outstanding for 181-360 days                               | 583 533                      | 477 273                          |
| Outstanding for more than 360 days                         | 1 063 679                    | 833 108                          |
| <b>Total provisions for bad and doubtful trade debtors</b> | <b>9 191 946</b>             | <b>6 803 757</b>                 |

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 6 months ended 30 June |                  |
|--|----------------------------|------------------|
|  | 2024                       | 2023             |
|  | EUR                        | EUR              |
| <b>Balance as at 1 January</b>                               | <b>9 723 592</b>           | <b>6 589 761</b> |
| Net profit for the period                                    | 3 461 074                  | 3 382 238        |
| <b>Dividends declared and paid:</b>                          |                            |                  |
| Interim dividends of 0.0321 EUR (2023: 0.0362 EUR) per share | (1 456 617)                | (1 640 568)      |
| <b>Dividends declared:</b>                                   |                            |                  |
| Annual dividend of 0.0088 EUR                                | (399 322)                  | -                |
| <b>Balance as at 30 June</b>                                 | <b>11 328 727</b>          | <b>8 331 431</b> |

(10) Bonds issued

|  | Group<br>30 June 2024 | Group<br>31 December 2023 |
|--|-----------------------|---------------------------|
|  | EUR                   | EUR                       |
| <b>Total long-term part of bonds issued</b>  | <b>31 699 321</b>     | <b>26 862 004</b>         |
| Bonds issued                                 | 13 938 724            | 13 330 155                |
| Interest accrued                             | 83 239                | 74 385                    |
| <b>Total short-term part of bonds issued</b> | <b>14 021 963</b>     | <b>13 404 540</b>         |
| <b>Bonds issued, total</b>                   | <b>45 638 045</b>     | <b>40 192 159</b>         |
| <b>Interest accrued, total</b>               | <b>83 239</b>         | <b>74 385</b>             |
| <b>Bonds issued net</b>                      | <b>45 721 284</b>     | <b>40 266 544</b>         |

As of 30 June 2024, 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) is to be repaid by 25 September 2024. The bond issue in full amount is traded on NASDAQ Baltic First North Alternative market as of 03.07.2023. The bonds are not secured.

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

The group has devised a strategic plan to issue new bonds with the aim of refinancing its existing maturing liabilities as well as continue placing loans on the Mintos P2P platform. This approach will enable the group to settle its outstanding debt by utilizing the proceeds generated from the sale of these newly issued bonds and funding attracted on Mintos.

Notes (continued)

(11) Loans from credit institutions

|  | Group<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|--|------------------------------|----------------------------------|
| Long-term loans from credit institutions               | 11 683 681                   | 6 406 925                        |
| <b>Total long-term loans from credit institutions</b>  | <b>11 683 681</b>            | <b>6 406 925</b>                 |
| Short-term loans from credit institutions              | 1 615 030                    | 887 067                          |
| <b>Total short-term loans from credit institutions</b> | <b>1 615 030</b>             | <b>887 067</b>                   |
| <b>Loans from credit institutions, total</b>           | <b>13 298 711</b>            | <b>7 293 992</b>                 |

At 30 June 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 June 2024 the Group is in compliance with covenants.

(12) Other borrowings

|                                     | Group<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|-------------------------------------|------------------------------|----------------------------------|
| Other long-term loans               | 15 220 393                   | 14 904 405                       |
| <b>Total other long-term loans</b>  | <b>15 220 393</b>            | <b>14 904 405</b>                |
| Other short-term loans              | 12 057 567                   | 14 505 929                       |
| <b>Total other short-term loans</b> | <b>12 057 567</b>            | <b>14 505 929</b>                |
| <b>Other loans, total</b>           | <b>27 277 960</b>            | <b>29 410 334</b>                |

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 June 2024 is 8.1%. 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 June 2024 the Group is in compliance with covenants.

(13) Related party transactions

Group's transactions

|                                 | Transactions for<br>6 months 2024<br>EUR | Transactions<br>in 2023<br>EUR |
|---------------------------------|--|--------------------------------|
| <b>Shareholders</b>             |  |                                |
| Interest paid                   | 43 891                                   | 51 556                         |
| <b>Key management personnel</b> |  |                                |
| Interest paid                   | 1 433                                    | 683                            |
| <b>Other related companies</b>  |  |                                |
| Services received               | 2 000                                    | 4 250                          |

Bonds issued to the related companies

|  | Group<br>30 June 2024<br>EUR | Group<br>31 December 2023<br>EUR |
|--|------------------------------|----------------------------------|
| Key management personnel   | 33 000                       | 20 000                           |
| Shareholders   | 300 000                      | 300 000                          |
| <b>Long-term part of bonds issued to the related companies, total</b>  | <b>333 000</b>               | <b>320 000</b>                   |
| Shareholders   | 307 000                      | 307 000                          |
| <b>Short-term part of bonds issued to the related companies, total</b> | <b>307 000</b>               | <b>307 000</b>                   |
| <b>Bonds issued to the related companies, total</b>                    | <b>640 000</b>               | <b>627 000</b>                   |

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                    |             | Pawn loans                        |           | Retail of pre-owned goods         |           | Other                             |         | Total                             |             |
|------------------------------------|-----------------------------------|-------------|-----------------------------------|-----------|-----------------------------------|-----------|-----------------------------------|---------|-----------------------------------|-------------|
|                                    | For 6 months period ended 30 June |             | For 6 months period ended 30 June |           | For 6 months period ended 30 June |           | For 6 months period ended 30 June |         | For 6 months period ended 30 June |             |
|                                    | 2024                              | 2023        | 2024                              | 2023      | 2024                              | 2023      | 2024                              | 2023    | 2024                              | 2023        |
| Assets                             | 101 702 921                       | 90 623 040  | 10 691 444                        | 9 802 525 | 4 980 048                         | 4 632 912 | 6 633                             | 2 597   | 117 381 046                       | 105 061 074 |
| Liabilities of the segment         | 80 903 115                        | 71 448 313  | 9 293 645                         | 8 518 974 | 3 807 863                         | 3 770 088 | 404 175                           | 1 586   | 94 408 798                        | 83 738 961  |
| Net sales                          | -                                 | -           | -                                 | -         | 4 287 230                         | 3 912 554 | -                                 | -       | 4 287 230                         | 3 912 554   |
| Interest income and similar income | 20 836 373                        | 15 962 767  | 3 974 167                         | 3 424 612 | -                                 | -         | -                                 | 2 618   | 24 810 540                        | 19 389 997  |
| Net performance of the segment     | 7 814 538                         | 5 995 690   | 1 356 140                         | 1 104 081 | 373 103                           | 531 097   | 41 746                            | 10 081  | 9 585 527                         | 7 640 949   |
| Financial (expenses)               | (4 594 098)                       | (3 404 246) | (437 768)                         | (209 706) | (190 566)                         | (230 331) | -                                 | -       | (5 222 432)                       | (3 844 283) |
| Profit/(loss) before taxes         | 3 220 440                         | 2 591 444   | 918 372                           | 894 375   | 182 537                           | 300 766   | 41 746                            | 10 081  | 4 363 095                         | 3 796 666   |
| Corporate income tax               | (665 789)                         | (282 859)   | (189 863)                         | (97 628)  | (37 738)                          | (32 831)  | (8 631)                           | (1 110) | (902 021)                         | (414 428)   |

**(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 June 2024, the amount of secured liabilities constitutes EUR 40 576 671 (As of 31 December 2023 EUR 36 704 326).



**Notes** (continued)

**(16) Subsequent events**

During the second quarter, active efforts were made to obtain a licence for the provision of consumer loan services, which resulted in the Company's subsidiary DelfinGroup LT UAB being included in the Lithuanian public list of consumer lending service providers at the beginning of July 2024.

On 25 July shareholders approved the Company's intention to organise a new bond issue in the Baltic States. The Management Board of the Company therefore authorised to sign the prospectus for the public offer of the bond issue and to take all necessary steps to commence the coordination and approval of the public offer with the Bank of Latvia, as well as the listing and trading of the bonds on Nasdaq Riga, the regulated corporate bond market in the Baltics. The Company plans to issue a total of 15 million euros in bonds in all three Baltic States, attracting retail and institutional investors. The funds raised will be used to refinance existing bonds and liabilities.

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**Didzis Ādmīdiņš**  
Chairman of the Board

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**Aldis Umblejs**  
Board Member

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**Nauris Bloks**  
Board Member

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