



Unaudited quarterly results

Q4 2022

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Q4 Highlights

Strong Q4'22 performance has allowed us to conclude the financial year of 2022 significantly surpassing previous records set in terms of loans issued, revenues and profitability

During the period, the Group has issued €192m to customers, thus reaching the total issuance volume of €690m in 2022 (up by 51% vs 2021). The continuous growth trend has been maintained on a quarter-on-quarter basis since Q2 of 2020

The quarterly revenue of €81.3m in Q4'22, for the first time exceeding €80m, has allowed the Group to reach a total revenue of €273.9m in 2022, an increase of 42% vs the prior year

By recording EBITDA of €37m in Q4'22, an annual figure of €116.5m has been achieved, with a margin of 42.5%

At the end of Q4'22, the net portfolio had grown to €162m (an increase of 68% vs Q4'21), driven by the strong customer demand in our operational markets, expansion of the product range offered and continuous portfolio quality improvements

For the upcoming periods, the Group plans to maintain its focus on new product development and scaling as well as further geographic expansion

Volumes issued

€192m

↑ 57% PoP

The Group has issued **€192m** in loans during Q4'22, an increase of 57% compared to **€123m** in Q4'21. The growth has been driven by strong demand across our operational markets as well as new product scaling

Net portfolio

€162m

↑ 68% PoP

Our net portfolio has reached **€162m**, an increase by **€66m** (+68%) vs Q4'21, supported by the significant growth in loan issuance volumes and healthy portfolio dynamics during the period

Cost/income ratio

22.5%

↓ 83bps PoP

A solid cost/income ratio of **22.5%** was recorded in Q4'22, being a decrease by 83 bps compared to Q4'21. Despite the continuous top line growth, we have maintained a strong cost discipline during the period

EBITDA

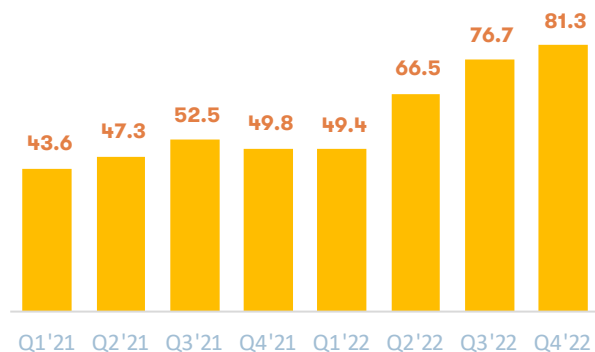
€37m

45.5% margin

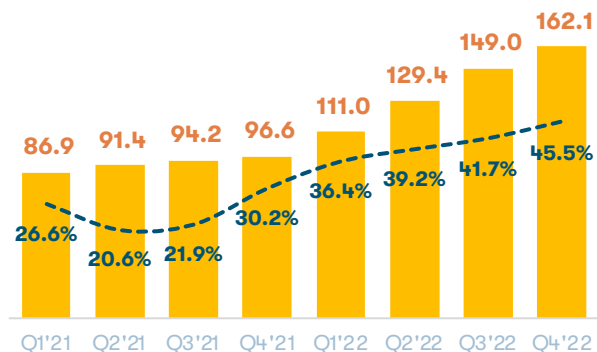
EBITDA of €37m was delivered during the period (**margin of 45.5%**), being an increase of 83.1% compared to Q4'21, driven by the significant increase in revenues

Key Developments & Business Performance

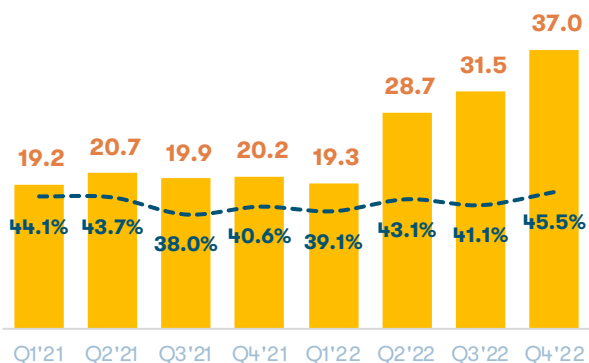
Revenues



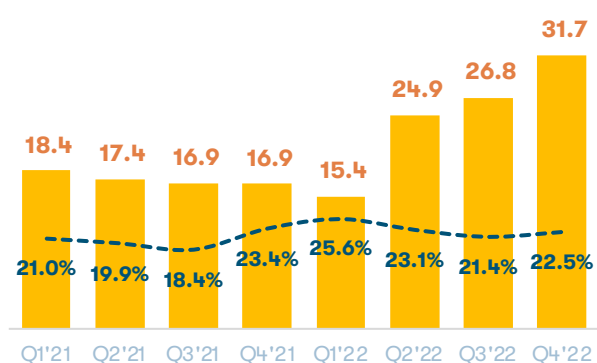
Net portfolio (capitalisation ratio %¹)



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 €80m mark in quarterly revenues – recording €81.3m**
- Our net portfolio has significantly grown during the period, **reaching €162m** – an increase of 68% vs Q4'21. The key growth drivers during the period were the scaling of installment products and strong customer demand. The capitalisation ratio at the end of Q4'22 exceeded the covenant threshold 2x
- In Q4'22, the Group recorded an **EBITDA of €37m**, up by 83.1% compared to the same period last year, and delivering a margin of **45.5%**
- Cost/income ratio of **22.5%** was recorded for Q4'22 – being in line with the Group's long-term target for the cost level

Performance Overview by Geography

Sun Finance Group Q4'22 sales: €192m ↑ 57% PoP

EUROPE HUB

The European HUB has delivered solid results in terms of revenue and profitability over the period

We continue to observe 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

We continue our efforts to provide an enhanced product mix to our clients in this region, currently focusing on scaling BNPL and an installment loan product in Latvia

SCANDINAVIA HUB

The Scandinavian HUB continued to deliver steady growth in all key indicators - loan issuance volumes, revenue and profitability

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

The portfolio structure remains stable, inhibiting qualities of portfolios typically seen in Scandinavian countries

CENTRAL ASIA HUB

During Q4'22, the Central Asian HUB has also demonstrated continuous growth in loan sales and net portfolio, recording strong revenues and profits

Notwithstanding the growth dynamics, our portfolio quality has not been compromised and remains at a high level

We expect to further strengthen our positions in the market by growing our recently launched products, as we keep observing a strong customer demand

Performance Overview by Geography (cont.)

Sun Finance Group Q4'22 sales: €192m ↑ 57% PoP

SOUTH EAST ASIA HUB

The South East Asian HUB delivered a steady increase in loan issuance volumes and revenues, while also recording solid profitability during the period

Due to the strong customer demand, our net portfolio has continuously grown over the last year, and we continue to observe stable portfolio quality dynamics

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

LATIN AMERICA HUB

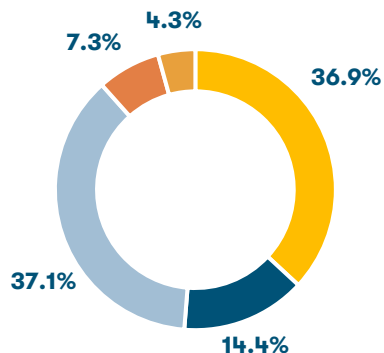
Latin America remains the smallest market in our portfolio, while we see material potential in the region in the long term, given the large unbanked population

During the period, albeit the volume of loans issued slightly decreased due to seasonality, Latin American HUB has delivered an increase in revenues and stable profits

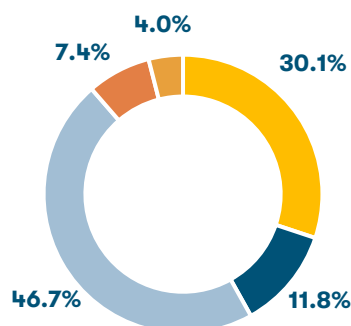
We expect to increase the loan issuance volumes in the upcoming periods as we observe a strong customer demand in the market

Portfolio Analysis – Group & Regions

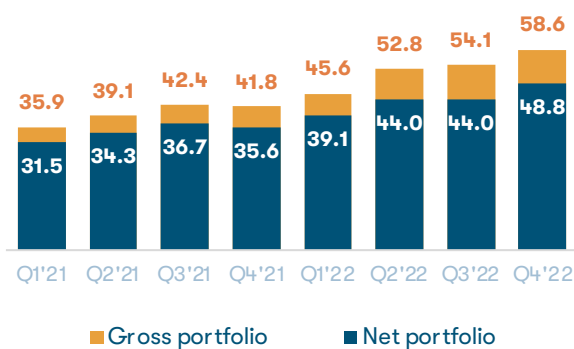
Portfolio dynamics (Q4'21)



Portfolio dynamics (Q4'22)

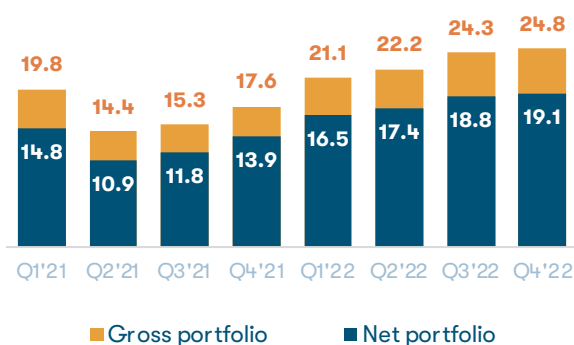


Portfolio – Europe HUB (Q1'21 – Q4'22)



- We continue to observe 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

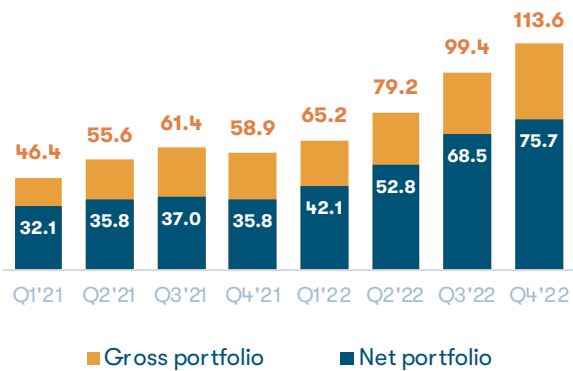
Portfolio – Scandinavia HUB (Q1'21 – Q4'22)



- A solid customer demand has driven an **increase in loan sales** during the period
- The portfolio quality remains at a high level
- We continue to assess our product setup and strategy going forward in the Danish market

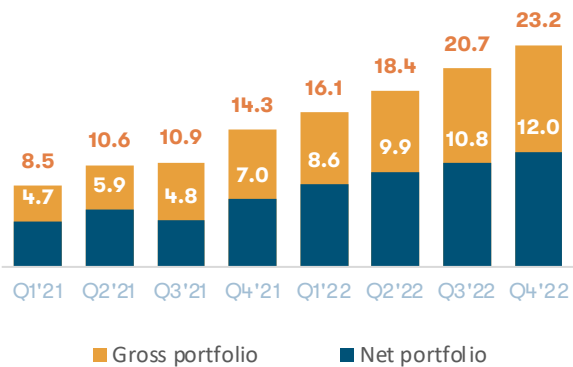
Portfolio Analysis – Group & Regions (cont.)

Portfolio – Central Asia HUB (Q1'21 – Q4'22)



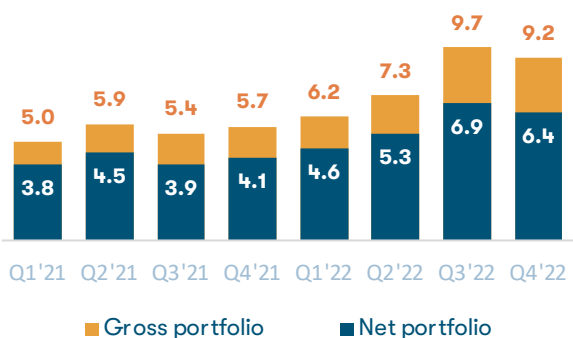
- A solid **increase in the net portfolio** has been achieved during the period, attributable to the continuous growth in loan issuance volumes
- The **portfolio performance remains high quality**, continuing to deliver a **solid profitability** quarter on quarter

Portfolio – South East Asia HUB (Q1'21 – Q4'22)



- A strong customer demand has been continuously observed in the South East Asian market
- Despite the growth in loan sales, the **client performance and portfolio quality** have remained stable during the period

Portfolio – Latin America HUB (Q1'21 – Q4'22)



- A minor decrease in net portfolio observed at the end of Q4'22 because of a slight drop in loan sales during the last month of the year due to seasonality
- 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	Q4	FY	FY	Δ YoY	Δ YoY (%)
Turnover ¹	43.6	47.3	52.5	49.8	49.4	66.5	76.7	81.3	193.1	273.9	80.8	41.8%
Interest expense	(3.2)	(3.0)	(2.9)	(2.8)	(2.8)	(3.0)	(3.3)	(3.7)	(11.9)	(12.8)	(0.9)	7.7%
Net provisions ²	(14.7)	(19.5)	(24.8)	(21.1)	(21.9)	(26.7)	(32.7)	(30.9)	(80.1)	(112.2)	(32.0)	40.0%
GROSS PROFIT	25.7	24.8	24.7	25.8	24.8	36.7	40.7	46.7	101.1	148.9	47.8	47.3%
Salaries and related taxes ³	(3.4)	(3.4)	(3.2)	(3.7)	(3.8)	(4.3)	(4.4)	(4.9)	(13.7)	(17.4)	(3.7)	27.0%
Direct operating expense*	(2.0)	(2.1)	(2.0)	(2.4)	(3.5)	(4.4)	(5.3)	(5.7)	(8.5)	(18.9)	(10.4)	122.6%
Indirect operating expense	(2.7)	(2.5)	(2.7)	(3.5)	(3.4)	(3.8)	(3.7)	(3.9)	(11.3)	(14.8)	(3.5)	30.8%
Marketing expense	(1.6)	(1.9)	(2.1)	(2.8)	(3.1)	(3.8)	(3.7)	(4.7)	(8.4)	(15.4)	(6.9)	82.3%
Other operating income*	2.3	2.5	2.2	3.4	4.4	4.5	3.2	4.3	10.5	16.4	5.9	56.8%
OPERATING PROFIT/(LOSS) ⁴	18.4	17.4	16.9	16.9	15.4	24.9	26.8	31.7	69.6	98.8	29.2	42.0%
Other non-operating income	1.2	0.8	1.0	1.1	1.2	1.3	1.3	1.2	4.1	5.1	1.0	23.7%
Other expense	(3.7)	(0.7)	(1.1)	(1.0)	(0.3)	(0.8)	(0.3)	(0.3)	(6.6)	(1.7)	4.9	(73.6%)
NET PROFIT/(LOSS) BEFORE TAXES	15.8	17.5	16.8	16.9	16.3	25.3	27.8	32.7	67.1	102.1	35.0	52.3%
Profit tax	(4.5)	(5.4)	(4.3)	(3.6)	(4.1)	(8.0)	(7.8)	(6.9)	(17.7)	(26.9)	(9.2)	52.1%
NET PROFIT/(LOSS) before FX effect ⁵	11.4	12.1	12.6	13.4	12.2	17.3	20.0	25.8	49.4	75.2	25.8	52.3%
FX income/(expense)	0.7	(0.3)	0.5	0.7	(1.5)	0.8	2.3	(4.0)	1.6	(2.3)	(4.0)	(241.3%)
NET PROFIT/(LOSS) after FX	12.1	11.8	13.1	14.1	10.7	18.1	22.4	21.8	51.0	72.9	21.9	42.9%
Adj.:												
Tax	4.5	5.4	4.3	3.6	4.1	8.0	7.8	6.9	17.7	26.9	9.2	52.1%
Interest	3.2	3.0	2.9	2.8	2.8	3.0	3.3	3.7	11.9	12.8	0.9	7.7%
EBIT	19.7	20.2	20.2	20.4	17.5	29.1	33.5	32.4	80.6	112.6	32.0	39.7%
Depreciation and amortization	0.2	0.2	0.2	0.5	0.3	0.3	0.4	0.6	1.1	1.6	0.5	47.7%
FX income/(expense)	(0.7)	0.3	(0.5)	(0.7)	1.5	(0.8)	(2.3)	4.0	(1.6)	2.3	4.0	(241.3%)
EBITDA ⁶	19.2	20.7	19.9	20.2	19.3	28.7	31.5	37.0	80.0	116.5	36.5	45.6%
EBITDA %	44.1%	43.7%	38.0%	40.6%	39.1%	43.1%	41.1%	45.5%	41.4%	42.5%	1.1%	2.6%

* Quarterly amounts for 2022 changed retrospectively to demonstrate consistent periodization

- 1** The quarterly revenue has surpassed the €80m mark, being an increase of 63.5% vs Q4'21, totalling to €273.9m for 2022
- 2** Net provisions decrease driven by portfolio quality improvements
- 3** A slight increase in Salaries and related taxes costs due to share based payments recorded in Q4
- 4** The increase in operating profit (up by 88.2% compared to Q4'21) has mainly been driven by the significant growth in revenues
- 5** Net profit before FX effect of €25.8m was recorded, almost double the result of Q4'21, also primarily affected by the growth in revenues and maintained high portfolio quality
- 6** Strong EBITDA of €37m was recorded in Q4'22, totalling to €116.5m for 2022, a margin of 42.5%

Financial Performance: Balance Sheet

Balance Sheet (EURm)	2021				2022				2021	2022	2021 FY vs 2022 FY	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	Δ YoY	Δ YoY (%)
Non-current assets ¹	20.0	20.0	20.0	22.5	23.0	23.2	23.4	23.6	22.5	23.6	1.0	4.6%
Goodwill & intangible assets	16.2	16.2	16.2	17.6	17.8	18.1	18.3	18.7	17.6	18.7	1.1	6.3%
Fixed assets	3.4	3.5	3.4	5.1	4.5	4.9	5.2	5.1	5.1	5.1	0.0	0.9%
Accrued D&A	(0.9)	(1.1)	(1.1)	(1.9)	(1.5)	(1.8)	(2.1)	(2.4)	(1.9)	(2.4)	(0.6)	30.3%
Other non-current assets	1.4	1.4	1.4	1.8	2.2	2.0	2.0	2.2	1.8	2.2	0.4	25.2%
Current assets	111.1	120.2	117.4	123.1	143.0	162.4	185.4	196.6	123.1	196.6	73.4	59.7%
Loans receivable ²	115.6	125.8	135.5	138.6	154.7	180.1	208.3	229.3	138.6	229.3	90.7	65.4%
Provisions for doubtful debts ²	(28.7)	(34.4)	(41.3)	(42.0)	(43.7)	(50.7)	(59.3)	(67.2)	(42.0)	(67.2)	(25.1)	59.8%
Accounts receivable	0.1	0.1	0.2	0.3	-	-	-	-	0.3	-	(0.3)	(100.0%)
Cash in bank	9.0	14.8	8.3	7.2	9.8	6.8	10.5	9.3	7.2	9.3	2.1	29.1%
Other receivables	15.0	13.9	14.7	19.1	22.2	26.2	25.9	25.1	19.1	25.1	6.0	31.7%
ASSETS ³	131.1	140.2	137.4	145.6	166.0	185.6	208.8	220.1	145.6	220.1	74.5	51.1%
Equity ⁴	23.1	18.8	20.6	29.1	40.4	50.7	62.1	73.8	29.1	73.8	44.7	153.4%
Share capital	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.0	0.0%
Retained earnings	20.4	17.2	19.0	27.3	39.5	47.9	58.3	71.2	27.3	71.2	43.9	161.2%
Other reserves	1.2	1.2	1.2	1.3	1.4	1.3	1.3	1.7	1.3	1.7	0.4	26.2%
FX reserve	1.1	0.0	(0.0)	0.2	(0.8)	1.1	2.1	0.6	0.2	0.6	0.4	225.8%
Liabilities	108.0	121.4	116.8	116.5	125.6	134.9	146.7	146.3	116.5	146.3	29.8	25.6%
Loans payable ⁵	90.8	98.9	93.2	93.5	95.4	105.0	114.1	122.5	93.5	122.5	29.0	31.0%
Deferred income	3.0	3.4	3.9	2.4	3.8	4.4	5.5	3.3	2.4	3.3	1.0	41.7%
Accounts payable	2.9	4.2	3.9	4.0	6.9	12.3	11.9	6.5	4.0	6.5	2.5	63.4%
Taxes payable	7.9	10.7	12.0	12.3	12.2	7.3	9.1	8.2	12.3	8.2	(4.0)	(32.8%)
Accrued expenses	1.6	1.7	1.4	3.2	3.1	2.7	2.9	3.2	3.2	3.2	(0.0)	(0.6%)
Other payables	1.8	2.4	2.5	1.1	4.2	3.3	3.3	2.4	1.1	2.4	1.3	113.8%
EQUITY AND LIABILITIES ⁶	131.1	140.2	137.4	145.6	166.0	185.6	208.8	220.1	145.6	220.1	74.5	51.1%

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

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

3 Total assets have increased to €220.1m, in line with the overall business growth dynamics

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

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

6 Our total balance sheet has increased by ~51.1% vs 2021, 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	Q4	FY	FY
Turnover	43.6	47.3	52.5	49.8	49.4	66.5	76.7	81.3	193.1	273.9
EBITDA	19.2	20.7	19.9	20.2	19.3	28.7	31.5	37.0	80.0	116.5
EBITDA margin (%)	44.1%	43.7%	38.0%	40.6%	39.1%	43.1%	41.1%	45.5%	41.4%	42.5%
Gross loan portfolio	115.6	125.8	135.5	138.6	154.7	180.1	208.3	229.3	138.6	229.3
Net loan portfolio	86.9	91.4	94.2	96.6	111.0	129.4	149.0	162.1	96.6	162.1
Capitalization ratio (%) ¹	26.6%	20.6%	21.9%	30.2%	36.4%	39.2%	41.7%	45.5%	30.2%	45.5%
Interest coverage ratio ²	5.4x	6.4x	6.8x	6.7x	7.0x	7.7x	8.4x	9.1x	6.7x	9.1x
Unencumbered receivables ratio ³	3.0x	2.4x	2.2x	2.4x	2.6x	3.0x	2.8x	2.8x	2.4x	2.8x
Cost/Income Ratio (%) ⁴	21.0%	19.9%	18.4%	23.4%	25.6%	23.1%	21.4%	22.5%	20.6%	22.9%

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



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For a modern **society.**

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