



Unaudited quarterly results

Q3 2022

Disclaimer

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. Neither Sun Finance nor any of Sun Finance's advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss arising from any use of this document or its contents or otherwise arising in connection with this document. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this document, which neither Sun Finance nor its advisors are under an obligation to update, revise or affirm.

The distribution of this presentation in certain jurisdictions may be restricted by law. Persons into whose possession this presentation comes are required to inform themselves about and to observe any such restrictions.

The following information contains, or may be deemed to contain, 'forward looking statements'. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash resources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause Sun Finance's actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as 'may', 'will', 'could', 'would', 'should', 'expect', 'plan', 'anticipate', 'intend', 'believe', 'estimate', 'predict', 'potential' or 'continue', or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information presently available to management and Sun Finance assumes no obligation to update any forward-looking statements.

Q3 Highlights

During the period, the Group has recorded all-time best quarterly performance and has maintained the continuous growth trend in loan sales by issuing €185m to customers

The quarterly revenue of €77m in Q3'22, for the first time exceeding the €70m mark, has allowed the Group to reach the total 2021 revenue level of €193m already by the end of this reporting period

At the end of Q3'22, the net portfolio had grown to €149m (an increase of 58% vs Q3'21), driven by continuously growing our customer base and product offering as well as working on portfolio quality improvements

In August 2022, the Group registered a new Senior Unsecured bonds issue in amount of €50m. A part of the proceeds was directed to refinance the €15m bonds with the maturity date on 30 September 2022

The Group keeps having a strong focus on new product development and scaling, including the Buy Now Pay Later (BNPL) and installment loan product. During the reporting period, the Group has expanded its presence in Central Asia and South East Asia regions

Volumes issued

€185m

↑ 57% PoP

The Group has issued **€185m** in loans during Q3'22, being an increase of 57% compared to **€118m** in Q3'21. The growth has been driven by strong demand in our operational markets as well as new product launches and scaling

Net portfolio

€149m

↑ 58% PoP

Our net portfolio has reached **€149m**, an increase by **€55m** (+58%) vs Q3'21, supported by the significant growth in loan issuance volumes and healthy portfolio dynamics during the period

Cost/income ratio

19,9%

↑ 158bps PoP

A solid cost/income ratio of **19.9%** was recorded in Q3'22, in line with the Group's long-term target. The metric has slightly increased vs Q3'21 (+158 bps). Yet, a notable improvement has been achieved in comparison to Q1'22 and Q2'22 when several new product development and scaling initiatives were carried out

EBITDA

€31.5m

41.1% margin

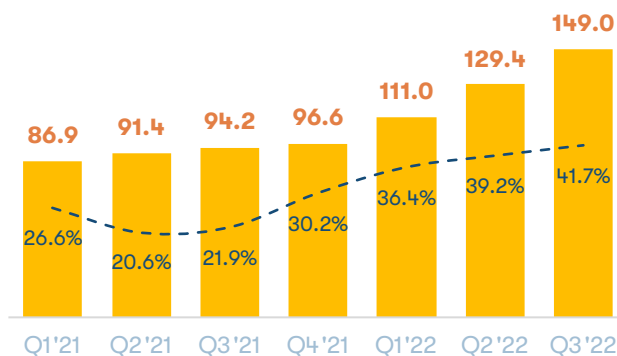
EBITDA of €31.5m was delivered during the period (**margin of 41.1%**), being an increase of 58% compared to Q3'21, driven by the significant increase in revenues

Key Developments & Business Performance

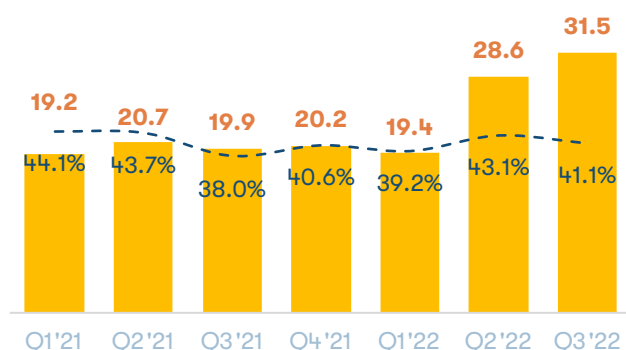
Revenues (QoQ growth %)



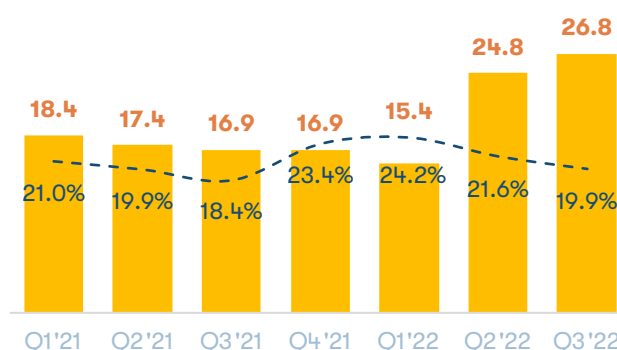
Net portfolio (capitalisation ratio %¹)



EBITDA (EBITDA margin %)



Operating profit (cost/income %)



¹ Capitalization ratio equals Total Shareholders' Equity at the end of period divided by Net loan portfolio at the end of the same period; the metric has been recalculated retrospectively to exclude subordinated debt from the Total Shareholders' Equity figure

- For the first time the Group has surpassed the €70m mark in quarterly revenues – recording €76.7m
- Our net portfolio has significantly grown during the period, reaching €149m – an increase of 58% vs Q3'21. The key growth driver during the period was the scaling of installment products and strong existing product demand. The capitalisation ratio at the end of Q3'22 exceeded the covenant threshold 2x
- In Q3'22, the Group recorded an EBITDA of €31.5m, up by 58% compared to the same period last year, and delivering a margin of 41.1%
- Cost/income ratio of 19.9% was recorded for Q3'22 – being in line with the Group's long-term target for the cost level

Performance Overview by Geography

Sun Finance Group Q3'22 sales: €185m ↑ 57% PoP

EUROPE HUB

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

We continue to observe a strong demand from customers in the market and the region continuously demonstrates high quality portfolio performance as this is our most mature and stable market in terms of operations and industry development stage

Yet, we are working on new product development also in this region to offer our clients an enhanced product mix, starting by introducing BNPL and an installment loan product in Latvia

SCANDINAVIA HUB

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

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

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

CENTRAL ASIA HUB

During Q3'22, the Central Asian HUB has achieved a substantial increase in loan sales and net portfolio, while also delivering solid increase in revenues

Notwithstanding the growth dynamics, our portfolio quality remains at a high level

As mentioned in the beginning, we have added a new operational market, Kyrgyzstan, to the Central Asian HUB, and plan to further scale it in the forthcoming periods

Performance Overview by Geography (cont.)

Sun Finance Group Q3'22 sales: €185m ↑ 57% PoP

SOUTH EAST ASIA HUB

The South East Asian HUB delivered strong financial results during the period resulting from a stable customer demand in the market, growing revenues and solid profitability

We have observed stable portfolio quality dynamics during the period, albeit we still maintain a conservative approach to the provisioning level in the market

During the period, the Group has launched active operations in Philippines, allowing to expand our presence in this region

We still continue to review new geographies in the region and are preparing for new product launches in the upcoming periods

LATIN AMERICA HUB

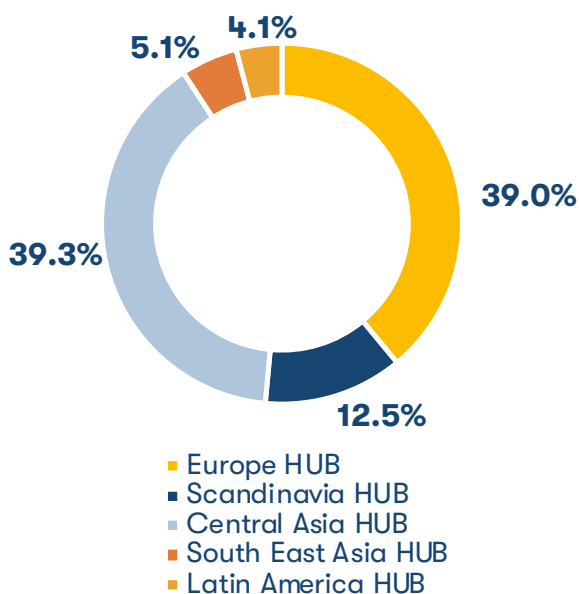
Latin America remains the smallest market in our portfolio, while we see material potential in the region in the long term, given the large unbanked population

During the period, a considerable increase in the loan issuance volumes and revenues has been recorded, followed by a solid profitability

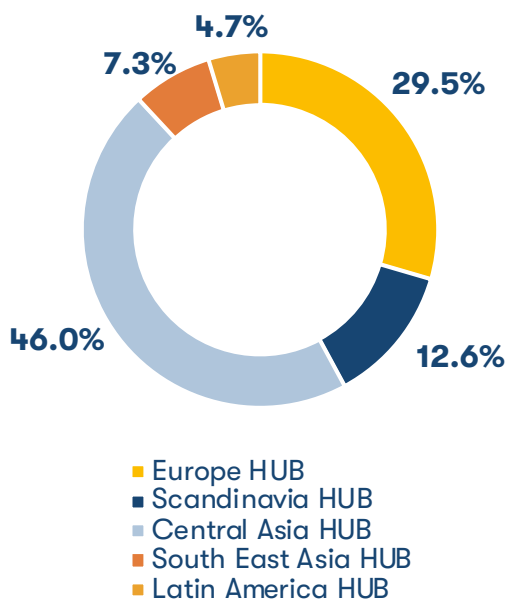
We expect to further grow the loan issuance volumes in the upcoming periods as we observe a strong customer demand in the market

Portfolio Analysis – Group & Regions

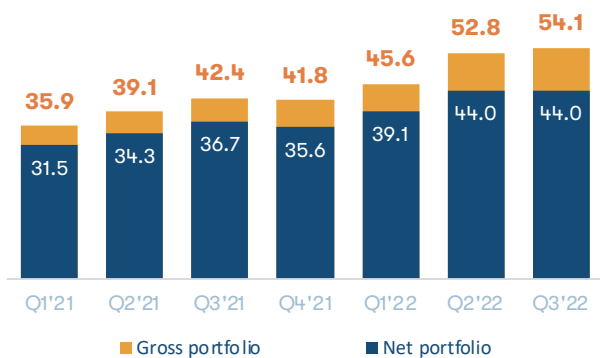
Portfolio dynamics (Q3'21)



Portfolio dynamics (Q3'22)

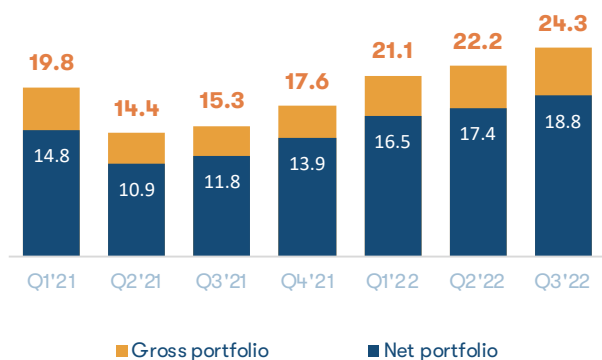


Portfolio – Europe HUB (Q1'21 – Q3'22)



- We continue to observe a strong customer demand and a **high quality** portfolio performance in the market
- Our **most mature and stable region** in terms of operations and industry development stage

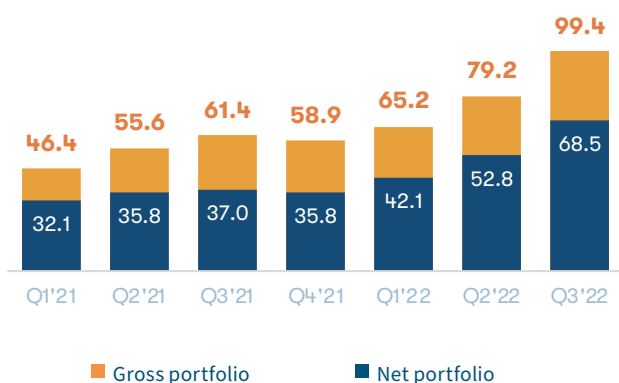
Portfolio – Scandinavia HUB (Q1'21 – Q3'22)



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

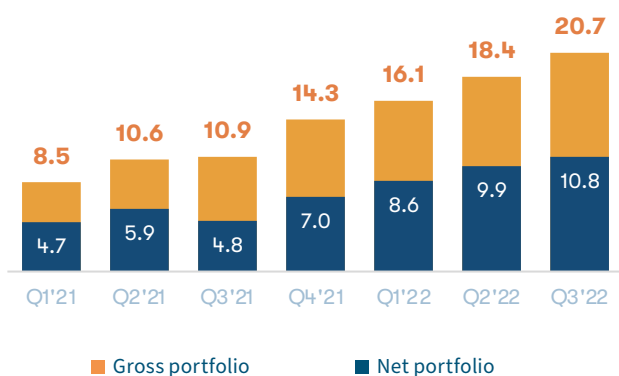
Portfolio Analysis – Group & Regions (cont.)

Portfolio – Central Asia HUB (Q1'21 – Q3'22)



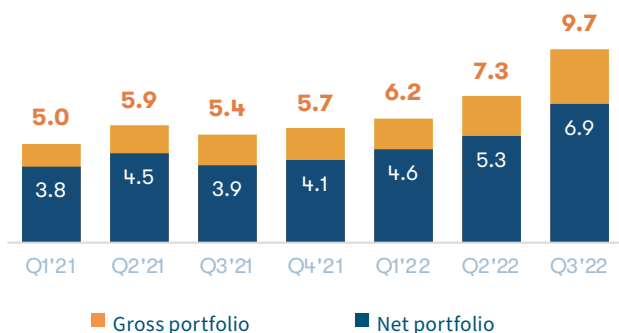
- An **increase in net portfolio** has been achieved, as a result of substantial increase in loan sales during Q3'22
- The **client performance remains high quality**, continuing to deliver **solid profitability** quarter on quarter

Portfolio – South East Asia HUB (Q1'21 – Q3'22)



- A strong customer demand has been continuously seen in the South East Asian market
- A stable **client performance** and **portfolio quality** observed during the period

Portfolio – Latin America HUB (Q1'21 – Q3'22)



- A notable increase in the net portfolio resulted from a growth in volumes issued during Q3'22
- Customer dynamics have remained stable, with **healthy** portfolio performance

Financial Performance: Income Statement

Income statement (EURm)	2021				2022			2021	2022	2021 vs 2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q3	Δ QoQ	ΔQoQ(%)
Turnover ¹	43.6	47.3	52.5	49.8	49.4	66.5	76.7	52.5	76.7	24.2	46.1%
Interest expense	(3.2)	(3.0)	(2.9)	(2.8)	(2.8)	(3.0)	(3.3)	(2.9)	(3.3)	(0.4)	13.1%
Net provisions ²	(14.7)	(19.5)	(24.8)	(21.1)	(21.9)	(26.7)	(32.7)	(24.8)	(32.7)	(7.9)	31.6%
GROSS PROFIT	25.7	24.8	24.7	25.8	24.8	36.7	40.7	24.7	40.7	16.0	64.6%
Salaries and related taxes ³	(3.4)	(3.4)	(3.2)	(3.7)	(3.8)	(4.3)	(4.4)	(3.2)	(4.4)	(1.1)	35.3%
Direct operating expense	(2.0)	(2.1)	(2.0)	(2.4)	(2.5)	(3.1)	(3.9)	(2.0)	(3.9)	(1.9)	94.6%
Indirect operating expense	(2.7)	(2.5)	(2.7)	(3.5)	(3.4)	(3.8)	(3.7)	(2.7)	(3.7)	(1.0)	37.0%
Marketing expense	(1.6)	(1.9)	(2.1)	(2.8)	(3.1)	(3.8)	(3.7)	(2.1)	(3.7)	(1.6)	74.6%
Other operating income	2.3	2.5	2.2	3.4	3.5	3.2	1.8	2.2	1.8	(0.5)	(20.8%)
OPERATING PROFIT/(LOSS) ⁴	18.4	17.4	16.9	16.9	15.4	24.8	26.8	16.9	26.8	9.9	58.6%
Other non-operating income	1.2	0.8	1.0	1.1	1.2	1.3	1.3	1.0	1.3	0.3	31.4%
Other expense	(3.7)	(0.7)	(1.1)	(1.0)	(0.3)	(0.8)	(0.3)	(1.1)	(0.3)	0.8	(72.7%)
NET PROFIT/(LOSS) BEFORE TAXES	15.8	17.5	16.8	16.9	16.3	25.3	27.9	16.8	27.9	11.0	65.7%
Profit tax	(4.5)	(5.4)	(4.3)	(3.6)	(4.1)	(8.0)	(7.8)	(4.3)	(7.8)	(3.6)	83.7%
NET PROFIT/(LOSS) before FX effect ⁵	11.4	12.1	12.6	13.4	12.2	17.2	20.0	12.6	20.0	7.5	59.6%
FX income/(expense)	0.7	(0.3)	0.5	0.7	(1.5)	0.8	2.3	0.5	2.3	1.8	353.2%
NET PROFIT/(LOSS) after FX	12.1	11.8	13.1	14.1	10.7	18.1	22.4	13.1	22.4	9.3	71.2%
Adj.:											
Tax	4.5	5.4	4.3	3.6	4.1	8.0	7.8	4.3	7.8	3.6	83.7%
Interest	3.2	3.0	2.9	2.8	2.8	3.0	3.3	2.9	3.3	0.4	13.1%
EBIT	19.7	20.2	20.2	20.4	17.6	29.1	33.5	20.2	33.5	13.2	65.4%
Depreciation and amortization	0.2	0.2	0.2	0.5	0.3	0.3	0.4	0.2	0.4	0.2	82.9%
FX income/(expense)	(0.7)	0.3	(0.5)	(0.7)	1.5	(0.8)	(2.3)	(0.5)	(2.3)	(1.8)	353.2%
EBITDA ⁶	19.2	20.7	19.9	20.2	19.4	28.6	31.5	19.9	31.5	11.6	58.2%
EBITDA %	44.1%	43.7%	38.0%	40.6%	39.2%	43.1%	41.1%	38.0%	41.1%	3.1%	8.3%

1 The revenue surpassed €70m mark for the first time, being an increase of 46.1% vs Q3'21

4 The increase in operating profit (up by 58.6% compared to Q3'21) has mainly been driven by the significant growth in revenues

2 Net provisions increase driven by the significant growth in the loan portfolio

5 Net profit before FX effect of €20m was recorded, an increase by 59.6% vs Q3'21, also primarily affected by the growth in revenues

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

6 As solid EBITDA of €31.5 was recorded in Q3'22, resulting in a margin of 41.1%

Financial Performance: Balance Sheet

Balance Sheet (EURm)	2021				2022			2021	2022	2021 FY vs 2022 FY	
	Q1	Q2	Q3	Q4	Q1	Q2	Q2	Q1	Q1	Δ QoQ	ΔQoQ (%)
Non-current assets ¹	20.0	20.0	20.0	22.5	23.0	23.2	23.4	20.0	23.4	3.5	17.3%
Goodwill & intangible assets	16.2	16.2	16.2	17.6	17.8	18.1	18.3	16.2	18.3	2.1	12.9%
Fixed assets	3.4	3.5	3.4	5.1	4.5	4.9	5.2	3.4	5.2	1.8	53.0%
Accrued D&A	(0.9)	(1.1)	(1.1)	(1.9)	(1.5)	(1.8)	(2.1)	(1.1)	(2.1)	(1.0)	94.3%
Other non-current assets	1.4	1.4	1.4	1.8	2.2	2.0	2.0	1.4	2.0	0.6	41.8%
Current assets	111.1	120.2	117.4	123.1	143.0	162.4	185.4	117.4	185.4	68.0	57.9%
Loans receivable ²	115.6	125.8	135.5	138.6	154.7	180.1	208.3	135.5	208.3	72.7	53.7%
Provisions for doubtful debts ²	(28.7)	(34.4)	(41.3)	(42.0)	(43.7)	(50.7)	(59.3)	(41.3)	(59.3)	(18.0)	43.5%
Accounts receivable	0.1	0.1	0.2	0.3	-	-	-	0.2	-	(0.2)	(100.0%)
Cash in bank	9.0	14.8	8.3	7.2	9.8	6.8	10.5	8.3	10.5	2.2	26.5%
Other receivables	15.0	13.9	14.7	19.1	22.2	26.2	25.9	14.7	25.9	11.2	76.3%
ASSETS ³	131.1	140.2	137.4	145.6	166.0	185.6	208.8	137.4	208.8	71.4	52.0%
Equity ⁴	23.1	18.8	20.6	29.1	40.4	50.7	62.1	20.6	62.1	41.5	201.5%
Share capital and subordinated debt	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	-	-
Retained earnings	20.4	17.2	19.0	27.3	39.5	47.9	58.3	19.0	58.3	39.3	206.3%
Other reserves	1.2	1.2	1.2	1.3	1.4	1.3	1.3	1.2	1.3	0.1	10.6%
FX reserve	1.1	0.0	(0.0)	0.2	(0.8)	1.1	2.1	(0.0)	2.1	2.1	(614506.0%)
Liabilities	108.0	121.4	116.8	116.5	125.6	134.9	146.7	116.8	146.7	29.9	25.6%
Loans payable ⁵	90.8	98.9	93.2	93.5	95.4	105.0	114.1	93.2	114.1	21.0	22.5%
Deferred income	3.0	3.4	3.9	2.4	3.8	4.4	5.5	3.9	5.5	1.6	39.7%
Accounts payable	2.9	4.2	3.9	4.0	6.8	12.2	11.9	3.9	11.9	8.0	205.2%
Taxes payable	7.9	10.7	12.0	12.3	12.2	7.3	9.1	12.0	9.1	(2.9)	(24.2%)
Accrued expenses	1.6	1.7	1.4	3.2	3.1	2.7	2.9	1.4	2.9	1.5	114.2%
Other payables	1.8	2.4	2.5	1.1	4.2	3.3	3.3	2.5	3.3	0.7	29.7%
EQUITY AND LIABILITIES ⁶	131.1	140.2	137.4	145.6	166.0	185.6	208.8	137.4	208.8	71.4	52.0%

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

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

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

5 Loans payable include the issued bonds, subordinated debt, loans placed on the Mintos P2P platform, shareholder loans and other loans payable

3 Total assets have increased to €209m, in line with the overall business growth dynamics

6 Our total balance sheet has increased by ~52% vs Q3'21, driven by the solid growth and profitability of our business

Financial Performance: Financial Metrics & Ratios

Key financial metrics & ratios	2021				2022			2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q3	Q3
Turnover	43.6	47.3	52.5	49.8	49.4	66.5	76.7	52.5	76.7
EBITDA	19.2	20.7	19.9	20.2	19.4	28.6	31.5	19.9	31.5
EBITDA margin (%)	44.1%	43.7%	38.0%	40.6%	39.2%	43.1%	41.1%	38.0%	41.1%
Net loan portfolio	86.9	91.4	94.2	96.6	111.0	129.4	149.0	94.2	149.0
Capitalization ratio (%) ¹	26.6%	20.6%	21.9%	30.2%	36.4%	39.2%	41.7%	21.9%	41.7%
Interest coverage ratio ²	5.4x	6.4x	6.8x	6.7x	7.0x	7.7x	8.4x	6.8x	8.4x
Unencumbered receivables ratio ³	3.0x	2.4x	2.2x	2.4x	2.6x	3.0x	2.8x	2.2x	2.8x
Cost/Income Ratio (%) ⁴	21.0%	19.9%	18.4%	23.4%	24.2%	21.6%	19.9%	18.4%	19.9%

Notes

- 1 Capitalization ratio equals Total Shareholders' Equity at the end of period divided by Net loan portfolio at the end of the same period; the metric has been recalculated retrospectively to exclude subordinated debt from the Total Equity figure
- 2 Interest coverage ratio equals trailing 12-month EBITDA divided by trailing 12-month Interest expense
- 3 Unencumbered receivables ratio equals Net unencumbered loan portfolio divided by Total unsecured financial indebtedness
- 4 Cost / Income ratio is calculated by dividing Operating costs with operating income



Modern finance.
For a modern **society.**

Contacts

Elina Zerne

Chief Financial Officer

Elina.Zerne@sunfinance.group

+371 26 429 095

Zanda Apine

Financial Planning and Analysis manager |
Investor Relations

Zanda.Apine@sunfinance.group

+371 26 398 416

investors@sunfinance.group

Floor 5th
Skanstes 52
Riga