

# DelfinGroup bond issue

EUR 25 million 9.5% coupon, 2-year bond



## About DelfinGroup

- DelfinGroup, established in 2009, has grown to become Latvia's leading financial services provider, operating the largest pawn shop network in the country under the Banknote and VIZIA brands, with more than 90 branches.
- With a diverse range of services, DelfinGroup derives most of its revenue from consumer loans, followed by pawn loans and retail of pre-owned goods, showcasing a well-balanced business model (74%, 14%, and 12%, respectively).
- At the end of 2023, DelfinGroup expanded its operations into Lithuania and since the end of 2024 has been offering consumer loans both online and in Banknote branches. At the end of Q2 2025 DelfinGroup has 7 pawn shop branches in Vilnius.
- The Group employs over 380 people, led by a highly-experienced management team.
- Since October 2021, DelfinGroup shares are listed on Nasdaq Riga regulated market with a free float of 57.27% and current market capitalization of EUR 58.4 million.
- On August 6, 2025, DelfinGroup announced that, pending approval from market regulators and the success of a voluntary share exchange offer, INDEXO, a Latvian financial services group, is set to become its largest shareholder. The company will continue to operate independently under its current name, and the transaction does not involve delisting.

## Portfolio snapshot

- DelfinGroup's net loan portfolio including consumer and pawn loans, has increased by 14% since the beginning of 2025, reaching EUR 129 million.
- Strong demand in H1 2025 led to a record loan disbursement of EUR 63 million, marking an 18% increase from the previous year. In Q2 alone, disbursements surged to record-high level of EUR 33 million facilitated by a strong online market presence in Lithuania and Latvia.
- The Lithuanian consumer lending segment in H1 2025 showed better-than expected results achieving a loan issuance amount of EUR 4.4 million and net loan portfolio amount of EUR 3.4 million.
- As of the end of Q2 2025, the average consumer loan size was EUR 2 586, with an average term of 43 months.
- The pawn loan portfolio has shown a stable performance over the last twelve months with an increase in issuance by 4% in the last six month period. The average pawn loan size as of the end of Q2 2025 was EUR 125, with all loans secured by movable properties.
- The quality of the consumer loan portfolio, which constitutes 93% of the total portfolio, remains strong, with a non-performing loan ratio (loans more than 90 days past due) of 2.6% at the end of H1 2025.

## Financial highlights

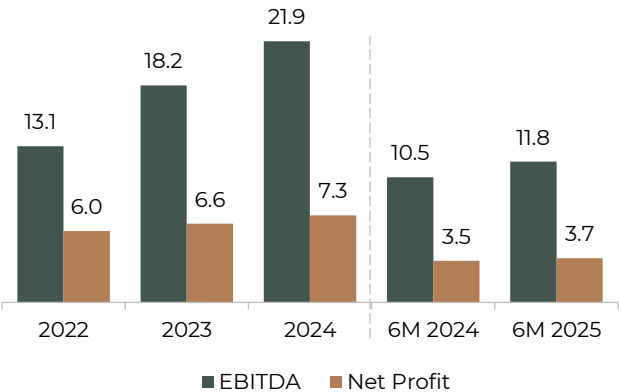
- During H1 2025, the Group's revenue reached EUR 37 million, reflecting a 27% increase compared to the same period in 2024.
- EBITDA grew by 12% year-on-year to EUR 11.8 million in H1 2025. The Group's EBITDA in 2024 reached a record high of EUR 21.9 million.
- The Group's EBITDA margin has slightly decreased to 33% over the last twelve months due to higher costs of sales and credit loss expenses which have increased mainly due to the significant loan portfolio growth over the last year, resulting in increased provisions.
- The Latvian business generated growth of 24% in H1 2025 and the profit before tax increased 28% y/y while the Lithuanian business is actively raising brand awareness and gaining market share.
- Net profit for H1 2025 increased to EUR 3.7 million. The Group in 2024 recorded a net profit of EUR 7.3 million.
- DelfinGroup's adjusted equity rose by EUR 2.1 million to EUR 36 million, with a capitalization ratio of 27% as of the end of H1 2025. The Group's capitalization has slightly decreased due to dividend payouts and the rapid growth of its loan portfolio.

## Financial highlights

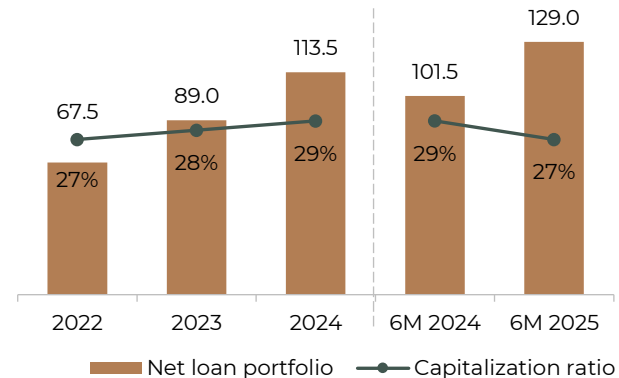
€ million	2022 (audited)	2023 (audited)	2024 (audited)	6M 2024 (unaudited)	6M 2025 (unaudited)
Revenue	35.8	50.4	63.0	29.1	37.0
EBITDA	13.1	18.2	21.9	10.5	11.8
Net profit	6.0	6.6	7.3	3.5	3.7
Net loan portfolio	67.5	89.0	113.5	101.5	129.0
Cash	2.4	5.9	1.6	4.4	3.4
Total Equity <sup>1</sup>	18.1	26.1	33.9	30.9	36.0
Total borrowings	54.0	72.2	86.1	86.3	102.2
Interest coverage ratio	2.8x	2.1x	2.0x	2.0x	2.0x
Capitalization ratio <sup>2</sup>	27%	28%	29%	29%	27%

- 1 Including subordinated bonds  
2 (Equity + subordinated bonds) / Total net loan portfolio

## Development of key financials (EUR m)



## Net loan portfolio (EUR m) & Cap ratio



Source: DelfinGroup financial reports and presentations

# DelfinGroup bond issue



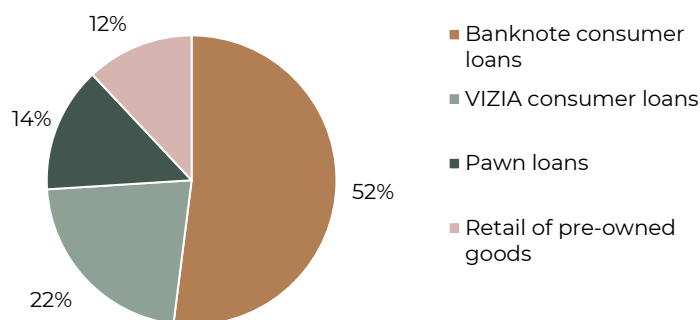
## Term Sheet

Issuer	AS DelfinGroup
Security type	Unsecured bonds
Issue size	Up to EUR 25,000,000
ISIN	LV0000106649
Coupon rate	9.5%
Coupon frequency	Monthly
Term	2 years
Principal repayment	Maturity date, bullet
Call Option	Year 1 - @101% Year 2 - @100%
Put Option	@101% Change of Control (excl. INDEXO)
Nominal value	EUR 1,000
Minimum subscription	EUR 100,000
Listing	Nasdaq First North within 12 months
Use of proceeds	<ul style="list-style-type: none"><li>Refinancing of existing bond and Signet Bank loan</li><li>Business development</li></ul>
Covenants <sup>1</sup>	<ul style="list-style-type: none"><li>Capitalization ratio at least 20%</li><li>ICR at least 1.5x</li><li>Net Loan Portfolio / Unsecured Debt at least 1.2x</li></ul>
Arranger	Signet Bank AS
Sales agent	Evernord UAB (Lithuania)

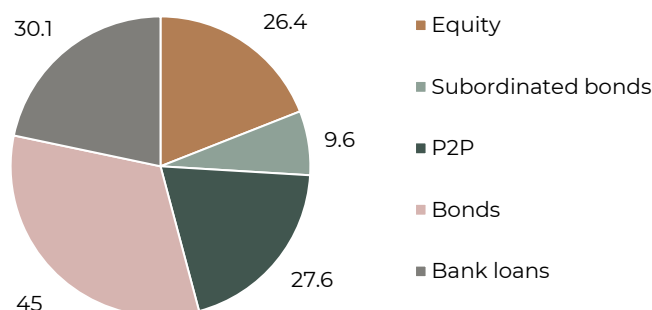
### Offer for LV0000802718 bondholders (maturity 25 Feb 2026)

1.0% rollover premium for exchanging their existing bonds for new bonds (1:1) exchange

### Revenue by segment (6M 2025)



### Funding profile (EUR m, Jun 2025)



## Key investment highlights

- Diversified business model** – Balanced portfolio across consumer lending, pawn loans, and retail of pre-owned goods, reducing reliance on any single revenue stream.
- Strong financial position** – Capitalization ratio of 27% and interest coverage ratio of 2x, ensuring stability and resilience.
- Backed by strategic investors** – Significant equity and bond financing support from experienced long-term shareholders.
- Proven debt track record** – Successfully redeemed EUR 47 million in bonds, demonstrating reliability and investor trust.
- Expanding retail footprint** – Over 90 pawn shop branches across Latvia and Lithuania, with continued network growth.

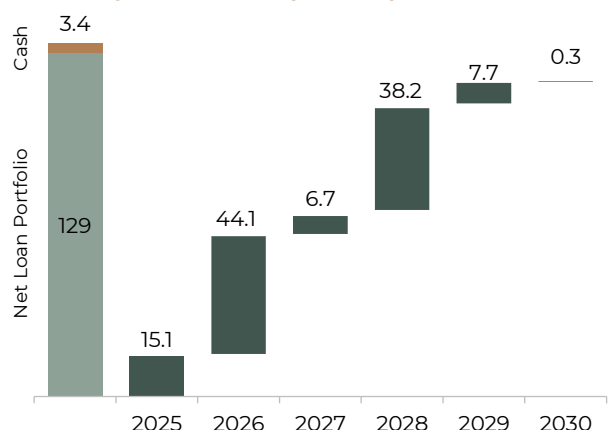
## New bond issue

- DelfinGroup has started a unsecured bond issue in the amount of up to EUR 25 million. Proceeds from the new bond will be used to refinance existing financial liabilities, including outstanding bonds and Signet Bank loan, as well as to finance business development.
- The new bonds will be unsecured, ranking equally with the Group's existing unsecured debt and any future debt unless specifically subordinated.
- Existing bondholders holding at least EUR 100,000 nominal of bonds maturing on 25 February 2026, have the option to exchange them for new bonds. For the exchange the existing bondholders will receive a 1.0% rollover premium.

## DelfinGroup in the capital markets

- DelfinGroup has issued 13 bonds to date, with a total value exceeding EUR 100 million. The Group's bonds have been listed on the Nasdaq Riga stock exchange since 2014.
- Eight bond issues, totaling EUR 47 million, have been successfully redeemed.
- The Group currently has five outstanding bond issues, attracting both individual and institutional investors from the Baltics and beyond.
- Currently four DelfinGroup bond issues are listed on the Nasdaq Baltic stock exchange.

## Liability maturities (EUR m)



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## **Risk factors**

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence AS "DelfinGroup" are Risk of economic slowdown, Competition risk in the consumer lending segment, Competition risk in the pawn loan segment, Risk related to unsuccessful development of products and services, Risk related to personnel and workforce, Lending concentration risk, Reputational risk, Risk posed by providing consumer loan services, Risk related to Force majeure, Risk related to Geo-political tension, Risk of inaccurate appraisal of pledged assets, Risk related to origin of the goods, Risk of fraud, theft, burglary and misappropriation, Risk related to lease agreements, Risks related to the Group's technical operations, Cybersecurity and IT-related risks, Risks related to third-party cloud systems, Risks related to third-party service providers, Risks related to the Group's trademarks and other proprietary rights, Brand-related risks, Risks related to infringing third-party intellectual property rights, Risks related to statutory licensing requirements, Risks of regulatory requirements and regulatory changes, Risks related to supervision, guidelines and interpretations of law and regulations issued by the Consumer Rights Protection Centre, Risks related to EU General Data Protection Regulation, Risks related to compliance with AML/CFT/CPF and Sanctions regulations, Information disclosure risk, Risk related to borrower credit risk, Funding and liquidity risk, Risks related to the debt collection process, Risks associated with related party transactions.

When investing funds in bonds, investors undertake the following risks related to debt securities: Liquidity risk, Notes repayment risk, Subordination risk, Offering cancellation and delisting risk, Price risk, Early redemption risk, Tax risk, Resolutions of Noteholders risk

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