

# **BB FINANCE OÜ**

**CONSOLIDATED ANNUAL REPORT 2023**

## Consolidated annual accounts 01.01.2023-31.12.2023

Business name **BB Finance OÜ**  
Business registration number: **11306564**  
Legal address: **Pronksi 19, 10124 Tallinn**  
E-mail: [info@bbfinance.ee](mailto:info@bbfinance.ee)

Principal activities: **Other lending**

Board of Directors: **Urmo Kokmann**

Audit firm: **KPMG Baltics OÜ**

## CONTENTS

Activity report.....	4
About the Group and 2023 in general .....	4
Funding.....	4
Group and employees.....	4
2024 targets .....	5
Financial results .....	5
Consolidated Annual Accounts.....	6
Consolidated statement of comprehensive income .....	6
Consolidated statement of financial position .....	7
Consolidated cash flow statement.....	8
Consolidated statement of changes in equity.....	9
Notes to the consolidated financial statements .....	10
ANNEX 1. General information .....	10
1.1. Declaration of conformity.....	10
ANNEX 2. Accounting policies .....	10
2.1. Basis of preparation and new standards .....	10
2.2. Basis for consolidation .....	12
2.3. Recognition of foreign currency transactions and balances .....	12
2.4. Cash and cash equivalents .....	13
2.5. Financial assets and liabilities .....	13
2.6. Tangible fixed assets.....	15
2.7. Intangible fixed assets .....	15
2.8. Impairment of non-financial assets .....	15
2.9. Provisions and contingent liabilities .....	16
2.10. Revenue and expenditure.....	16
2.11. Corporate income tax .....	17
2.12. Rent accounting as a lessee.....	17
ANNEX 3. Key management decisions and assessments .....	18
ANNEX 4. Risk management .....	18
4.1. Credit risk .....	19
4.2. Liquidity risk .....	22
4.3. Market risk.....	23
4.4. Concentration risk.....	24
4.5. Capital management .....	24
4.6. Fair value of financial assets and financial liabilities .....	25

	3
ANNEX 5. Subsidiaries.....	26
ANNEX 6. Net interest and service income .....	26
ANNEX 7. Other operating income.....	27
ANNEX 8. Other operating expenses .....	27
ANNEX 9. Miscellaneous operating expenditure.....	27
ANNEX 10. Income tax .....	28
ANNEX 11. Labour costs.....	28
ANNEX 12. Significant write-downs of current assets .....	28
ANNEX 13. Cash and cash equivalents .....	28
ANNEX 14. Loans to customers .....	28
ANNEX 15. Other claims on customers .....	29
ANNEX 16. Other assets .....	29
ANNEX 17. Financial investments .....	29
ANNEX 18. Tangible fixed assets .....	30
ANNEX 19. Intangible fixed assets .....	31
ANNEX 20. Loan commitments .....	31
ANNEX 21. Debt securities .....	32
ANNEX 22. Payables to suppliers and other liabilities .....	32
ANNEX 23. Tax arrears .....	33
ANNEX 24. Cash flows .....	33
ANNEX 25. Equity in a company .....	33
25.1. Contingent liability to income tax .....	33
25.2. Other changes in equity .....	33
ANNEX 26. Related party transactions .....	34
ANNEX 27. Events after the reporting date .....	35
ANNEX 28. Separate basic financial statements of the parent company .....	36
28.1. Parent company profit and loss account.....	36
28.2. Parent company financial position report.....	37
28.3. Parent company cash flow statement .....	38
28.4. Statement of changes in equity of the parent company .....	39

## ACTIVITY REPORT

### ABOUT THE GROUP AND 2023 EVENTS IN GENERAL

BB Finance OÜ (hereinafter referred to as the "Group") is a consumer credit company offering various consumer loans in Estonia. The Group's aim is to build customer trust and provide the most convenient service possible, supported by continued investment in software solutions, continuously developing credit systems and a professional team.

2023 was a successful year in terms of loan origination and the company focused on improving the quality of loan decisions and automating processes. The focus continued to be on improving efficiency, and the company's cost/income ratio reached 37% (2022: 50%). To ensure sustainable financing of operations, the company started to integrate with the Mintos platform. Over the year, the net private client portfolio grew from €10.8 million to €15.3 million, or 42%. Interest and fee income amounted to €6.1 million in the year under review (2022: €4.8 million), up 26% over the year.

Operating profit for the year amounted to EUR 2.2 million (2022: EUR 1.5 million) and net profit to EUR 0.44 million (2022: EUR 1.5 million).  
million (2022: EUR 0.43 million).

### FINANCING

In 2023, in order to finance the growth in lending volumes, the Group started cooperation with a new institutional investor and refinanced the Group's loan commitments secured by loan receivables in the amount of EUR 5.4 million. In total, the volume of interest-bearing liabilities increased by EUR 2.6 million in the year under review.

### GROUP AND STAFF

The Group believes that a strong team is the key to achieving even the most ambitious goals. On the human resources front, we achieved another leap forward in 2023 in the area of employee health promotion. The most notable efforts to achieve this were the active maintenance and modernisation of the office (including ensuring healthier office air, etc.), continued benchmarking to support personalisation and individualisation of employees, the creation of a health working group, the development of a health plan with a sustainable plan, and the day-to-day introduction or modification of existing activities in the area of employee health promotion to support employees' motivation to make healthier choices.

As a result of these efforts, we received the "Good Working Environment 2023" award from the Labour Inspectorate for being one of the two finalists. In addition, we were awarded the "Mental Health Organisation" and "Respecting Differences" labels. We signed a document at the Estonian Human Rights Centre. "Diversity Pact".

A key issue was to modernise documentation - from job descriptions to safety manuals and other proper employee documents. We organised this in such a way that anything that could be

adapted for consumption by employees, we did (e.g. audio files to listen to, healthy advice to go for a walk at the same time).

In addition, we made significant changes to the reorganisation of staff (including core posts) to increase staff efficiency and professionalism. This includes not only changes to work processes and further training, but also an increase in automation. In the loan processing process, we exceeded the targets we set ourselves and achieved more than 90% automation. We can proudly say that our staff are working smarter and smarter over time. As a result, the company's risks have been mitigated and as a company we will continue to maintain this focus in the future.

## 2024 TARGETS

The Group has set the goal for 2024 to increase loan volumes and launch new loan products in the Estonian market under the Raha24 and HyBa brands. In addition, the focus will be on creating new investor relationships and reducing capital costs.

## FINANCIAL RESULTS

Key figures for the financial year 2023:

	2023	2022	Change
Interest and service revenue	6 058 038	4 815 487	26%
Operating profit (EBIT)	2 199 197	1 536 088	43%
Net profit	436 800	429 099	2%
Equity	3 470 330	3 190 947	9%
Interest-bearing liabilities	14 727 453	10 376 468	42%
including from related parties	2 245 000	3 453 000	-35%
Loans to private customers (net)	15 314 628	10 756 743	42%
Total assets	19 638 309	14 548 762	35%

Key financial ratios:

	2023	2022	Change
Return on investment (ROIC %)	14%	9%	0,57
Return on assets (ROA %)	3%	2%	0,10
Return on equity (ROE %)	13%	5%	1,65
Equity ratio (Equity ratio %)	18%	22%	-0,19

The methodology used to calculate the ratios:

Return on investment (ROIC %) = EBIT / [(interest-bearing debt liabilities of the reporting period + equity of the reporting period + interest-bearing debt liabilities of the previous period + equity of the previous period)/2]

Return on assets (ROA %) = Net profit / [(total assets for the reporting period + total assets for the previous period)/2]

Return on equity (ROE %) = Net profit / [(equity for the reporting period + equity for the previous period)/2]

Equity ratio (%) = Equity / Total assets

# CONSOLIDATED ACCOUNTS ANNUAL REPORT

## CONSOLIDATED CONSOLIDATED INCOME STATEMENT

The notes on pages 10 to 39 form an integral part of the consolidated financial statements.

	2023	2022
Interest income	4 498 883	3 718 337
Interest costs	-1 740 501	-1 106 989
<b>Net interest income (Note 6)</b>	<b>2 758 381</b>	<b>2 611 348</b>
Service fee revenue	1 559 156	1 097 149
Costs of service charges	-189 361	-192 657
<b>Net revenue from services (Note 6)</b>	<b>1 369 795</b>	<b>904 492</b>
Other financial income and expenses	-91 773	0
Other operating income (Note 7)	26 500	322 898
Other operating expenses (Note 8)	-9 074	-542
Miscellaneous operating expenditure (Note 9)	-907 526	-1 031 098
Staff costs (Note 11)	-946 471	-988 498
Depreciation, amortisation and impairment of fixed assets (Notes 18,19)	-168 518	-170 980
Significant write-downs on current assets (Note 12)	-1 572 619	-1 218 522
<b>Profit before income tax</b>	<b>458 695</b>	<b>429 099</b>
Income tax (Annex 10)	-21 895	0
<b>Total comprehensive income for the year</b>	<b>436 800</b>	<b>429 099</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The notes on pages 10 to 39 form an integral part of the consolidated financial statements.

	31.12.2023	31.12.2022
<b>Assets</b>		
Cash and cash equivalents (Note 13)	326 744	838 045
Loans and receivables from customers (Note 14)	15 952 183	11 388 498
Other receivables from customers (Note 15)	964 982	798 799
Other assets (Note 16)	42 302	30 134
Financial investments (Note 17)	1 204 986	149 996
Tangible fixed assets (Note 18)	437 133	556 932
Intangible fixed assets (Note 19)	709 980	786 359
<b>Total assets</b>	<b>19 638 309</b>	<b>14 548 762</b>
<b>Commitments</b>		
Loan commitments (Note 20)	7 727 453	10 376 468
Debt securities (Note 21)	7 235 433	0
Payables to suppliers and other liabilities (Note 22)	1 205 093	981 347
<b>Total commitments</b>	<b>16 167 979</b>	<b>11 357 815</b>
<b>Equity</b>		
Share capital at nominal value (Note 25)	102 000	102 000
Reserves	10 000	10 000
Undistributed profit from previous periods	2 921 530	2 649 848
Profit for the year	436 800	429 099
<b>Total equity</b>	<b>3 470 330</b>	<b>3 190 947</b>
<b>Total liabilities and equity</b>	<b>19 638 309</b>	<b>14 548 762</b>

## CONSOLIDATED CASH FLOW STATEMENT

The notes on pages 10 to 39 form an integral part of the consolidated financial statements.

	2023	2022
<b>Cash flows from operating activities</b>		
Profit before income tax	458 695	429 099
Corrections		
Depreciation and impairment of fixed assets (Notes 18,19)	168 518	170 980
Profit (loss) on sale of fixed assets	9 018	-34 533
Interest income and expense (Note 6)	-2 758 381	-2 611 348
Other adjustments (Note 24)	782 619	231 639
<b>Total adjustments</b>	<b>-1 798 227</b>	<b>-2 243 262</b>
Change in trade receivables and prepayments related to operations	-4 905 277	-2 409 430
Change in operating liabilities and prepayments	279 760	-29 535
Interest received	3 840 686	3 040 481
<b>Total cash flows from operating activities</b>	<b>-2 124 362</b>	<b>-1 212 647</b>
<b>Cash flows from investing activities</b>		
Acquisition of tangible and intangible fixed assets	-16 700	-58 132
Proceeds from the sale of tangible and intangible fixed assets	12 000	143 333
Used in the acquisition of other financial investments	-1 054 990	0
Loans granted	-5 800	-39 700
Repayments of loans granted	0	140 000
Interest received	44 619	3 708
<b>Total cash flows from investing activities</b>	<b>-1 020 871</b>	<b>189 210</b>
<b>Cash flows from financing activities</b>		
Loans received	11 362 000	4 664 793
Repayments of loans received	-6 978 000	-1 665 000
Principal repayments on capital leases	-88 604	-177 372
Interest paid	-1 505 068	-1 106 989
Dividends paid	-134 500	-127 000
Corporate income tax paid	-21 895	-20 674
<b>Total cash flows from financing activities</b>	<b>2 633 932</b>	<b>1 567 758</b>
<b>Total cash flows</b>	<b>-511 301</b>	<b>544 321</b>
Cash and cash equivalents at beginning of period (Note 13)	838 045	293 724
<b>Change in cash and cash equivalents</b>	<b>-511 301</b>	<b>544 321</b>
Cash and cash equivalents at end of period (Note 13)	326 744	838 045

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The notes on pages 10 to 39 form an integral part of the consolidated financial statements.

	Share capital	Reserves	Undistribut ed Gains	Equity Total
<b>Balance at 31.12.2021</b>	<b>100 000</b>	<b>10 000</b>	<b>14 047 665</b>	<b>14 157 665</b>
Profit for the year	0	0	429 099	429 099
Dividends paid	0	0	0	0
Capital contribution	2 000	0	0	2 000
Other changes in equity	0	0	-11 397 817	-11 397 817
<b>Balance as at 31.12.2022</b>	<b>102 000</b>	<b>10 000</b>	<b>3 078 947</b>	<b>3 190 947</b>
Profit for the year	0	0	436 800	436 800
Dividends paid	0	0	-134 500	-134 500
Other changes in equity (Notes 5,25)	0	0	-22 917	-22 917
<b>Balance as at 31.12.2023</b>	<b>102 000</b>	<b>10 000</b>	<b>3 358 330</b>	<b>3 470 330</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### ANNEX 1. GENERAL INFORMATION

BB Finance OÜ is a limited liability company registered in the Republic of Estonia and having its registered office in Estonia. The legal address of the company is Pronksi Street 19, Tallinn. BB Finance OÜ ([www.raha24.ee](http://www.raha24.ee) and [www.hyba.ee](http://www.hyba.ee)) offers small loans to private clients on the Estonian market through an online environment. Since 25 April 2016, BB Finance OÜ has been operating on the basis of a creditor licence issued by the Financial Supervision Authority.

As of the reporting date, BB Finance OÜ owns one subsidiary - BB Motors OÜ. The subsidiary is engaged in the rental of vehicles.

These consolidated financial statements (including the accounts) have been approved by the Board of Directors at the General Meeting of Shareholders. The shareholders have the right not to approve the accounts as drawn up and presented and to request that new accounts be drawn up.

The parent company of BB Finance OÜ is BB Finance Group OÜ, which owns 100% of the shares. The parties with significant influence over BB Finance Group OÜ are Mart Kolu, who holds 57% of the voting rights through the parent company Credit Capital OÜ, and Urmo Kokmann, who holds 14% of the voting rights through UK Holding OÜ.

#### 1.1. Confirmation of conformity

The consolidated financial statements of BB Finance OÜ and its subsidiary BB Motors OÜ (together referred to as the "Group"), prepared as at 31.12.2023, comply with International Financial Reporting Standards as adopted by the European Union (IFRS EU).

### ANNEX 2. ACCOUNTING PRINCIPLES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies have been consistently applied by the Group to all periods presented and to all entities included in the consolidated financial statements, except where otherwise described.

#### 2.1. Basis for drafting and new standards

The Group's 2023 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements have been prepared under the historical cost convention, except as otherwise described in the accounting policies below.

Preparing consolidated accounts in accordance with IFRS EU requires critical judgements in a number of areas. It also requires management judgements in the application of accounting policies. Areas involving a significant degree of judgment and complexity, or areas where assumptions and estimates made have a significant effect on the financial statements, are disclosed in note 3.

The financial year started on 01.01.2023 and ended on 31.12.2023. The accounting figures are given in euros.

#### 2.1.1. New or amended standards and interpretations

1. The following new standards, interpretations and amendments to standards are effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Implementation Guidance No 2 Judgement of Materiality (effective for annual periods beginning on or after 1 January 2023) The amendments to IAS 1 aim to help entities provide more useful disclosures about accounting policies,

- requiring companies to disclose only significant accounting policies;
- explaining that the accounting policies relating to immaterial transactions, other events or conditions are also immaterial and therefore do not require disclosure; and
- explaining that not all accounting policies relating to significant transactions, other events or conditions are material to the entity's financial statements. The IASB also amended IFRS Implementation Guidance No. 2 by adding guidance and additional guidance on the application of the concept of materiality in the disclosure of accounting policies. The Group does not expect the amendments to have a material impact on the Group's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2023).

The amendments introduce a new definition of "accounting estimates": it clarifies that they are monetary amounts presented in the accounts whose measurement involves uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates: it is specified that an entity makes an accounting estimate in order to achieve the objective established by an accounting policy.

The Group estimates that the amendments did not have a material impact on the Group's

financial statements. The following standards/amendments have been approved by the

European Union but have not yet entered into force.

Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2024) The amendments clarify the principles for the classification of liabilities as current or non-current in IAS 1. It clarifies what is meant by the right to defer settlement and the requirement that this right must exist at the end of the reporting period. It is clarified that the classification of liabilities as current or non-current is not affected by management's intention or by options issued to the counterparty to a transaction that may result in the settlement of the liability by delivery of the entity's own equity instruments. The amendments also clarify that the classification of a liability is affected only by contractual terms that the entity must settle on or before the reporting date.

The Group does not expect the amendments to have a material impact on the Group's financial statements.

The remaining new standards, amendments to standards and interpretations that are not yet effective are not expected to have a material impact on the Group's financial statements.

## 2.2. Basis for consolidation

The 2023 consolidated financial statements include the financial statements of BB Finance OÜ (the parent company) and its subsidiary BB Motors OÜ.

BB Finance OÜ owns 100% of the subsidiary as of 31.12.2023. Subsidiaries are all entities over which the Group has full control. The Group controls an entity when it receives or has rights to the variable profits arising from its ownership interest in the entity and it is able to influence the amount of those profits through its power over the entity. The acquisition of a subsidiary is accounted for using the purchase method (except for business combinations under common control, which are accounted for at adjusted cost). Cost is deemed to be the fair value of the consideration payable at the acquisition date. Under the purchase method, the identifiable assets, liabilities and contingent liabilities of the subsidiary acquired are recognised at their fair values at the date of acquisition.

All intercompany receivables and payables, intra-group transactions and unrealised gains on transactions between Group companies have been eliminated. Unrealised losses on intragroup transactions are eliminated only to the extent that they are not attributable to an impairment loss. The income and expenses of subsidiaries acquired during the financial year are consolidated in the Group's statement of comprehensive income from the date of acquisition to the end of the financial year. The results of subsidiaries disposed of during the financial year are consolidated in the statement of profit or loss and the statement of comprehensive income from the beginning of the financial year until the date of disposal.

In accordance with the Estonian Accounting Act, the notes to the financial statements disclose the separate basic financial statements of the parent company of the group. The parent company's basic financial statements have been prepared in accordance with the same principles as the consolidated financial statements, except for investments in subsidiaries, which have been accounted for using the equity method.

The accounting policies of all Group companies are in line with the Group's accounting policies. Where appropriate, the accounting policies of subsidiaries have been changed to conform to those of the Group.

## 2.3. Recording of foreign currency transactions and balances

### 2.3.1. Accounting and reporting currency

The Group companies use the euro (EUR) as their functional and presentation currency.

### 2.3.2. Transactions and balances in foreign currency

Transactions denominated in foreign currencies are translated at the exchange rates of the European Central Bank (ECB) prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro using the official ECB exchange rates at the balance sheet date.

Gains and losses arising on restatement are recognised in the income statement as income and expense for the period.

## 2.4. Money and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and fixed-term deposits with an original maturity of up to 3 months, which are unrestricted and have an insignificant risk of changes in value, included in the cash flow statement.

## 2.5. Financial assets and liabilities

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. On initial recognition, transaction costs are added to the fair value of the financial asset or financial liability. For financial assets at fair value through profit or loss, transaction costs are recognised as an expense in the income statement. Immediately after recognition, the expected credit loss on assets carried at adjusted cost and at fair value through profit or loss is recognised.

### 2.5.1. Financial assets

Financial assets are included in the statement of financial position under the headings loans and advances to banks, loans and advances to customers, other receivables from customers. Financial assets are categorised at the time of recognition according to the business purpose for which they are held and the contractual cash flows that arise from the financial asset. The Group's business model is to collect contractual cash flows from consumer loans and the portfolio is only sold when there is a deterioration in credit risk.

Based on the above, financial assets are divided into the following categories:

- 1) Financial assets held to collect contractual cash flows are carried at adjusted cost.
- 2) Financial assets held both to collect contractual cash flows and for sale are carried at fair value through profit or loss.
- 3) Financial assets that do not qualify for recognition at adjusted cost or fair value are carried at cost.

Purchases and sales of financial assets are recognised consistently on the value date, which is the date on which the Group becomes the owner of the purchased financial asset or loses ownership of the sold financial asset.

Financial assets are derecognised when:

- a) the assets have been repaid or the rights to the cash flows from the financial assets have otherwise expired or been forfeited.
- b) the cash flows from the assets, together with the risks and rewards of ownership, have been transferred to third parties.

The Group accounted for all financial assets using the adjusted cost method during the reporting period. Adjusted cost is the cost of an asset less repayment of principal, adjusted for impairment losses, and increased or decreased by the amount by which the carrying amount of the asset exceeds



its recoverable amount.

has been included in interest income using the internal rate method. The assessment of impairment of assets carried at adjusted cost is described in note 2.5.3. There were no changes in the classification of financial assets.

#### 2.5.2. Financial liabilities

Financial liabilities are included in the statement of financial position under the following headings: loans payable, debt securities, payables to customers and other liabilities.

A financial liability is removed from the statement of financial position when it is extinguished (i.e. when the obligation specified in the contract is discharged or expires). In both the prior and current periods, the Group carried financial liabilities at adjusted cost.

#### 2.5.3. Methodology for the write-down of financial assets

The Group estimates the expected credit loss on the loan portfolio and the gain or loss on financial assets carried at adjusted cost or fair value through profit or loss. Impairment losses on financial assets are recognised in profit or loss in the period in which the loss event (or events) occurs after the initial recognition of the asset and when the loss event (or events) has an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Group assesses that, for a financial asset that is individually assessed, it is not possible to estimate objectively whether an adverse event (or events) will occur, the financial asset is included in a group with other financial assets that have similar credit risk characteristics and the need for a write-down is assessed on a group basis.

In order to assess potential credit losses, the loan portfolio is monitored on a segment basis, including the number of Days Past Due (DPD) and the balance of principal and interest due. Based on historical and recent data, the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for each segment are estimated and write-downs are made accordingly.

The Group has segmented the loan portfolio into three quality grades for the purposes of assessing PD and credit loss, namely claims up to 30 days past due, claims between 31 and 90 days past due, and claims over 90 days past due or assigned due to default, and analysed the probability of the loan claims moving from one grade to the next accordingly.

Discounts are calculated according to the following

formula:  $EL = PD * EAD * LGD$  where

EL (expected loss) is the expected credit loss on a portfolio.

PD (probability of default) is the probability of default

EAD (exposure at default) is the loan balance at the time of default.

LGD (loss given default) is the loss given default rate.

## 2.6. Tangible fixed assets

Property, plant and equipment are assets used by the Group for the provision of services and for administrative purposes and which have a planned useful life of at least one year.

Tangible fixed assets are initially recognised at cost, which comprises the purchase price (including customs duties and other non-refundable taxes) and the costs directly attributable to their acquisition, necessary to bring them to their working condition and location.

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method.

The Group has included right-of-use assets in the statement of financial position together with property, plant and equipment. Right-of-use assets are amortised on a straight-line basis over the lease term.

<b>Group of tangible fixed assets</b>	<b>Useful life in years</b>
Means of transport	5-10
Machinery and equipment	5
Other inventory	5

## 2.7. Intangible fixed assets

Intangible fixed assets are non-monetary and non-physical assets, which include trademarks, patents, licences, software, goodwill and other non-physical assets used by the Group in the provision of services or for administrative purposes and intended to be used for a period longer than one year.

Intangible fixed assets are initially recognised at cost, which consists of the purchase price plus the costs directly attributable to their acquisition. Subsequent to acquisition, intangible fixed assets are recognised in the statement of financial position at cost less accumulated amortisation and any impairment losses. Depreciation is calculated on a straight-line basis.

<b>Intangible fixed assets group</b>	<b>Useful life in years</b>
Computer software	5
Other intangible fixed assets	5-10

## 2.8. Impairment of non-financial assets

At each balance sheet date, the Group critically assesses whether there are any indications that non-financial assets (tangible and intangible fixed assets) may be impaired. If there is any indication that the assets may be impaired, a recoverable amount test is performed.

An impairment loss is recognised when the carrying amount of an asset or an asset-generating unit exceeds the recoverable amount of the related asset or cash-generating unit. Losses arising from impairment of assets are recognised as losses for the year.

## 2.9. Provisions and contingent liabilities

Liabilities arising from an event occurring before the balance sheet date that have either a legal basis in law or are the result of past practice (legal or interpretative) of the Group, and which are likely to require a outflow of resources (it is probable that an outflow of resources will be required to settle the obligation), and the amount of which can be measured reliably, but whose timing or amount cannot be known with certainty, are recognised as a provision in the statement of financial position.

The recognition of provisions in the statement of financial position is based on management's estimate of the amount that is likely to be required to settle the provisions and the timing of the realisation of the provisions. The amount of the provision recognised in the statement of financial position is the amount that, at the reporting date, management estimates is necessary to settle the obligations associated with the provision or to transfer them to a third party. The cost of provisions and the cost of changes in the carrying amount of provisions are recognised as an expense in the reporting period. Provisions are not recognised to cover future operating losses.

Contingent liabilities that are less likely than not to be realised or for which the related costs cannot be measured reliably, but which under certain conditions may become a liability in the future, are disclosed as contingent liabilities in the notes to the financial statements. Contingent liabilities may change over time in ways that differ from initial expectations. Therefore, they are assessed on an ongoing basis to determine the change in the likelihood that the Group will be required to give up an asset as a result of the liability. If it has become probable that an asset will be relinquished, the Group recognises a provision in the financial statements when the change occurs.

## 2.10. Revenue and expenditure

### 2.10.1. Interest income and expense

Interest income and interest expense are recognised using the effective interest method for assets and liabilities. The internal rate method is the method of calculating the adjusted cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The internal rate of interest is the rate that discounts estimated future cash flows through the expected life of the financial instrument to the carrying amount of the financial asset or financial liability.

In calculating the internal rate of interest, the Group estimates cash flows taking into account all the contractual terms of the financial instrument, but does not take into account future credit losses. The calculation includes all significant contractual fees paid or received between the parties that are an integral part of the internal rate of return, transaction costs and any other additional payments or deductions. If a financial asset or a group of similar financial assets is impaired, interest income on those assets is recognised using the same interest rate that was used to discount the future cash flows to arrive at the impairment loss on the asset.

### 2.10.2. Service revenue and expenditure

Revenue from services is revenue from contracts with customers. Service revenue is recognised when promised services are provided to customers in an amount that reflects the consideration that the Group expects to receive for the services. Service revenue and service costs are recognised on a straight-line basis over the period in which the service is provided if the customer receives the benefits of the service while it is being provided by the Group. Costs that are directly attributable to the generation of service revenue are recognised as service cost.

## 2.11. Corporate income tax

According to the legislation in force in Estonia, the profits earned by companies are not taxed, which is why there are no deferred tax assets or liabilities. Income tax is payable on the payment of dividends from undistributed earnings. Corporate income tax relating to the payment of dividends is recognised as income tax expense in the income statement in the same period in which the dividends are declared, irrespective of the period for which they are declared or when they are actually paid. The tax rate on profits distributed as dividends is 20/80. As from 2019, a tax rate of 14/86 can be applied to dividend payments. This more favourable tax rate can be used for dividend payments up to the average dividend payout of the three preceding financial years taxed at the 20/80 rate.

The maximum income tax liability that would arise on the distribution of undistributed profits in the form of dividends is set out in the notes to the annual accounts.

## 2.12. Rental accounting as a tenant

The Group is the lessee in all leases. The Group rents office space, cars, various types of equipment and small items.

The Group leases office space on a fixed term contract, which includes termination and renewal rights. The terms of the lease are negotiable and may contain various conditions and additional components.

Office rentals are recorded as fixed assets as right-of-use assets and as a rental obligation under liabilities. Assets and liabilities are carried in the balance sheet at their present value. Rental payments include interest payable and repayments of the principal of the lease obligation, which reduce the residual value of the liability. Interest expense is allocated over the period of the lease with the interest rate being fixed at each point in time at the residual value of the liability. A right-of-use asset is amortised on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

Rental payments are discounted using the internal rate of interest of the lease or the lessee's alternative borrowing rate of 4%. The alternative interest rate is deemed to be equivalent to the rate that would be charged if the Group were to finance the purchase of the right to use an asset similar to a loan.

The Group has taken passenger cars on operating leases for which assets and liabilities have been recognised. The Group intends to exercise an option to buy out the assets and accordingly

BB FINANCE OÜ                                      Pronksi 19, 10124 Tallinn                                      info@bbfinance.ee

these assets have been depreciated on a straight-line basis over their estimated useful lives.

IFRS 16 permits the simplified application of leases of current and low-value assets by recognising leases as an expense on a straight-line basis in the income statement. Short-term leases are contracts with a lease term of 12 months or less. In determining the length of a lease, management considers the renewal and termination provisions and the probability of their realisation.

During the reporting period, the Group classified as such contracts generally for the rental of computer equipment or other such low-value equipment. The Group has applied exceptions to these contracts and recognised them as an expense on a straight-line basis in the income statement under 'Miscellaneous operating expenses'.

### ANNEX 3. KEYMANAGEMENT DECISIONS AND ASSESSMENTS

In accordance with IFRS, a number of financial indicators are based on management's assumptions and estimates that have an effect on the reported amounts of assets and liabilities, contingent assets and liabilities, and income and expenses. Although these estimates are based on management's best knowledge and judgement of current events, actual results may not ultimately agree with them and could differ materially.

Management judgements have been applied to a number of categories in the financial statements, the most important of which is the valuation of loans and advances (Note 4) in accordance with the accounting policies described in section 2.5.3. above. Estimates and judgements are continually evaluated on the basis of past experience and other factors, including expectations for the future that appear reasonable under the circumstances. Changes in management's estimates are reflected prospectively.

### ANNEX 4. RISK MANAGEMENT

Financial risk is the potential adverse deviation from expected economic outcomes, which may be an event (set of events), action (set of actions) or omission that could result in the Group losing assets or reputation and threaten the effective performance of the tasks undertaken.

Based on the nature, scope and degree of complexity of its activities, the Group has identified the following financial risks in its operations:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk
- 4) Concentration risk

The parent company's management is responsible for the establishment, regular review and updating of the group risk management framework. The overall objective of the Group's risk management is to mitigate potential financial risks in order to reduce undesirable effects on the Group's financial activities. The risk management activity periodically analyses the various possible scenarios arising from internal and external risk factors, implements appropriate risk mitigation techniques and monitors compliance with them.

## 4.1. Credit risk

Credit risk is the risk that the counterparty to a transaction will fail to discharge its obligations to the Group when due. Credit risk arises mainly from loan receivables from customers. When granting loans, the Group has set limits on both the maximum amount of the loan and the maximum maturity of the loan. When accepting a loan application, the creditworthiness of the customer is assessed, taking into account, among other things, the customer's past payment performance. The share of problematic receivables in the working capital of the group shall not exceed a critical volume determined by the shareholders of the group.

The Group classifies financial assets that are exposed to credit risk into the following groups:

- a) Claims on banks
- b) Loans to private individuals and businesses
- c) Other requirements for private customers and businesses

Maximum exposure to credit risks:

	31.12.2023	31.12.2022
Claims on banks	1 342 654	755 206
Loans to customers	15 952 183	11 388 498
Other receivables from customers	964 982	798 799
<b>Total maximum exposure to credit risk position</b>	<b>18 259 820</b>	<b>12 942 502</b>

### 4.1.1. Claims on banks

The exposure to credit risk of funds held with credit institutions is assessed by management as carrying a low credit risk. The credit risk is assessed on the basis of the financial position of the counterparty, which is evaluated using the credit ratings of Moody's, an international rating agency.

The Group's funds are deposited with banks as follows:

<b>Reiting</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Aa2-Aa3	57 494	231 777
A3	235 160	523 429
none	1 050 000	0
<b>Total</b>	<b>1 342 654</b>	<b>755 206</b>

There were no overdue claims on banks as at 31.12.2023.

### 4.1.2. Loans and receivables from customers and businesses

In order to mitigate credit risk, the solvency of customers is assessed before entering into a transaction and, after the loan is granted, customers' payment behaviour is regularly monitored. The assessment of a customer's creditworthiness takes into account the size of the customer's income and liabilities, and assesses other circumstances known to the Group about the customer that may have a significant impact on the customer's ability to meet its obligations to the Group in a timely manner, and on the basis of which loss reserves are established. Management's assessment of the concentration of credit risk is described in section 4.4.



Loans and receivables from retail customers by credit quality:

<b>31.12.2023</b>	<b>Loan claims for private customers</b>	<b>Interest receivable from retail customers</b>
Claims not overdue	12 907 842	451 775
Overdue claims	3 287 724	301 560
<b>Total (gross) (Annexes 14,15)</b>	<b>16 195 566</b>	<b>753 335</b>
Discounts	-880 938	-130 230
<b>Total (net)</b>	<b>15 314 628</b>	<b>623 105</b>

<b>31.12.2022</b>	<b>Loan requirements for private customers</b>	<b>Interest receivable from retail customers</b>
Claims not overdue	9 136 698	296 574
Overdue claims	2 077 612	159 788
<b>Total (gross) (Annexes 14,15)</b>	<b>11 214 310</b>	<b>456 362</b>
Discounts	-457 567	-73 353
<b>Total (net)</b>	<b>10 756 743</b>	<b>383 009</b>

Loans and receivables from corporates by credit quality:

<b>31.12.2023</b>	<b>Loan claims on businesses</b>	<b>Interest receivable by companies</b>
Claims not overdue	637 555	7 546
Overdue claims	0	75 452
<b>Total (gross) (Annexes 14,15)</b>	<b>637 555</b>	<b>82 998</b>
Discounts	0	0
<b>Total (net)</b>	<b>637 555</b>	<b>82 998</b>

<b>31.12.2022</b>	<b>Loan claims on businesses</b>	<b>Interest receivable by companies</b>
Claims not overdue	631 755	7 330
Overdue claims	0	61 723
<b>Total (gross) (Annexes 14,15)</b>	<b>631 755</b>	<b>69 053</b>
Discounts	0	0
<b>Total (net)</b>	<b>631 755</b>	<b>69 053</b>

The amount of the loan impairment is the difference between the carrying amount of the loan and the present value of expected cash flows discounted at the internal rate of interest. Loans originated in markets with similar characteristics are pooled and collectively assessed on the basis of historical credit losses and management's estimates of future projections.

Larger and more important loans for the Group are assessed individually, analysing and evaluating the individual debtor and its ability to repay the loan. Such loans represent 0.1% of the portfolio (2022: 0.1%).

Overdue private claims by days overdue:

<b>31.12.2023</b>	<b>Loan requirements for private customers</b>	<b>Interest claims for private clients</b>	<b>Total</b>
Deadlines	12 907 842	451 775	13 359 616
1-15 days over deadline	544 585	31 411	575 996
16-30 days over deadline	1 338 937	96 716	1 435 653
31-60 days over deadline	629 071	65 916	694 987
61-90 days over deadline	308 094	38 946	347 040
91-360 days over deadline	181 315	22 540	203 855
over 360 days overdue	285 723	46 030	331 753
<b>Total (gross)</b>	<b>16 195 566</b>	<b>753 335</b>	<b>16 948 901</b>
Discounts	-880 938	-130 230	-1 011 168
<b>Total (net)</b>	<b>15 314 628</b>	<b>623 105</b>	<b>15 937 733</b>

<b>31.12.2022</b>	<b>Loan claims for private customers</b>	<b>Interest receivable from retail customers</b>	<b>Total</b>
Deadlines	9 136 698	296 574	9 433 271
1-15 days over deadline	705 805	37 280	743 085
16-30 days over deadline	878 423	61 209	939 632
31-60 days over deadline	285 741	25 528	311 269
61-90 days over deadline	31 895	2 956	34 851
91-360 days over deadline	115 520	15 158	130 678
over 360 days overdue	60 227	17 657	77 885
<b>Total (gross)</b>	<b>11 214 310</b>	<b>456 362</b>	<b>11 670 671</b>
Discounts	-457 567	-73 353	-530 920
<b>Total (net)</b>	<b>10 756 743</b>	<b>383 009</b>	<b>11 139 751</b>

Overdue receivables from companies by days overdue:

<b>31.12.2023</b>	<b>Loan requirements businesses</b>	<b>Interest claims businesses</b>	<b>Total</b>
Deadlines	637 555	7 546	645 101
1-90 days overdue	0	1 745	1 745
91-360 days over deadline	0	11 985	11 985
over 360 days overdue	0	61 722	61 722
<b>Total (gross)</b>	<b>637 555</b>	<b>82 998</b>	<b>720 553</b>
Discounts	0	0	0
<b>Total (net)</b>	<b>637 555</b>	<b>82 998</b>	<b>720 553</b>

<b>31.12.2022</b>	<b>Loan requirements businesses</b>	<b>Interest claims businesses</b>	<b>Total</b>
Deadlines	631 755	7 330	639 085
1-90 days overdue	0	1 454	1 454
91-360 days over deadline	0	16 598	16 598
over 360 days overdue	0	43 671	43 671
<b>Total (gross)</b>	<b>631 755</b>	<b>69 053</b>	<b>700 808</b>
Discounts	0	0	0
<b>Total (net)</b>	<b>631 755</b>	<b>69 053</b>	<b>700 808</b>

#### 4.1.3. Other receivables from customers

Other receivables from customers consist of other receivables from the collection of loans, receivables from buyers and miscellaneous prepayments with a maturity of less than one year, for which management considers the credit risk to be minimal.

Other requirements for customers:

	<b>31.12.2023</b>	<b>31.12.2022</b>
Other claims for services provided to customers	186 957	170 006
Other requirements	71 634	176 731
<b>Total</b>	<b>258 590</b>	<b>346 737</b>

## 4.2. Liquidity risk

Liquidity risk is defined as the potential inability of the Group to settle counterparty liabilities on time or in full. The risk arises primarily from funding risk, which is the risk that the Group will not be able to obtain stable sources of funding without adversely affecting its day-to-day business or financial position.

The Group's liquidity risk management framework includes all the activities necessary to identify, measure, control and monitor liquidity risk reliably. The Group regularly assesses and monitors the main factors that may affect the Group's ability to mobilise resources operationally, taking into account the impact of the behaviour of significant investors and customers on the Group's liquidity. The Group shall hold available funds in accounts with credit institutions in such a way as to ensure the timely settlement of its liabilities. The Group continuously assesses liquidity risk and the interaction of other risks.

The Group finances the short-term loans it issues with longer maturities. The following tables show the breakdown of financial assets and liabilities by maturity on the basis of future undiscounted cash flows.

Financial liabilities by contractual maturity:

<b>Financial liabilities as at 31.12.2023</b>	<b>Up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Total</b>	<b>Balance sheet balance</b>
Loans from companies and private individuals	1 820 529	4 917 851	2 168 242	8 906 622	7 727 453
Debt securities	481 262	742 890	8 535 408	9 759 560	7 235 433
Debts to suppliers	96 990	0	0	96 990	96 990
Debts to contractors	109 148	0	0	109 148	109 148
Other liabilities	307 655	46 275	130 885	484 815	459 894
<b>Total</b>	<b>2 815 585</b>	<b>5 707 016</b>	<b>10 834 535</b>	<b>19 357 136</b>	<b>15 628 918</b>

<b>Financial liabilities as at 31.12.2022</b>	<b>Up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Total</b>	<b>Balance sheet balance</b>
Loans from companies and private individuals	6 911 455	2 601 181	1 863 287	11 375 923	10 376 468
Debts to suppliers	56 427	0	0	56 427	56 427
Debts to contractors	95 079	0	0	95 079	95 079
Other liabilities	271 400	44 460	192 706	508 566	480 240
<b>Total</b>	<b>7 334 361</b>	<b>2 645 641</b>	<b>2 055 993</b>	<b>12 035 995</b>	<b>11 008 213</b>

Financial assets held to cover liquidity risk according to contractual maturities:

<b>Financial assets as at 31.12.2023</b>	<b>Up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Allahind- Available at</b>	<b>Total</b>	<b>Balance sheet balance</b>
Cash and cash equivalents	292 654	0	0	0	292 654	292 654
Loans to customers	1 248 243	3 434 437	12 150 441	-880 938	15 952 183	15 952 183
Other receivables from customers	703 297	0	50 038	-130 230	623 105	623 105
<b>Total financial assets</b>	<b>2 244 194</b>	<b>3 434 437</b>	<b>12 200 479</b>	<b>-1 011 168</b>	<b>16 867 942</b>	<b>16 867 942</b>

<b>Financial assets as at 31.12.2022</b>	<b>Up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Allahind- Available at</b>	<b>Total</b>	<b>Balance sheet balance</b>
Cash and cash equivalents	755 206	0	0	0	755 206	755 206
Loans to customers	868 424	2 640 366	8 337 275	-457 567	11 388 498	11 388 498
Other receivables from customers	430 367	0	25 995	-73 353	383 009	383 009
<b>Total financial assets</b>	<b>2 053 997</b>	<b>2 640 366</b>	<b>8 363 270</b>	<b>-530 920</b>	<b>12 526 713</b>	<b>12 526 713</b>

#### 4.3. Market risk

Market risk is the risk that changes in market prices and rates (including exchange rates and the price of capital) could cause a loss to the Group.

Currency risk is the potential loss from adverse fluctuations in currencies. The Group is not exposed to currency risk as loans are only issued in euro and capital is only raised in euro.

Interest rate risk is the risk that unexpected adverse changes in interest rates could affect the income generated by the Group. The Group is exposed to interest rate risk if the maturities of its principal assets and liabilities are different, if the structure of assets and liabilities is different across currencies, or if the interest rates on assets and liabilities can be adjusted after different periods.

The interest rates on all the Group's loans are fixed and it does not bear any interest rate risk. During the year under review, EUR 7 million of bonds were issued with an interest rate linked to Euribor. At the same time, EUR 1,05 million was placed on fixed-term deposit, the interest rate of which is also linked to Euribor. There were no floating rate assets and liabilities in 2022.

Breakdown of financial assets and liabilities exposed to interest rate risk by period of interest rate fixation:

<b>Financial assets exposed to interest rate risk 31.12.2023</b>	<b>Up to 3 months</b>	<b>Total</b>
Fixed-term deposit	1 050 000	1 050 000
<b>Total</b>	<b>1 050 000</b>	<b>1 050 000</b>
<b>Financial liabilities exposed to interest rate risk 31.12.2023</b>	<b>Up to 3 months</b>	<b>Total</b>
Long-term bonds	7 000 000	7 000 000
<b>Total</b>	<b>7 000 000</b>	<b>7 000 000</b>
<b>Total difference by period of interest fixation</b>	<b>-5 950 000</b>	<b>-5 950 000</b>

If market interest rates were to rise by 1%, this would mean a decrease in annual profit of EUR 59 500 on the assets and liabilities at 31.12.2023.

#### 4.4. Concentration risk

Concentration risk is the risk arising from exposures to a single counterparty or to related counterparties, or from exposures whose risk is affected by a common factor or whose risk factors are strongly positively correlated.

In its day-to-day business, the Group does not have significant concentration risk, as it is oriented towards private individuals and lends mainly in small amounts. The Group monitors the concentration of credit risk and/or market risk in relation to a single factor, where appropriate limiting credit risk in relation to a group of customers that are related or affected by a common factor.

#### 4.5. Capital management

The main objective of the Group's capital management is to maintain a strong capital structure in order to ensure adequate and stable funding of core activities, the ability to generate profits for owners and to meet capital requirements.

The Group maintains sufficient capital at all times to cover all material risks and regulatory requirements. Capital targets are set on the basis of both minimum regulatory requirements and an internal buffer. Capital adequacy requirements are complied with as at the balance sheet date.

Own resources:

	<b>31.12.2023</b>	<b>31.12.2022</b>
Share capital paid up	102 000	102 000
Reserves	10 000	10 000
Undistributed profit from previous periods	2 921 530	2 649 848
Profit for the period	436 800	429 099
<b>Total own resources</b>	<b>3 470 330</b>	<b>3 190 947</b>

#### 4.6. Fair value of financial assets and liabilities

In accordance with the fair value methods described in IFRS 13, the Group has estimated the fair value of financial assets and financial liabilities recognised in the statement of financial position. The fair value measurement is based on the internal rate of interest.

"Loans and receivables from customers" and "Other receivables from customers" are stated at adjusted cost using the internal rate of interest method. In arriving at the adjusted cost, the cost has been reduced by write-downs in accordance with the accounting policies described in note 2 (see subsection 2.5.1. Financial assets).

Financial liabilities are stated in the statement of financial position at adjusted cost, of which current financial liabilities are generally stated at nominal value and non-current financial liabilities are adjusted using the internal rate of return method, which management believes does not differ materially from fair value.

31.12.	2023Accounting value Fair value	
Financial assets		
Cash and cash equivalents	326 744	326 744
Loans and receivables from customers	15 952 183	15 952 183
including related parties	637 555	637 555
Other receivables from customers	964 982	964 982
including related parties	273 722	273 722
Financial liabilities		
Loans from companies and private individuals	7 727 453	7 727 453
including from related parties	2 245 000	2 245 000
Debt securities	7 235 433	7 235 433
including from related parties	0	0
Other financial liabilities	459 894	459 894
including from related parties	0	0



**31.12.****2022 Accounting value Fair value****Financial assets**

Cash and cash equivalents	838 045	838 045
Loans and receivables from customers	11 388 498	11 388 498
including related parties	631 755	631 755
Other receivables from customers	798 799	798 799
including related parties	240 404	240 404

**Financial liabilities**

Loans from companies and private individuals	10 376 468	10 376 468
including from related parties	3 453 000	3 453 000
Other financial liabilities	480 240	480 240
including from related parties	0	0

**ANNEX 5. SUBSIDIARIES**

The following companies are included in the consolidation group of BB Finance OÜ as at 31.12.2023:

Name of subsidiary	Registration number	Country	Participation rate	
			31.12.2023	31.12.2022
BB Motors OÜ	14021336	Estonia	100%	100%
Wow Credit OÜ	14147965	Estonia	0%	100%

During the reporting year, the subsidiary Wow Credit OÜ merged with BB Finance OÜ. As a result of the merger, the Group's equity decreased by EUR 22 917.

**NOTE 6. NET INTEREST AND FEE AND COMMISSION INCOME**

Interest income is earned on loans to customers and businesses. Service revenues include ancillary services provided to customers in connection with the granting of loans and miscellaneous collection services.

Interest and service income	2023	2022
Interest income	4 498 883	3 718 337
including consumer credits	4 440 030	3 540 265
including loans to related parties (Note 26)	13 945	178 072
including from time deposits	44 907	0
Service revenues	1 559 156	1 097 149
<b>Total interest and service revenue</b>	<b>6 058 038</b>	<b>4 815 487</b>

<b>Interest and charges</b>	<b>2023</b>	<b>2022</b>
Interest costs	-1 740 501	-1 106 989
including loans from corporates	-820 118	-793 398
incl. loans from related parties (Note 26)	-468 949	-306 383
including debt securities	-435 734	0
including other interest expenses	-15 700	-7 207
Cost of services	-189 361	-192 657
<b>Total interest and fee expenses</b>	<b>-1 929 862</b>	<b>-1 299 646</b>
<b>Net interest income and net fee and commission income</b>	<b>4 128 176</b>	<b>3 515 840</b>

#### ANNEX 7. OTHER INCOME

<b>Other operating income</b>	<b>2023</b>	<b>2022</b>
Proceeds from the recovery of a bad debt claim	14 653	23 807
Write-off of liabilities	9 556	263 742
Proceeds from the sale of fixed assets	0	35 000
Other operating income	2 290	348
<b>Total other operating income</b>	<b>26 500</b>	<b>322 898</b>

#### ANNEX 8. OTHER BUSINESS EXPENSES

<b>Other business expenses</b>	<b>2023</b>	<b>2022</b>
Exchange losses on transactions with buyers and suppliers	-56	-65
Loss on sale of fixed assets	-9 018	-467
Other business expenses	0	-11
<b>Total other operating expenses</b>	<b>-9 074</b>	<b>-542</b>

#### ANNEX 9. MISCELLANEOUS OPERATING EXPENDITURE

<b>Miscellaneous operating expenditure</b>	<b>2023</b>	<b>2022</b>
Marketing costs	-343 022	-400 836
Miscellaneous office expenses	-334 493	-326 931
National and local taxes	-34 291	-33 659
Other outsourced services	-144 270	-118 608
Transport costs	-13 208	-14 038
Staff training and mission expenses	-30 848	-36 939
Banking services	-1 116	-1 357
Other operating expenditure	-6 278	-98 731
<b>Total miscellaneous operating expenditure</b>	<b>-907 526</b>	<b>-1 031 098</b>

## ANNEX 10. INCOME TAX

<b>Income tax</b>	<b>2023</b>	<b>2022</b>
Income tax expense	-21 895	0
<b>Total income tax expense</b>	<b>-21 895</b>	<b>0</b>

## ANNEX 11. LABOUR COSTS

<b>Labour costs</b>	<b>2023</b>	<b>2022</b>
Salary costs	-712 404	-742 214
Social contributions	-234 068	-246 284
<b>Total staff costs</b>	<b>-946 471</b>	<b>-988 498</b>
Average number of employees	19	20

## ANNEX 12. SIGNIFICANT WRITE-DOWNS OF CURRENT ASSETS

<b>Significant write-downs of current assets</b>	<b>2023</b>	<b>2022</b>
Write-downs on loan claims	-513 498	142 512
Losses on the sale of loans receivable	-1 059 121	-1 361 034
<b>Total material write-downs of current assets</b>	<b>-1 572 619</b>	<b>-1 218 522</b>

## NOTE 13. CASH AND CASH EQUIVALENTS

<b>Cash and cash equivalents</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Claims on banks	292 654	755 206
Money in the till	34 089	82 839
<b>Total cash and cash equivalents</b>	<b>326 744</b>	<b>838 045</b>

## ANNEX 14. LOANS TO CUSTOMERS

<b>Loans to customers</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Loans to companies	637 555	631 755
Loans to households (Annex 4.1.2)	16 195 566	11 214 310
<b>Total loans to customers*</b>	<b>16 833 121</b>	<b>11 846 064</b>
including loans to related parties (Note 26)	637 555	631 755
Discounts	-880 938	-457 567
<b>Total net loans to customers</b>	<b>15 952 183</b>	<b>11 388 498</b>

\* loan claims include only principal

## ANNEX 15. OTHER REQUIREMENTS FOR CUSTOMERS

<b>Other receivables from customers</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Uncollected recoveries and other revenue	836 622	525 415
including interest receivable on consumer credits (Note 4.1.2).	753 335	456 362
including interest receivable on loans granted to corporations	82 998	69 053
including other receivables	289	0
Write-downs of uncollected revenue	-130 230	-73 353
Claims for services provided to customers	186 957	170 006
Other requirements	71 634	176 731
<b>Total other receivables from customers</b>	<b>964 982</b>	<b>798 799</b>
Including other claims on related parties (Note 26)	273 722	240 404

## ANNEX 16. OTHER ASSETS

<b>Other assets</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Advances to suppliers	12 821	12 067
Advances of taxes	210	204
Prepaid expenses for future periods	29 270	17 864
<b>Total other assets</b>	<b>42 302</b>	<b>30 134</b>

## ANNEX 17. FINANCIAL INVESTMENTS

<b>Financial investments</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Investments in shares and participations	154 986	149 996
Fixed-term deposit	1 050 000	0
<b>Total financial investments</b>	<b>1 204 986</b>	<b>149 996</b>

Shares and other equity instruments classified as financial investments are not publicly traded and their fair value cannot be measured reliably by other means. Therefore, financial investments in shares are carried at cost less impairment.

Term deposits are accounted for using the adjusted cost method. The interest rate as at 31.12.2023 is 10% and the maturity is in 2026.

## ANNEX 18. TANGIBLE FIXED ASSETS

Tangible fixed assets include cars, office furniture and equipment and right-of-use assets.

	The subject of the right of use assets	Means of transport	Other machinery and Equipment	Other inventory	Total
<b>Balance 31.12.2021</b>					
Acquisition cost	267 666	333 159	45 979	0	646 804
Accumulated depreciation	0	-93 404	-45 213	0	-138 617
<b>Residual cost</b>	<b>267 666</b>	<b>239 755</b>	<b>766</b>	<b>0</b>	<b>508 187</b>
<b>Changes in 2022</b>					
Adjustments (IFRS 16)	11 101	0	0	0	11 101
Purchases and improvements	0	238 298	0	0	238 298
Sales (residual value)	0	-108 800	0	0	-108 800
Depreciation charge	-55 753	-37 695	-766	-139	-94 353
Other changes	0	0	0	2 499	2 499
<b>Balance 31.12.2022</b>					
Acquisition cost	278 767	445 919	0	2 499	727 185
Accumulated depreciation	-55 753	-114 361	0	-139	-170 253
<b>Residual cost</b>	<b>223 014</b>	<b>331 558</b>	<b>0</b>	<b>2 360</b>	<b>556 932</b>
<b>Changes in 2023</b>					
Adjustments (IFRS 16)	-425	0	0	0	-425
Purchases and improvements	0	0	0	0	0
Sales (residual value)	0	-21 018	0	0	-21 018
Depreciation charge	-55 753	-40 937	0	-1666	-98 355
Other changes	0	0	0	0	0
<b>Balance at 31.12.2023</b>					
Acquisition cost	278 342	336 259	0	2 499	617 100
Accumulated depreciation	-111 506	-66 656	0	-1 805	-179 967
<b>Residual cost</b>	<b>166 836</b>	<b>269 603</b>	<b>0</b>	<b>694</b>	<b>437 133</b>

The interest charges on rental obligations for the year amounted to EUR 3 274 (2022: EUR 1 032); and EUR 70 717 (2022: EUR 67 786). Operating expenses in the profit and loss account for 2023 include EUR 3 474 (2022: EUR 3 474) in rental payments for short-term and low-value items: EUR 8 916).

## NOTE 19. INTANGIBLE FIXED ASSETS

Intangible fixed assets include software with development costs and a website.

	Software	Projects in progress	Other intangible fixed assets	Total
<b>Balance 31.12.2021</b>				
Acquisition cost	1 282 003	8 870	0	1 290 873
Accumulated depreciation	-461 277	0	0	-461 277
<b>Residual cost</b>	<b>820 726</b>	<b>8 870</b>	<b>0</b>	<b>829 596</b>
<b>Changes in 2022</b>				
Purchases and improvements	0	10 472	0	10 472
Depreciation charge	-67 756	0	0	-67 756
Other changes	0	-8 870	22 917	14 047
<b>Balance 31.12.2022</b>				
Acquisition cost	1 282 003	10 472	22 917	1 315 392
Accumulated depreciation	-529 033	0	0	-529 033
<b>Residual cost</b>	<b>752 970</b>	<b>10 472</b>	<b>22 917</b>	<b>786 359</b>
<b>Changes in 2023</b>				
Purchases and improvements	11 464	0	15 708	27 172
Depreciation charge	-68 330	0	-1 833	-70 162
Other changes	0	-10 472	-22 917	-33 389
<b>Balance at 31.12.2023</b>				
Acquisition cost	1 293 467	0	15 708	1 309 175
Accumulated depreciation	-597 363	0	-1 833	-599 195
<b>Residual cost</b>	<b>696 104</b>	<b>0</b>	<b>13 876</b>	<b>709 980</b>

## ANNEX 20. LOAN COMMITMENTS

A pledge on shares of BB Finance OÜ with a nominal value of EUR 100 000 has been set up as collateral for the received short-term loan of EUR 600 000.

<b>Loan commitments</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Alus-Curren- cy</b>	<b>Deadline</b>
Short-term loans received	5 951 133	8 886 515	EUR	
including interest rates of 5%-7%	33 633	33 015	EUR	2024
incl. interest rate 13%-18%	5 917 500	8 853 500	EUR	2024
Long-term loans received	1 776 320	1 489 953	EUR	
including interest rates of 5%-7%	176 320	209 953	EUR	2025-2027
incl. interest rate 15%-16%	1 600 000	1 280 000	EUR	2025-2027
Accrued interest liability	0	0	EUR	
<b>Total loan commitments</b>	<b>7 727 453</b>	<b>10 376 468</b>	<b>EUR</b>	
including loan commitments related to from counterparties (Note 26)	2 245 000	3 453 000	EUR	

## ANNEX 21. DEBT SECURITIES

The debt securities are secured by a pledge on a portfolio of consumer credit loans amounting to EUR 7 700 000. In addition, a fixed-term deposit agreement for an amount of EUR 1 050 000 has been concluded.

<b>Debt securities</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Base currency</b>	<b>Interest rate</b>	<b>Term</b>
Long-term bonds	7 000 000	0	EUR	14%	2026
Accrued interest liability	235 433	0	EUR		
<b>Total debt securities</b>	<b>7 235 433</b>	<b>0</b>	<b>EUR</b>		

## NOTE 22. PAYABLES TO SUPPLIERS AND OTHER LIABILITIES

<b>Payables to suppliers and other liabilities</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Debts to suppliers	96 990	56 427
Debts to contractors	109 148	95 079
Tax debts	86 961	77 935
Debts to credit consumers	205 636	178 938
Rental obligations	167 297	223 311
Revenue for future periods	539 061	349 601
Other current liabilities	0	55
<b>Total payables to suppliers and other liabilities</b>	<b>1 205 093</b>	<b>981 347</b>
including amounts owed to related parties (Note 26)	23 022	13 883

## ANNEX 23. TAX DEBTS

<b>Tax arrears and advances</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Advances of taxes	-210	-204
Payroll taxes	82 475	76 849
VAT	4 486	1 086
<b>Total tax debts</b>	<b>86 751</b>	<b>77 732</b>

## ANNEX 24. CASH-FLOWS

The cash flow statement has been prepared using the indirect method. The profit before income tax has been adjusted for expenses, income and transactions that did not give rise to cash flows, namely depreciation of fixed assets of EUR 168 518 (2022: EUR 170 980), cost of sales of fixed assets of EUR 9 018 (2022: EUR 9 018), and depreciation of fixed assets of EUR 5 000 (2022: EUR 5 000). (2022: EUR -34 533), interest income and expense EUR -2 758 381 (2022: EUR -2 611 348), other adjustments, of which total changes in write-downs of loans and advances EUR 1 572 619 (2022: 1 218). EUR 522) and adjustments and settlements totalling EUR -790 000 (2022: -984). EUR 883).

## ANNEX 25. EQUITY IN COMPANY

BB Finance OÜ is a limited liability company with a minimum share capital of EUR 100 000 and a maximum share capital of EUR 400 000. The share capital is composed of 102 000 shares fully paid up as at 31.12.2023 (31.12.2022: 102 000 shares). A share entitles the shareholder, in proportion to the value of the share held, to participate in the management of the limited liability company and in the distribution of its profits and to receive a corresponding share of the company's assets on dissolution.

BB Finance OÜ is controlled by shareholder Mart Kolu with 57% voting rights through BB Finance Group OÜ and Credit Capital OÜ.

## 25.1. Conditional income tax liability

The Group's undistributed profit as at 31.12.2023 amounted to EUR 3 358 330. In 2024, 1/3 of the amount of dividends distributed in 2021, 2022 and 2023 can be paid out at the lower income tax rate of 14/86 and the remaining at the income tax rate of 20/80. If the entire undistributed profit is paid out as dividends, the income tax cost would be EUR 657 259.

## 25.2. Other changes in equity

During the reporting year, BB Finance OÜ merged with its subsidiary Wow Credit OÜ. As a result of the merger, the Group's retained earnings decreased by EUR 22 917.



## NOTE 26. TRANSACTIONS WITH RELATED PARTIES

For the purposes of the Group's annual accounts, related parties are:

- a. the parent company and other companies under its control or significant influence.
- b. associated companies
- c. members of the board of directors and the companies they control
- d. close associates of the persons listed above and their related companies.

During the financial year, the following transactions were carried out with related parties:

<b>Requirements</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Loan receivables (Note 14)	637 555	631 755
including parent company	0	0
including members of the board of directors, significant private shareholders and the companies they control	637 555	631 755
Interest receivable (Note 15)	82 998	69 053
including parent company	0	0
including members of the board of directors, substantial private owners and the companies they control	82 998	69 053
Charges for services provided (Annex 15)	178 623	164 561
including members of the board of directors, substantial private owners and companies controlled by them	164 561	164 561
including members of the board of directors and significant holdings held by private individuals		
close family members of the owners and undertakings controlled or substantially controlled by them.	14 062	0
Other receivables (Note 15)	12 101	6 789
including members of the board of directors, significant private shareholders and companies controlled by them.	12 101	6 789
<b>Total related party receivables</b>	<b>911 277</b>	<b>872 158</b>
<b>Commitments</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Loan commitments (Note 20)	2 245 000	3 453 000
including parent company	1 600 000	0
including members of the board of directors, significant private shareholders and companies controlled by them.	600 000	3 370 000
including close family members of board members and substantial private owners and companies controlled or substantially controlled by them.	45 000	83 000
Payables to suppliers and other liabilities (Note 22)	23 022	13 883
including members of the board of directors, significant private shareholders and companies controlled by them.	23 022	13 883
<b>Total related party liabilities</b>	<b>2 268 022</b>	<b>3 466 883</b>

Related party income and expenses:

	<b>01.01.- 31.12.2023</b>	<b>01.01.- 31.12.2022</b>
<b>Revenues</b>		
Interest income (Note 6)	13 945	178 072
including parent company	0	169 134
including members of the board of directors, significant private shareholders and companies controlled by them.	13 945	8 938
Other revenue	22 459	12 581
including members of the board of directors, significant private shareholders and companies controlled by them.	22 459	12 581
<b>Total related party income</b>	<b>36 404</b>	<b>190 653</b>
	<b>01.01.- 31.12.2023</b>	<b>01.01.- 31.12.2022</b>
<b>Costs</b>		
Interest charges (Note 6)	-468 949	-306 383
including parent company	-114 925	0
including members of the board of directors, significant private shareholders and companies controlled by them.	-344 458	-293 933
including close family members of board members and substantial private owners and companies controlled or substantially controlled by them.	-9 566	-12 450
Other costs	-250 796	-205 121
including members of the board of directors, significant private shareholders and companies controlled by them.	-250 796	-205 121
<b>Total related party costs</b>	<b>-719 745</b>	<b>-511 504</b>
	<b>01.01.- 31.12.2023</b>	<b>01.01.- 31.12.2022</b>
Management fees	66 755	70 021

Loans have been granted and received between related parties at interest rates ranging from 1.5% to 18%. The amounts due from related parties are not impaired. Other transactions have been carried out at market conditions.

## NOTE 27. EVENTS AFTER THE REPORTING DATE OF

At the beginning of 2024, BB Finance OÜ joined the Mintos investment platform. Mintos helps to provide the stable, needs-based financing needed for a company's growth and development, based on a credit line principle, with the possibility to conveniently repay the financing if necessary.

## NOTE 28. SEPARATE BASIC FINANCIAL STATEMENTS OF THE PARENT COMPANY

### 28.1. Parent company profit and loss statement

	2023	2022
Interest income	4 499 843	3 719 001
Interest costs	-1 731 793	-1 103 827
<b>Net interest income</b>	<b>2 768 050</b>	<b>2 615 173</b>
Service fee revenue	1 539 656	1 086 749
Costs of service charges	-189 361	-192 657
<b>Net revenue from services</b>	<b>1 350 295</b>	<b>894 092</b>
Profit (loss) from subsidiaries and associates	3 145	-631
Other financial income and expenses	-91 773	0
Other operating income	26 500	322 898
Other business expenses	-9 074	-542
Miscellaneous operating expenditure	-925 181	-1 037 398
Labour costs	-946 471	-988 498
Depreciation and impairment of fixed assets	-144 688	-155 093
Significant write-downs of current assets	-1 572 619	-1 218 522
<b>Profit before income tax</b>	<b>458 184</b>	<b>431 480</b>
Income tax (-)	-21 895	0
<b>Total comprehensive income for the year</b>	<b>436 288</b>	<b>431 480</b>

## 28.2. Parent company financial position report

	31.12.2023	31.12.2022
<b>Assets</b>		
Cash and cash equivalents	319 870	835 040
Loans and receivables from customers	15 952 183	11 452 498
Other receivables from customers	950 920	797 073
Other assets	42 292	20 131
Investments in subsidiaries and associates	67 145	89 975
Financial investments	1 204 986	149 996
Tangible fixed assets	238 551	334 520
Intangible fixed assets	709 980	763 442
<b>Total assets</b>	<b>19 485 927</b>	<b>14 442 674</b>
<b>Commitments</b>		
Loan commitments	7 575 350	10 252 871
Debt securities	7 235 433	0
Debts to suppliers	96 990	56 427
Other tax debts	86 681	77 849
Other liabilities	1 021 142	849 485
<b>Total commitments</b>	<b>16 015 597</b>	<b>11 236 632</b>
<b>Equity</b>		
Share capital at par value	102 000	102 000
Reserves	10 000	10 000
Undistributed profit from previous periods	2 922 042	2 662 562
Profit for the year	436 288	431 480
<b>Total equity</b>	<b>3 470 330</b>	<b>3 206 042</b>
<b>Total liabilities and equity</b>	<b>19 485 927</b>	<b>14 442 674</b>

## 28.3. Parent company cash flow statement

	2023	2022
<b>Cash flows from operating activities</b>		
Profit before income tax	458 184	431 480
Corrections		
Depreciation and impairment of fixed assets	153 706	120 560
Interest income and expenses	-2 768 050	-2 615 173
Other adjustments	780 156	233 588
<b>Total adjustments</b>	<b>-1 834 188</b>	<b>-2 261 025</b>
Change in trade receivables and prepayments related to operations	-4 903 175	-2 397 461
Change in operating liabilities and prepayments	279 567	-29 621
Interest received	3 840 686	3 040 481
<b>Total cash flows from operating activities</b>	<b>-2 158 927</b>	<b>-1 216 146</b>
<b>Cash flows from investing activities</b>		
Acquisition of tangible and intangible fixed assets	-16 700	-10 472
Proceeds from the sale of tangible and intangible fixed assets	12 000	143 333
Used in the acquisition of other financial investments	-1 054 990	0
Loans granted	-5 800	-112 700
Repayments of loans granted	0	149 000
Interest received	45 819	4 132
Other payments from investing activities	-2 500	0
<b>Total cash flows from investing activities</b>	<b>-1 022 171</b>	<b>173 293</b>
<b>Cash flows from financing activities</b>		
Loans received	11 362 000	4 664 793
Repayments of loans received	-6 978 000	-1 665 000
Principal repayments on capital leases	-65 318	-162 122
Interest paid	-1 496 359	-1 103 828
Dividends paid	-134 500	-127 000
Corporate income tax paid	-21 895	-20 674
Capital contribution	0	-2 000
<b>Total cash flows from financing activities</b>	<b>2 665 928</b>	<b>1 584 169</b>
<b>Total cash flows</b>	<b>-515 170</b>	<b>541 316</b>
Cash and cash equivalents at the beginning of the period	835 040	293 724
<b>Change in cash and cash equivalents</b>	<b>-515 170</b>	<b>541 316</b>
Cash and cash equivalents at end of period	319 870	835 040

## 28.4. Statement of changes in equity of the parent company

	Share capital	Reserves	Undistribute d Gains	Equity Total
<b>Balance at 31.12.2021</b>	<b>100 000</b>	<b>10 000</b>	<b>14 047 665</b>	<b>14 157 665</b>
Profit for the year	0	0	431 480	431 480
Capital contribution	2 000	0	0	2 000
Other changes in equity	0	0	-11 385 103	-11 385 103
<b>Balance as at 31.12.2022</b>	<b>102 000</b>	<b>10 000</b>	<b>3 094 042</b>	<b>3 206 042</b>
Profit for the year	0	0	436 288	436 288
Dividends paid	0	0	-134 500	-134 500
Other changes in equity	0	0	-37 500	-37 500
<b>Balance at 31.12.2023</b>	<b>102 000</b>	<b>10 000</b>	<b>3 358 330</b>	<b>3 470 330</b>
Carrying amount of controlling and significant participations	0	0	-67 145	-67 145
Value of controlling and significant interests calculated using the equity method	0	0	67 145	67 145
<b>Adjusted unconsolidated equity 31.12.2023</b>	<b>102 000</b>	<b>10 000</b>	<b>3 358 330</b>	<b>3 470 330</b>

# Digital signatures on the report

The date of completion of the report is: 27.06.2024

**BB Finance OÜ (registration code: 11306564) has electronically confirmed the accuracy of the data in the annual report for the period 01.01.2023 - 31.12.2023:**

Name of signatory	Role of the signatory	Time of signature
URMO KOKMANN	Board member	27.06.2024

# Status of approval of the report by the shareholders' meeting

Approved by the General Meeting of Shareholders

# INDEPENDENT AUDITOR'S REPORT

BB Finance OÜ to shareholder

## Opinion by

We have audited the consolidated financial statements of BB Finance OÜ and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the consolidated financial statements set out on pages 6 to 40 present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the section of our report entitled "The Statutory Auditor's Responsibilities for the Audit of the Consolidated Financial Statements". We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including the Independence Standards), and have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

Management is responsible for other information. The other information includes the Activity Report, but excludes the Consolidated Financial Statements and our relevant auditor's report.

Our opinion on the consolidated financial statements does not include other information and we do not express any form of assurance on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially different from the consolidated financial statements or from our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, it is our responsibility to disclose whether the information presented in the statement of activities complies with applicable legal requirements.

If, based on the work we have done, we conclude that other information is materially misstated, we are required to report that fact. We have nothing to report in this regard and state that the information presented in the statement of activities is materially consistent with the consolidated financial statements and the applicable legal requirements.

## Responsibilities of management and those charged with governance in relation to the annual accounts

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the group's ability to continue as a going concern, to disclose, where appropriate, information about the going concern basis of accounting and to use the going concern basis of accounting unless management either intends to liquidate the group or to cease trading, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group's consolidated accounting reporting process.

## The statutory auditor's responsibilities in relation to the audit of the annual accounts

Our objective is to obtain reasonable assurance whether the consolidated financial statements taken 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 assurance, but it does not guarantee that a material misstatement will always be detected in an audit performed in accordance with International Standards on Auditing (International Standards on Auditing). Misstatements can result from fraud or error and are considered to be material when it can be reasonably expected that, individually or in the aggregate, they will influence the economic decisions that users make on the basis of the consolidated financial statements.

We use professional judgement and maintain professional scepticism when auditing in accordance with International Standards on Auditing (Estonia).



throughout the audit. We will also:

- identify and evaluate the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, plan and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of non-detection of material misstatement due to fraud is higher than that of material misstatement due to error because fraud may involve collusion, falsification, omission, misstatement or failure to maintain internal controls;
- gain an understanding of the internal control relevant to the audit so that we can design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- assess the appropriateness of accounting policies used and the reasonableness of management's accounting estimates and related disclosures;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is any material uncertainty about events or conditions that may cast significant doubt about the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the information disclosed about it in the consolidated financial statements or, if the disclosed information is insufficient, to modify our opinion. Our conclusions are based on the audit evidence obtained to the date of the auditor's report. However, future events or conditions may adversely affect the Group's ability to continue as a going concern;
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures made, and whether the consolidated financial statements present fairly the underlying transactions and events;
- obtaining sufficient appropriate evidence about the financial information of the group entities or businesses to form a conclusion on the consolidated financial statements of the group. We are responsible for the management, supervision and performance of the group audit. We are solely responsible for our audit opinion.

We exchange information with those charged with governance about, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified during the course of the audit.

/digitally signed/ Eero

Kaup

Number of statutory auditor 459

KPMG Baltics OÜ

Auditor registration number 17 Ahtri 4,

Tallinn, Harju maakond, 10151

28.06.2024

# Digital signatures of auditors

The auditor's report attached to the annual report of BB Finance OÜ (registration code: 11306564) for the period 01.01.2023 - 31.12.2023 has been digitally signed:

Name of signatory	Role of the signatory	Time of signature
EERO SHOP	Chartered Accountant	28.06.2024

Breakdown of sales by activity

Area of activity	EMTAK code	Sales revenue (EUR)	Sales revenue %	Principal activities
Other financial service activities n.e.c., except insurance and pension funding	64991	0		Yes