

SIA EXTRA CREDIT

**ANNUAL REPORT
FOR 2024**

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Information about the Company

Company name	<i>EXTRA CREDIT</i>
Legal status of the company	<i>Limited liability company</i>
Registration No., place and date	<i>40103548796, Riga, May 25, 2012</i>
Main activity	<i>Other credit services (NACE code 64.92)</i>
Legal address	<i>Skanstes iela 52, Riga, LV-1013</i>
Board members and their positions	<i>Aleksandrs Čerņagins, member of the board (since 07.02.2019)</i>
Reporting period	<i>January 1, 2024 – December 31, 2024</i>
Previous reporting period	<i>January 1, 2023 – December 31, 2023</i>
Information about the participant	<i>AS HSFE (40203186926)</i> <i>Share in capital: 98%</i> <i>Other participants</i> <i>Share in capital: 2%</i>
Annual report prepared by	<i>AS Sun Finance Group, Reg. No. 40203205428</i> <i>Chief accountant Ieva Rimicāne</i> <i>License for outsourced accounting services: AGL0001132</i>
Auditor	<i>SIA BDO ASSURANCE</i> <i>Mihaila Tāla iela 1,</i> <i>Riga, Latvia, LV-1045</i> <i>License No. 182</i> <i>Responsible certified auditor:</i> <i>Raivis Jānis Jaunkalns</i> <i>Certified auditor certificate No. 237</i>

Management report

Type of activity

SIA EXTRA CREDIT (hereinafter referred to as the “Company”) The main activity of the Company is to provide convenient and simple financial services to consumers in Latvia by offering the “Bino” credit line.

Brief description of the Company's activities during the reporting year

During the reporting year, the Company achieved the goals and results that were set, respecting the self-regulation initiatives implemented in the industry, as well as developments in the industry's regulatory framework, carefully monitoring credit policy and observing financial discipline.

In 2023, the Company developed and launched a new product. In the opinion of the Company's management, the product changes implemented have achieved the planned results in 2024 and will continue to ensure the Company's sustainability and development strategy in the future.

The Company ended the reporting year with a profit of EUR 7,027,051.

Financial risk management

A description of the Company's financial risks is provided in Note 1 to the financial statements.

Future development of the Company

In 2025, the Company plans to continue its development in Latvia and build an increasingly high-quality loan portfolio, adhering to a strict credit policy. The Company also expects to end the next reporting year with a profit.

Events after the last day of the reporting year

In the period from the last day of the reporting year to the approval of the annual report, there have been no events that would significantly affect the Company's financial position as at December 31, 2024.

Proposals for the distribution of the Company's profit

The Company's management proposes to invest the profit for the reporting year in future development.

Aleksandrs Čerņagins
Member of the Board

October 23, 2025

THE MANAGEMENT REPORT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.

Profit or loss calculation
for the period from January 1, 2024 to December 31, 2024

	Note number	2024 EUR	2023 EUR
Net turnover from core activities	2	19,739,435	16,732,064
<i>a) from other core activities</i>		<i>19,739,435</i>	<i>16,732,064</i>
Core activity costs	3	(2,815,210)	(323,313)
Gross profit		16,924,225	16,408,751
Cost of sales	4	(2,524,632)	(2,069,370)
Administrative expenses	5	(280,951)	(316,785)
Other operating income	6	2,801	1,316
Other operating expenses	7	(4,089,493)	(5,003,111)
Other interest income and similar income	8	-	43,105
<i>b) from other persons</i>			<i>43,105</i>
Profit before corporate income tax		10,031,950	9,063,906
Corporate income tax for the reporting year	9	(1,004,899)	(998,969)
Profit after corporate income tax calculation		9,027,051	8,064,937
Extraordinary dividends		(2,000,000)	(5,570,000)
Profit for the reporting year		7,027,051	2,494,937

The appendix on pages 11 to 24 is an integral part of these financial statements.

Aleksandrs Čerņagins
Member of the Board

Ieva Rimicāne
*Person responsible for preparing
the annual report*

October 23, 2025

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Balance sheet as of December 31, 2024

Asset	Note number	31.12.2024 EUR	31.12.2023 EUR
Long-term investments			
Intangible investments			
Concessions, patents, licenses, trademarks and similar rights	10	95	95
Total intangible investments		95	95
Fixed assets			
Other fixed assets and inventory	11	7,648	10,715
Total fixed assets		7,648	10,715
Total long-term investments		7,743	10,810
Current assets			
Accounts receivable			
Borrowers' debts	12	31,882,329	27,441,639
Debts of related companies		-	403
Other debtors	13	263,457	212,054
Prepaid expenses	14	62,802	264,115
Total receivables		32,208,588	27,918,211
Cash	15	372,621	165,383
Total current assets		32,581,209	28,083,594
Total assets		32,588,952	28,094,404

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Aleksandrs Čerņagins
Member of the Board

Ieva Rimicāne
Person responsible for preparing
the annual report

October 23, 2025

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Balance sheet as of December 31, 2024

Passive	Note number	31.12.2024 EUR	31.12.2023 EUR
Equity			
Share capital	16	500,000	500,000
Retained earnings or accumulated losses:			
profit or uncovered losses from previous years		9,405,054	8,030,117
Retained earnings for the reporting year	17	7,027,051	2,494,937
Total equity		16,932,105	11,025,054
Creditors			
Long-term creditors			
Debts to related companies	19	9,335,000	1,660,000
Other borrowings	18	200,000	-
Total long-term creditors		9,535,000	1,660,000
Short-term creditors			
Other borrowings	18	4,874,185	10,087,898
Debts to related companies	19	1,042,574	4,225,753
Debts to suppliers and contractors		63,854	51,013
Taxes and mandatory state social insurance contributions	20	22,377	741,173
Other creditors	21	66,342	56,552
Unpaid dividends		-	81,200
Accrued liabilities	22	52,515	165,761
Total short-term creditors		6,121,847	15,409,350
Total creditors		15,656,847	17,069,350
Total liabilities		32,588,952	28,094,404

The appendix on pages 11 to 24 is an integral part of these financial statements.

Aleksandrs Čerņagins
Member of the Board

Ieva Rimicāne
Person responsible for preparing
the annual report

October 23, 2025

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Cash flow
for the period from January 1, 2024 to December 31, 2024

	Note number	2024 EUR	2023 EUR
Cash flow from operating activities			
1. Profit before corporate income tax		10,031,949	9,063,906
Adjustments:			
depreciation and impairment adjustments to fixed assets;		3,066	3,066
gains or losses from foreign currency exchange rate fluctuations;		121	104
other interest income and similar income;		-	(43 105)
interest payments and similar costs;		1,751,461	1,156,277
2. Profit before adjustments for changes in current assets and short-term liabilities		11,786,597	10,180,248
Adjustments:			
increase in accounts receivable;		(4,290,376)	(5,776,254)
increase in accounts payable to suppliers, contractors and other creditors;		(5,936,355)	259,353
3. Gross cash flow from operating activities		1,559,866	4,663,347
4. Interest expense		(365,483)	(1,859,094)
5. Expenses for corporate income tax payments		(721,182)	(280,025)
Net cash flow from operating activities		473,201	2,524,228
Cash flow from investing activities			
Proceeds from loan repayments;		-	(2,820,000)
Loans issued;		-	2,820,000
Interest received;		-	43,105
Net cash flow from investing activities		-	43,105

The notes on pages 11 to 24 are an integral part of these financial statements.

Cash flow
for the period from January 1, 2024 to December 31, 2024

Cash flow from financing activities

Reduction of share capital;	-	(2,792,694)
Loans received;	23,277,594	12,659,165
Expenses for loan repayments;	(20,423,557)	(11,114,975)
Extraordinary dividends paid;	(2,000,000)	(1,510,000)
Distributed retained earnings	(1,120,000)	-
Net cash flow from financing activities	(265,963)	(2,758,504)
Net decrease in cash and cash equivalents	207,238	(191,171)
Cash and cash equivalents at the beginning of the period	165,383	356,554
Cash and cash equivalents at end of period	372,621	165,383

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Aleksandrs Čerņagins
Member of the Board

Ieva Rimicāne
*Person responsible for preparing
the annual report*

October 23, 2025

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**Statement of changes in equity
for the period from January 1, 2024 to December 31, 2024**

	Notes Number	Share capital EUR	Retained earnings from previous years EUR	Profit for the reporting year EUR	Total equity EUR
31.12.2022		3,292,694	4,109,243	3,920,874	11,322,811
Reduction of share capital		(2,792,694)	-	-	(2,792,694)
2022 profit added to retained earnings from previous years		-	3,920,874	(3,920,874)	-
Profit for the reporting year after extraordinary dividends		-	-	2,494,937	2,494,937
31.12.2023		500,000	8,030,117	2,494,937	11,025,054
Distributed profit from previous years	16	-	(1,120,000)	-	(1,120,000)
2023 profit added to previous years' retained earnings		-	2,494,937	(2,494,937)	-
Profit for the reporting year after extraordinary dividends		-	-	7,027,051	7,027,051
31.12.2024		500,000	9,405,054	7,027,051	16,932,105

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Aleksandr Chernagin
Member of the Board

Ieva Rimicāne
Person responsible for preparing
the annual report

October 23, 2025

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(1) Information on the Company's operations and accounting and valuation methods – general principles

Information about the Company

The legal address of SIA EXTRA CREDIT (hereinafter referred to as the “Company”) is Skanstes iela 52, Riga, LV-1013. The Company is registered in the Commercial Register under the unified registration number 40103548796. The parent company of the Company is AS HSFE, which owns 98% of the Company's share capital. Aleksandrs Čerņagins is a member of the Company's board. The Company operates in the field of non-bank lending in Latvia, NACE code 64.92 "Other lending services".

The Company's auditor is the certified auditing company SIA BDO Assurance, and the responsible certified auditor is Raivis Jānis Jaunkalns.

Basis for preparation of the report

The financial statements have been prepared in accordance with the Accounting Law and the "Annual Reports and Consolidated Annual Reports Law", as well as in accordance with Cabinet Regulation No. 775 "Regulations on the Application of the Annual Reports and Consolidated Annual Reports Law" and other regulatory enactments governing accounting and annual reports.

The profit or loss calculation has been prepared in accordance with the turnover cost method. The cash flow statement has been prepared using the indirect method. The financial statements have been prepared on the basis of the original acquisition costs.

The company complies with the status of a medium-sized company.

Accounting principles applied

The items in the financial statements have been valued in accordance with the following accounting principles:

- a) It is assumed that the Company will continue as a going concern.
- b) The same valuation methods as in the previous year have been used.
- c) The valuation has been carried out with due caution:
 - only profits earned up to the balance sheet date are included in the report;
 - all foreseeable risks and losses incurred during the reporting year or in previous years were taken into account, even if they became known between the balance sheet date and the date of preparation of the financial statements;
 - all impairment and depreciation amounts have been calculated and taken into account, regardless of whether the reporting year ends with a profit or loss.
- d) Income and expenses related to the reporting year are taken into account regardless of the date of payment and the date of receipt or issuance of the invoice. Expenses are matched with income in the reporting period.
- e) Asset and liability items are valued separately.
- f) All items that have a significant impact on the assessment or decision-making of users of the financial statements are disclosed; immaterial items are aggregated and detailed in the notes.
- g) Economic transactions are reflected in the financial statements based on their economic substance and substance over form.

Related parties

Related parties are legal and natural persons related to the Company in accordance with the provisions set out below.

- a) A person or a close family member of that person is related to the reporting company if:
 - i. that person has control or joint control over the reporting company;

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- ii. that person has significant influence over the reporting company; or
- iii. that person is a member of the senior management of the reporting company or its parent company.

A company is related to the reporting company if it meets the following conditions:

- i. the company and the reporting company belong to the same group of companies (meaning that the parent company, subsidiary, and sister companies are related parties to each other);
- ii. one company is an associate or joint venture of the other company (or an associate or joint venture of a company in the group to which the other company belongs);
- iii. both companies are joint ventures of the same third party;
- iv. one company is a joint venture of a third party, while the other company is an associate of the same third party;
- v. the company is an employee benefit plan for the employees of the reporting company or the employees of a company related to the reporting company; If the reporting company itself is such a plan, the related parties are also the sponsoring employers.
- vi. the company is controlled or jointly controlled by the person identified in point (a);
- vii. the person identified in point (a)(i) has a significant influence over the company or is a member of the company's (or its parent company's) senior management;
- viii. the company, or any member of the group to which the company belongs, provides management personnel services to the company or the company's parent company.

Related party transactions – transfers of resources, services or obligations between the reporting entity and its related parties, regardless of whether consideration is specified.

Related party transactions are disclosed in Notes 5, 6, 8, 19 and 23 to the annual report, providing information on the nature of the transaction, amounts and balances at the end of the reporting year. Related party transactions are generally conducted on market terms. If transactions are not carried out under market conditions, this is indicated in Note .

Financial instruments and financial risks

A financial instrument is an agreement that simultaneously creates a financial asset for one person and a financial liability or equity security for another person.

The Company's most significant financial instruments are financial assets – borrowings, loans, related party receivables – and financial liabilities – borrowings, payables to suppliers and contractors and other creditors arising directly from its economic activities.

Financial risks associated with the Company's financial instruments, financial risk management

The main financial risks associated with the Company's financial instruments are:

- Credit risk is the risk that the Company's debtors will not be able to repay their debts in the specified amount or within the specified term;
- Currency risk is the risk that the Company may suffer unexpected losses due to fluctuations in foreign exchange rates;
- Interest rate risk is the risk that the Company may suffer losses due to unfavorable interest rate fluctuations;
- Liquidity risk – the risk that the Company will be unable to meet its financial obligations within the specified time frame.

Management has established the following procedures to control the most significant (or material) risks.

Credit risk

The Company's credit risk arises mainly in connection with the loans it has issued to customers. Credit risk is the risk that the Company will incur financial losses if a customer is unable to meet its contractual obligations. The Company's credit policy sets out lending guidelines that are consistent with the Company's business strategy and effective risk management principles, as well as ensuring the protection of the

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Company's assets and compliance with legal requirements.

Currency risk

To limit currency risk, the Company's management regularly monitors the currency structure of assets and liabilities to ensure that it is balanced.

Interest rate risk

To minimize interest rate risk, the Company's management enters into fixed-rate borrowing and lending agreements.

Liquidity risk

The Company analyzes the maturities of its assets and liabilities to ensure that it will have sufficient funds to meet its obligations. All borrowings received are long-term.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities reflects the amount for which an asset could be exchanged or a liability settled in a transaction between knowledgeable, willing and financially independent parties.

As at 31 December 2024, there are no significant differences between the fair values of financial assets and financial liabilities and their carrying amounts in the balance sheet.

Reporting period

The reporting period is 12 months from January 1, 2024 to December 31, 2024.

Currency unit and foreign currency translation

The figures presented in these financial statements are expressed in the official currency of the Republic of Latvia – the euro (EUR).

Transactions in foreign currencies are converted into euros at the euro reference rate published by the European Central Bank on the transaction date.

All monetary assets and liabilities are converted into euros at the euro reference rate published by the European Central Bank on the last day of the reporting year. All non-monetary asset and liability items are recorded in euros at the euro reference rate published by the European Central Bank on the transaction date.

Currency units per EUR 1:

	31.12.2024	31.12.2023
USD	1.0389	1.1050

Gains or losses resulting from foreign currency exchange rate fluctuations are reflected in the profit or loss calculation for the respective period.

Estimates and judgments

In preparing the financial statements, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and related assumptions are reviewed regularly. Changes in accounting estimates are recognized in the period in which the estimates are revised and in subsequent periods.

The main sources of estimation uncertainty are:

Provisions for doubtful debts

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Total provisions for impairment losses are assessed on credit portfolio groups. Provisions for impairment losses on credit portfolio groups cover losses on credit portfolios with similar credit risk characteristics where there is objective evidence that these portfolios contain financial assets that are impaired but it is not yet possible to identify the items that have lost value. Provisions for losses from impairment of credit portfolio groups also cover losses in credit portfolios that include loans in default. When assessing the need for provisions for losses from impairment of credit portfolio groups, management considers factors such as the probability of default, losses given default, portfolio size, concentration of delinquencies, and economic factors. When estimating the amount of provisions required, assumptions are made to determine the inherent loss patterns and the necessary input parameters based on past experience and current economic conditions. In order to assess the extent of impairment of the loan portfolio, the loan portfolio is divided into groups based on the number of days past due.

The Company assesses provisions for loans issued in accordance with International Financial Reporting Standard 9 (IFRS 9), in accordance with the expected credit loss (ECL) model. IFRS 9 introduces a new model for recognizing impairment – the expected credit loss (ECL) model. The model has a three-stage approach based on changes in the credit quality of a financial asset compared to its initial recognition. The requirements of IFRS 9 mean that, at the time of initial recognition of a financial asset, the company must recognize immediate losses equal to 12-month ECL, even if the financial assets show no signs of impairment (trade receivables will have to recognize their lifetime ECL). If there is a significant increase in credit risk, the impairment will be determined using the lifetime ECL of the asset rather than the 12-month ECL. The model includes operational relief for trade receivables.

Expected credit losses are calculated as the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD) function, where:

- probability of default (PD) is an assessment of the probability of default within a specified period of time;
- exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in exposure after the reporting date, including contractual or other repayments;
- Loss Given Default (LGD) is a measure of the loss that would occur if a default occurred at a given point in time. It is based on the difference between the contractual cash flows and those that the creditor would receive, including from the sale of any collateral, if the doubtful loans were sold. It is usually expressed as a percentage of EAD. The loss rate is based on discounted cash flows from default.

The expected credit loss amount is measured as the difference between all contractual cash flows due under the contract and all cash flows expected to be received, discounted at the effective interest rate of the loan.

Impairment

Impairment losses are recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Useful life of property, plant and equipment and intangible assets

Management estimates the useful lives of individual property, plant and equipment and intangible assets on a proportionate basis over the expected period of use of the asset (its expected capacity or efficiency) based on historical experience with similar property, plant and equipment and future plans. According to management's assessment, the useful lives of individual property, plant and equipment and intangible assets are as follows:

Intangible investments:

Licenses	1-5 years
Trademarks	4 years
Other intangible investments	1-5 years

Fixed assets:

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Other fixed assets and equipment	3-5 years
Other fixed assets	3-5 years

Intangible investments and fixed assets

All intangible investments and fixed assets are reflected in the balance sheet at their acquisition cost, less depreciation or amortization. Depreciation or amortisation is calculated from the first day of the month following the date of commissioning and ends on the first day of the month following the date of removal from the intangible investments or fixed assets. Depreciation is calculated using the straight-line method and written off over the useful life of the respective intangible investment and asset.

The depreciation method is reviewed at least at the end of each reporting year.

If the value of fixed assets on the balance sheet date is lower than their carrying amount and the impairment is expected to be permanent, they are measured at the lower value. Impairment is recognized in the income statement.

Assessment of receivables (except for borrowings assessed in accordance with IFRS 9)

The process of monitoring financial assets and determining impairment is subject to a number of significant risks and uncertainties. These risks and uncertainties include the risk that the Company's assessment of a customer's ability to meet all of its contractual obligations will change in line with changes in the credit rating of the customer concerned, and the risk that the economic situation will deteriorate more than expected or will have a more significant impact on customers.

Receivables are assessed in accordance with the principle of prudence and are presented at net value in the balance sheet. Impairment losses, which are recognized at amortized cost, are recognized in the income statement and presented in provisions for assets reflected in loans.

Provisions and contingent liabilities

Provisions are made for expected losses or expenses relating to the reporting year, the amount or date of occurrence and settlement of which is not clearly known.

Contingent liabilities are not recognized. They are recognized as liabilities only when the possibility that funds will be spent becomes sufficiently probable. Similarly, contingent assets are not recognised, but are recognised as assets only when the likelihood that the economic benefits associated with the transaction will flow to the Company is sufficiently probable.

Revenue recognition

Revenue from loans granted

All significant income, including commission income, is recognized in the income statement on an accrual basis.

Revenue consists mainly of commission income from loans issued, which is recognized on a pro rata basis, taking into account the actual yield of the asset. Revenue is not recognized if there is doubt about the recovery of the cost of the service.

Penalties received

Revenue from fines and late payment penalties is recognized when received.

Revenue from services rendered

Revenue from services rendered is recognized in the income statement in the period in which the services are rendered.

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Long-term and short-term items

Long-term items include amounts that are due to be received, paid or written off more than one year after the end of the reporting year. Amounts that are due to be received, paid or written off within one year are included in short-term items.

Corporate income tax

Since January 1, 2018, a new Corporate Income Tax Law has been in force in the Republic of Latvia, which provides for a conceptually new tax payment regime. The tax rate is 20% instead of the previous 15%, the tax period is a month instead of a year, and the tax base includes:

- Distributed profits (calculated dividends, dividend-like payments, conditional dividends) and
- Conditional distributed profits (expenses not related to economic activity, provisions for doubtful debts, increased interest payments, loans to related parties, reduction of income or excess of expenses arising from transactions at prices that differ from market prices, the calculation methods of which are determined by the Cabinet of Ministers, benefits granted by a non-resident to its employees or members of the board (council), regardless of whether the recipient is a resident or non-resident, if they are related to the activities of a permanent representative office in Latvia, liquidation quota).

The use of tax losses carried forward from previous periods is limited: these losses may be used to reduce the amount of tax calculated on dividends in the reporting year by no more than 50%.

Transactions with Mintos Marketplace

The Company has entered into a cooperation agreement with Mintos Marketplace for the purpose of attracting financing. The cooperation agreement is based on a loan agreement and the related assignment agreements are valid until the parties agree to terminate the agreement.

The Mintos platform acts as an agent, transferring cash flows between the Company and Mintos Marketplace. The Company retains legal ownership of its debt instruments (including payment collection), but transfers part of the fair value and interest to investors. Under the loan agreement, the Company has entered into a commercial pledge agreement. The entire property of the commercial pledgee at the time of the pledge, as well as future components of the property in the amount of EUR 12 million, serve as collateral for the loan.

Lease without purchase rights (the Company is the lessee)

In cases where assets are leased under a lease without purchase rights, lease payments and prepayments for the lease are included in the profit or loss calculation when they arise.

Related companies

The Group's subsidiaries or the Group's parent company, or other subsidiaries of the Group, or subsidiaries of the Group's subsidiaries are considered to be related companies.

No significant transactions with related companies took place during the reporting year .

Appendix to the financial report**(2) Net turnover**

Net turnover consists of interest income from the Company's core business – consumer credit issuance. Core business interest income includes commission fees for credit issuance and penalties received.

	2024	2023
	EUR	EUR
Interest and commission income according to the effective interest method	19,533,696	16,562,132
Penalty income	205,739	169,932
	19,739,435	16,732,064

(3) Operating expenses

This item shows the net costs incurred to achieve turnover – interest costs on loans received and costs related to the purchase of services.

	2024	2023
	EUR	EUR
Provisions for doubtful debts	4,679,483	3,166,573
Provisions for doubtful debts reversal	(3,702,259)	(4,124,966)
Interest expense on borrowings	1,751,461	1,156,277
Costs directly related to the granting of loans	86,525	125,429
	2,815,210	323,313

(4) Sales costs

	2024	2023
	EUR	EUR
Professional and management services	1,355,255	944,178
Advertising and marketing costs	455,498	491,499
Personnel costs	281,645	268,918
Communication expenses	148,217	134,932
Application review expenses	147,812	108,634
Banking services	106,495	100,458
Debt collection expenses	29,710	20,751
	2,524,632	2,069,370

(5) Administrative expenses

	2024	2023
	EUR	EUR
Personnel costs	130,568	137,034
Professional services	62,373	90,566
Other administrative expenses	61,109	61,159
Premises rental*	17,228	17,228
Accounting services*	4,879	4,879
Depreciation of fixed assets and impairment of intangible assets	3,066	3,112
Office expenses	1,728	2,807
	280,951	316,785

*Related party transactions.

Appendix to the financial report**(6) Other operating income**

	2024	2023
	EUR	EUR
Other income	738	333
Income from the provision of operational support services*	2,063	983
	2,801	1,316

*Related party transactions.

(7) Other operating expenses

	2024	2023
	EUR	EUR
Net losses from the sale and write-off of the loan portfolio	4,084,888	4,421,033
Commission fees of banks and financial institutions	4	4,475
Other expenses	121	103
Fines	4	92,500
Donations	-	485,000
	4,089,493	5,003,111

On October 14, 2021, the Company received a decision from the Consumer Rights Protection Center (PTAC) imposing a fine of EUR 90,000 and requiring the Company to amend its business practices regarding the application of the voluntary service commission above the total credit cost limit as interpreted by PTAC, requiring customers to submit documents for creditworthiness assessment during credit extension, etc. The Company appealed the decision in full in November 2021, providing a legally substantiated position that its commercial practices do not involve any violations of the law, which is supported by one of the most respected law firms in the financial sector. On July 11, 2022, the court rejected SIA Extra Credit's appeal. The court's rejection was appealed in full on August 5, 2022. On January 26, 2024, the Supreme Court rejected the Company's cassation appeal, which imposed an obligation on the Company to pay the fine in full.

(8) Other interest income and similar income

	2024	2023
	EUR	EUR
Interest income from related companies	-	43,105
	-	43,105

(9) Corporate income tax

	2024	2023
	EUR	EUR
Corporate income tax for the reporting year	1,004,899	998,969
	1,004,899	998,969

Appendix to the financial report**(10) Intangible investments**

	Concessions, patents, licenses, trademarks and similar rights EUR	Total EUR
Initial value		
31.12.2023	53,364	53,364
31.12.2024	53,364	53,364
Accumulated depreciation		
31.12.2023	(53,269)	(53,269)
31.12.2024	(53,269)	(53,269)
Balance sheet value as at 31.12.2023	95	95
Balance sheet value as at 31.12.2024	95	95

(11) Fixed assets

	Other fixed assets and inventory EUR	Total EUR
Initial value		
31.12.2023	41,380	41,380
31.12.2024	41,380	41,380
Accumulated depreciation		
31.12.2023	(30,666)	(30,666)
Calculated depreciation	(3,066)	(3,066)
31.12.2024	(33,732)	(33,732)
Balance sheet value 31.12.2023	10,714	10,714
Balance sheet value as at 31.12.2024	7,648	7,648

Appendix to the financial report**(12) Borrowers' debts**

	31.12.2024	31.12.2023
	EUR	EUR
Carrying amount of short-term borrower debts	35,944,034	30,526,120
Provisions for doubtful debts	(4,061,705)	(3,084,481)
	31,882,329	27,441,639

Provisions for doubtful debts:

	Carrying amount
	EUR
31.12.2022	(4,042,874)
Created	(3,166,573)
Reversed	4,124,966
31.12.2023	(3,084,481)
31.12.2023	(3,084,481)
Created	(4,679,483)
Reversed	3,702,259
31.12.2024	(4,061,705)

(13) Other debtors

	31.12.2024	31.12.2023
	EUR	EUR
Settlements for assigned receivables	262,599	209,884
Advance payments for services received	-	1,312
Security deposits paid	858	858
	263,457	212,054

(14) Expenses for future periods

This item shows expenses incurred during the reporting year but relating to future reporting periods.

	31.12.2024	31.12.2023
	EUR	EUR
Other expenses for future periods	60,092	60
Membership fees in organizations	2,300	1,956
Information technology-related costs	263	33
Bank and financial institution commission fees	117	-
Data request costs	30	18
Advertising costs*	-	202,006
	62,802	264,115

*In 2022, a long-term advertising cooperation agreement was concluded until December 31, 2024.

Appendix to the financial report**(15) Cash**

	31.12.2024	31.12.2023
	EUR	EUR
Current accounts EUR	372,621	165,383
	372,621	165,383

All funds are in EUR and held in a current account with a credit institution registered in the Republic of Latvia without any restrictions on use.

(16) Share capital

The Company's share capital as at 31 December 2024 is EUR 500,000 (2023: EUR 500,000) and consists of 500,000 (2023: 500,000) shares, each with a nominal value of EUR 1.

(17) Distribution of profits**a) Ordinary and extraordinary dividends**

In 2024, the Company calculated and paid extraordinary dividends in the amount of EUR 2,000,000, as well as ordinary dividends in the amount of EUR 1,120,000. In accordance with the Commercial Law, extraordinary dividends may be paid no earlier than three months after the previous shareholders' meeting decision on the determination of dividends has been adopted. The Company complied with these requirements.

The company's board proposes to invest undistributed profits in future development and leave them undistributed.

(18) Other borrowings

	31.12.2024	31.12.2023
	EUR	EUR
Long-term portion		
Loans from individuals	200,000	-
Total borrowings	200,000	-
Short-term portion		
Funding attracted by the peer-to-peer lending platform	4,854,914	9,756,912
Loans from individuals	-	200,000
Debts for calculated interest payments and platform use	19,271	130,986
Total borrowings	4,874,185	10,087,898

Borrowings

Loans received to ensure the core business of SIA EXTRA CREDIT – issuing loans, and as at 31 December 2024, the total outstanding principal amount of loans from the lending platform and individuals is EUR 5,054,914 (31.12.2023: EUR 9,956,912). The average repayment term of the borrowings is 2 years, with interest rates ranging from 8% to 12%.

Funding attracted from peer-to-peer lending platforms

In 2024, the Company continued to attract financing from peer-to-peer lending platforms. See also Section 1 of Appendix 1, “Transactions with Mintos Marketplace,” for a description of the transactions performed. All of the Company’s assets at the time of pledging, as well as future components of the asset pool, serve as

Appendix to the financial report

collateral for the loans.

(19) Debts to related companies

	31.12.2024	31.12.2023
Long-term portion	EUR	EUR
Debts to related companies (loans from legal entities)	9,335,000	1,660,000
Total long-term portion	9,335,000	1,660,000
Short-term portion	EUR	EUR
Debts to related companies for unpaid dividends	627,600	3,978,800
Debts to related companies for services received	325,022	244,995
Debts to related companies (accrued interest on borrowings)	89,952	1,958
Total short-term portion	1,042,574	4,225,753

Loans

In 2022, a loan was received to ensure the core business of SIA EXTRA CREDIT – issuing loans. The loan is repayable by August 1, 2027.

(20) Taxes and mandatory social security contributions to the State Social Insurance Agency ()

	31.12.2024	31.12.2023
	EUR	EUR
Corporate income tax	6,073	727,094
Mandatory state social insurance contributions	5,377	8,179
Personal income tax	4,771	5,009
Value added tax	6,152	886
State duty on business risk	4	5
	22,377	741,173

(21) Other creditors

	31.12.2024	31.12.2023
	EUR	EUR
Debts for wages	16,679	18,365
Other creditors	49,663	38,187
	66,342	56,552

(22) Accrued liabilities

	31.12.2024	31.12.2023
	EUR	EUR
Accrued liabilities for invoices not yet received	18,401	146,303
Provisions for unused vacation days	34,114	19,458
	52,515	165,761

Appendix to the financial report**(23) Related parties, transactions with related parties**

The largest shareholder of the parent company is AS Puzzle International, and its beneficial owner is Aigars Kesenfelds. Transactions with the largest shareholder, its beneficial owner and companies controlled by these persons individually, jointly or by their close family members are classified as “Other related parties”. Members of the Management Board and companies controlled by them and jointly controlled by them are classified as “Related parties”. Remuneration of members of the Management Board is presented in Note 25. During the reporting year, the Company has had transactions with related parties in the course of its economic activities.

The most significant transactions and their amounts are as follows:

		Transaction amount	
		2024 EUR	2023 EUR
Related party	Transaction description		
Related company	Receipt of loans	17,490,000	4,129,620
Related company	Granting of loans	-	2,820,000
Related company	Calculated interest on loans received	1,414,209	273,031
Related company	Calculated interest on loans issued	-	43,105
Related company	Services provided	738	333
Related company	Services received	1,138,376	798,725

The balances of related party debts and debts to related parties are shown in the following table:

	2024		2023	
	Assets EUR	Liabilities EUR	Assets EUR	Liabilities EUR
Related party				
Related companies	-	10,377,574	403	5,885,753

(24) Number of persons employed by the company

	2024	2023
Average number of employees (board members)	1	1
Average number of employees (other employees)	11	14
	12	15

(25) Information on remuneration paid to management for the performance of their duties

During the reporting period, the member of the Management Board did not receive any remuneration for his work on the Management Board.

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(26) Events after the balance sheet date

In the period from the last day of the reporting year to the approval of the annual report, there have been no events that would significantly affect the Company's financial position as at 31 December 2024.

Aleksandrs Čerņagins

Member of the Board

Ieva Rimicāne

*Person responsible for preparing
the annual report*

October 23, 2025

THE ANNUAL REPORT IS SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.

Independent auditor's report to the members of SIA "EXTRA CREDIT"

Our opinion on the financial statements

We have audited the financial statements on pages 5 to 24 of the accompanying annual report of the limited liability company "EXTRA CREDIT" (the Company). The accompanying financial statements comprise:

- the balance sheet as at December 31, 2024;
- the income statement for the year ended December 31, 2024; and
- a statement of changes in equity for the year ended December 31, 2024;
- a cash flow statement for the year ended December 31, 2024, and
- notes to the financial statements, which include significant information about accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AS "EXTRA CREDIT" as at December 31, 2024, and of its financial performance and cash flows for the year then ended, in accordance with the Annual Reports and Consolidated Annual Reports Law of the Republic of Latvia (the "Annual Reports and Consolidated Annual Reports Law").

Basis for opinion

In accordance with the Audit Services Law of the Republic of Latvia (the "Audit Services Law"), we conducted our audit in accordance with International Standards on Auditing (hereinafter referred to as ISA) as adopted in the Republic of Latvia. Our responsibilities under those standards are described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the requirements of the International Code of Ethics for Professional Accountants developed by the International Ethics Standards Board for Accountants (including the International Standard on Independence) and the independence requirements included in the Audit Services Act, which are applicable to our audit of the financial statements in the Republic of Latvia. We have also complied with the other ethical principles and objectivity requirements set out in the International Code of Ethics for Professional Accountants (including the International Independence Standard) and the Audit Services Act.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

Other circumstances

The Company's financial statements for 2023 were audited by another auditor, who issued an unmodified opinion on October 17, 2024.

Reporting of other information

The Company's management is responsible for other information. Other information consists of:

- information about the Company provided on page 3 of the attached annual report,
- the management report provided on page 4 of the accompanying annual report.

Our opinion on the financial statements does not cover the other information included in the annual report, and we do not express any form of assurance on that information, except as stated in the section of our report entitled Other reporting requirements in accordance with the requirements of the laws of the Republic of Latvia.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work performed and taking into account the information obtained during the audit and our understanding of the Company and its operating environment, we conclude that there are material misstatements in other information, we are required to report such circumstances. No circumstances have come to our attention that would require reporting.

Other reporting requirements in accordance with the requirements of the laws of the Republic of Latvia

In addition, in accordance with the Audit Services Act, we are required to express an opinion on whether the Management Report has been prepared in accordance with the requirements of the regulatory act governing its preparation, the Annual Reports and Consolidated Annual Reports Act.

Based solely on the procedures performed in our audit, in our opinion:

- The information provided in the Management Report for the reporting year for which the financial statements have been prepared is consistent with the financial statements, and
- The management report has been prepared in accordance with the requirements of the Annual Reports and Consolidated Annual Reports Act.

Responsibility of management and persons entrusted with the supervision of the Company for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Annual Accounts and Consolidated Annual Accounts Act, and for maintaining such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or cease its operations, or has no realistic alternative but to liquidate the Company or cease its operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Non-compliance may arise from fraud or error and is considered material if, individually or in the aggregate, it could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit process. We also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that provides a sufficient and appropriate basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the breach of internal control;

- we gain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may cause the Company to cease operations.
- We evaluate the overall structure and content of the financial statements, including the disclosures and explanations in the notes, and whether the financial statements truly reflect the underlying transactions and events.

We communicate with those charged with governance and, among other things, provide information about the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SIA "BDO ASSURANCE"
Mihaila Tāla iela 1, Rīga, LV-1045 License
No. 182

Raivis Jānis Jaunkalns
Certified Auditor
Certificate No. 237
Member of the Board

Rīga, Latvia
October 24, 2025

This document has been electronically signed with a secure electronic signature and contains a time stamp.