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ESTO AS Annual Report 2025

General information

Company name

ESTO AS

Legal form

Limited liability company (AS)

License

Creditor licence (No. 4.1-1/72) issued by the Estonian Financial Supervision Authority for granting of credit to consumers

Registry code

14180709 (Commercial Register of the Republic of Estonia)

VAT number

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Address

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Reporting period

1 January 2025 – 31 December 2025

Independent auditor

KPMG Baltics OÜ

The reporting currency is the euro (EUR), with units presented in thousands.

ESTO AS Annual Report 2025 have been audited.

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Management report

Key financial indicators (in thousands of euros)

Total income 2025/2024	Net profit 2025/2024	Total assets 2025/2024
29,961/27,121	**14,426**/11,254	**82,129**/71,085

Loan portfolio 2025/2024	Equity including subordinated loans 2025/2024	Equity 2025/2024
81,976/70,850	**42,137**/27,711	**38,137**/23,711

Financial ratios and loans originated

Return on equity	Return on assets	Cost to income ratio
47%	**19%**	**12%**

Equity to loan portfolio	Loans originated during 2025*
53%	**~66m**

Formulas:

Return on equity: net profit / average equity. Return on assets: net profit / average assets. Cost to income ratio: operating expenses / total revenue. Equity to loan portfolio: equity including subordinated loans / loan portfolio. Loan portfolio: including intergroup funding.

Loans originated during 2025: not including intergroup funding.*

ESTO AS is the Estonian operating entity of ESTO Holdings OÜ group (hereinafter "the Group"), which offers the Group's commerce platform products and services to clients and merchants of Estonia. ESTO AS is the largest operating entity within the Group.

At ESTO, our mission is simple: help businesses sell and people buy. In a world, where merchants and consumers want quick, easy financing solutions, we go beyond typical credit services. ESTO operates a multi-vertical financial platform organised around three core pillars: Personal, Business, and Commerce. Together, these verticals form an integrated ecosystem where payments, credit, and distribution reinforce each other across the full lifecycle of consumers and merchants.

ESTO AS had a very successful year in 2025, marked by impressive financial growth and strategic advancements in the Estonian market.

The year 2025 turned out to be our best year since founding in 2017, where we set out to run more efficiently without slowing down our growth and prioritising credit quality over volume. Despite the rather difficult economic situation, ESTO AS was able to show and continue to achieve strong growth in all numbers. We focused on boosting efficiency and profitability — and we outperformed even our own expectations, ending the year with a net profit of 14.4 million EUR.

Financially, 2025 was a standout year for ESTO Estonia. We generated 30.0 million EUR in revenue, posted 20.2 million EUR in EBITDA, and ended with 14.4 million EUR in net profit. Our total assets hit 82.1 million EUR, an all-time high.

These numbers highlight both our growth and our disciplined financial approach. ESTO is among the most profitable companies in our sector, especially when you consider that many competitors are stagnant or still trying to break even.

ESTO, among all other financial service providers, has focused a lot on the quality of its customer service. For us, it is very important to us that our hundreds of thousands of customers receive fast, accurate and necessary solutions to the questions they have. In today's environment, customers expect to receive an answer immediately - and we try to meet our customers' expectations. We have invested significant resources in developing our customer service, and as a proof of this, ESTO Estonia has one of the highest Google review scores in the industry, throughout the Baltics.

During 2025, the Group materially expanded its investment in data science, machine learning, and AI-driven systems, which gives us the tools and opportunities to take the company's activities, decision-making and results to an even higher level soon. Without going into too many details, all described above, is for the benefit of for ESTO's long-term competitiveness.

As ESTO AS looks towards 2026, ESTO is fully in execution mode, and the whole company is well-positioned for continued growth and success. With a solid financial foundation, a customer-merchant-centric approach, and a focus on data, AI-driven systems and innovation, ESTO aims to further expand its market presence, drive operational excellence and effectiveness, and deliver more value to customers and merchants, both online and offline.

The focus is on monetising the ecosystem already built, increasing operating leverage, record profitability, maintain discipline on risk and capital, and remain at the forefront of how payments, credit, and commerce converge.

This is all to overcome all challenges, and there are many on our way, out of which I can bring out just some - macroeconomic instabilities, potential regulatory changes, a very high competition, fraud and credit risk management – and we are prepared and focused to hurdle these during the upcoming exciting period.

Martin Ustaal
Management board member

Financial statements

Statement of financial position

(in thousands of euros)

	Note no.	31.12.2025	31.12.2024
ASSETS			
Current assets			
Cash and cash equivalents	5	1,122	897
Loans and advances to customers	6	65,780	55,132
Prepayments		532	548
Other assets	7	867	824
Total current assets		**68,300**	**57,402**
Non-current assets			
Loans and advances to customers	6	13,787	13,619
Property and equipment		8	14
Intangible assets	8	35	51
Total non-current assets		**13,829**	**13,684**
TOTAL ASSETS		**82,129**	**71,085**
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Loans and borrowings	9	18,874	19,046
Interest payables	9	727	991
Trade payables and other payables	10	717	908
Tax liabilities	11	61	46
Total current liabilities		**20,379**	**20,990**
Non- current liabilities			
Loans and borrowings	9	23,613	26,384
Total non- current liabilities		**23,613**	**26,384**
TOTAL LIABILITIES		**43,992**	**47,374**
Equity			
Share capital	12	100	100
Share premium		155	155
Statutory legal reserve	12	11	11
Retained earnings		23,446	12,192
Total comprehensive income		14,426	11,254
Total equity		**38,137**	**23,711**
TOTAL EQUITY AND LIABILITIES		**82,129**	**71,085**

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24. 04. 2026
Signature / allkiri
KPMG, Tallinn

Statement of profit or loss and other comprehensive income

(in thousands of euros)

	Note no.	2025	2024
Interest and similar income from loans	14	23,929	20,803
Interest expense	14	(5,724)	(5,235)
Net interest and similar income from loans		**18,206**	**15,568**
Other interest income	15	24	30
Total other interest income		**24**	**30**
Fee and commission income	16	3,143	2,529
Fee and commission expense	16	(1,457)	(1,402)
Net fee and commission income		**1,686**	**1,127**
Other income		523	206
Net loss arising from derecognition of financial assets measured at amortised cost	3	(2,166)	(2,999)
Impairment losses on financial instruments	3	(311)	526
Other operating expenses	17	(2,034)	(1,894)
Personnel expenses	18	(1,227)	(1,035)
Depreciation and amortisation	8	(24)	(41)
Other expenses		(251)	(236)
Profit before income tax		**14,426**	**11,254**
Income tax		-	-
Profit for the reporting period		**14,426**	**11,254**
Other comprehensive income		**-**	**-**
Total comprehensive income		**14,426**	**11,254**

Statement of cash flows

(in thousands of euros)

	Note no.	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		**14,426**	**11,254**
Adjustments or changes for:		**(3,585)**	**3,048**
– Interest income		(214)	9
– Net impairment loss on loans and advances	3	311	(526)
– Net loss arising from derecognition of financial assets measured at amortised cost	3	2,166	2,999
– Depreciation and amortisation	8	24	41
– Other adjustments		(5,872)	526
Total adjustments or changes		**10,841**	**14,302**
Changes in:			
– Other assets and prepayments		(27)	(225)
– Trade, interest and other payables		(278)	(3,916)
– Loans and advances to customers		(12,767)	(12,633)
Total changes		**(13,072)**	**(16,774)**
NET CASH USED IN OPERATING ACTIVITIES		**(2,231)**	**(2,473)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(2)	(9)
Acquisition of intangible assets	8	-	(2)
NET CASH USED IN INVESTING ACTIVITIES		**(2)**	**(11)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		22,718	24,676
Repayment of borrowings		(20,261)	(22,772)
NET CASH FROM FINANCING ACTIVITIES		**2,457**	**1,904**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**224**	**(580)**
Cash and cash equivalents at beginning of period		**897**	**1,477**
Cash and cash equivalents at end of period		**1,122**	**897**

Statement of changes in equity

2025

(in thousands of euros)

	Share capital	Share premium	Statutory legal reserve	Retained earnings	Total equity
Balance at 31.12.2024	**100**	**155**	**11**	**23,446**	**23,711**
Total comprehensive income for the period	-	-	-	**14,426**	**14,426**
Balance at 31.12.2025	**100**	**155**	**11**	**37,872**	**38,137**

2024

(in thousands of euros)

	Share capital	Share premium	Statutory legal reserve	Retained earnings	Total equity
Balance at 31.12.2023	**100**	**155**	**11**	**12,192**	**12,457**
Total comprehensive income for the period	-	-	-	**11,254**	**11,254**
Balance at 31.12.2024	**100**	**155**	**11**	**23,446**	**23,711**

Additional information on equity is provided in Note 12.

The notes on pages 10 to 39 are an integral part of these financial statements.

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24. 04. 2026
Signature / allkiri
KPMG, Tallinn

Notes to the financial statements

Note 1. General information

The Company is domiciled in Estonia, established on 6 January 2017. The registered address is Laeva Street 2, Tallinn 10111, Harju County, Estonia. The Company's principal activity is the issuance of consumer credit loans through its merchant network and directly to consumers.

Note 2. Significant accounting policies

Note 2.1. Basis of accounting

The financial statements of the Company for the financial year 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

These financial statements have been authorised for issue by the Company's management board on 24 April 2026. Under the Estonian Commercial Code, the annual report, including the financial statements prepared by the management board, must also be approved by the supervisory board and at the general meeting of shareholders.

Note 2.2 Adoption of new and revised accounting standards

The International Accounting Standards Board (IASB) has issued amendments to IFRS standards that are relevant to financial reporting. In the reporting period the Company has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21 – Lack of Exchangeability

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The amendments did not have a material impact on the Company.

Note 2.3 Standards issued but not yet effective and not early adopted

The following new standards, interpretations and amendments are not yet effective for the annual reporting period ended 31 December 2025 and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when they become effective.

Amendments to the Classification and Measurement of Financial Instruments – IFRS 9 & IFRS 7

(Effective for annual periods beginning on or after 1 January 2026. Early application is permitted.)

On 30 May 2024, the IASB released targeted amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures to address common challenges in financial instrument classification and measurement.

Key amendments include:

✓ Clarification on the recognition and derecognition of certain financial assets and liabilities, with specific guidance for transactions involving electronic cash transfer systems.

✓ Additional disclosure requirements for financial instruments with contractual terms linked to ESG performance targets.

✓ Expanded classification criteria to assess whether financial assets meet the Solely Payments of Principal and Interest (SPPI) condition.

✓ Updated disclosures for equity instruments measured at fair value through other comprehensive income (FVOCI).

✓ New disclosure requirements for loan agreements classified as non-current, clarifying how deferred settlement rights affect classification.

The Company does not expect the amendments to have a material impact on its financial statements when initially applied.

IFRS 18 – Presentation and Disclosure in Financial Statements

(Effective for annual periods beginning on or after 1 January 2027. Early application is permitted.)

IFRS 18 introduces significant changes to financial statement presentation by replacing IAS 1 – Presentation of Financial Statements, with a focus on the Statement of Profit or Loss:

✓ Defines a consistent structure for the statement of profit or loss, including mandatory subtotals.

✓ Requires entities to determine the most useful categorization for presenting operating expenses in the statement of profit or loss.

✓ Enhances transparency by requiring key disclosures for performance measures reported outside the financial statements (e.g., management-defined performance measures).

✓ Strengthens aggregation and disaggregation principles in financial statements and accompanying notes.

The Company is currently assessing the impact of IFRS 18 on its financial statements. Given the significant changes to the structure of the statement of profit or loss and new disclosure requirements, the full impact has not yet been determined.

IFRS 19 – Subsidiaries Without Public Accountability: Disclosures

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

✓ It does not have public accountability; and

✓ It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standard.

The Company does not expect the amendments to have a material impact on its financial statements when initially applied.

All other new standards and amendments do not have impact to the financial statements.

Note 2.4. Functional and presentation currency

These financial statements are presented in (thousands of) euros, which is the Company's functional currency.

Note 2.5. Assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, and expenses. These estimates are made based on available information and management's judgment of current events, but the actual outcome may differ from these estimates.

Estimates and judgements are continuously reviewed based on historical experience and other factors, including external market conditions and expectations of future events that management believes to be reasonable in the circumstances. Changes in management's estimates are reported prospectively.

Judgements

Information about judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

-Note 3: Establishing the criteria for determining whether credit risk on a financial asset has significantly increased since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL, and selecting and approving models used to measure ECL.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is included in the following notes:

-Note 2.6, section "Financial assets and financial liabilities" and Note 3: Impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporating forward-looking information.

✓ The ECL model relies on key assumptions such as probability of default (PD), loss given default (LGD), and macroeconomic scenario weightings. These assumptions are reassessed periodically to reflect changes in economic conditions and credit risk trends.

✓ Management considers projected GDP growth, inflation and interest rates, and unemployment trends as key macroeconomic factors influencing credit risk models.

-Note 4: fair value of financial instruments: determining the fair value of assets and liabilities.

✓ The fair value of financial instruments involves estimation uncertainties, particularly for Level 3 instruments, which rely on unobservable inputs in valuation models. Changes in discount rates, market conditions, and risk assumptions can have a material impact on these fair value measurements.

The estimation of expected credit losses and fair value of financial instruments involves the use of models and assumptions that are based on the best available information at the reporting date.

Explanation of changes in past assumptions

Management continuously assesses the reasonableness of assumptions used in credit risk estimation.

Note 2.6. Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. The accounting policies described have been applied consistently, unless otherwise stated in the following text.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise balances with less than three months maturity of the assets at acquisition dates including: cash, non-restricted cash equivalents.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

In the statement of cash flows the operating cash flows are presented using the indirect method. The financing cash flows and investing cash flows are presented using the direct method.

Interest

i. Effective interest rate

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument to:

✓ the gross carrying amount of the financial asset; or

✓ the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

ii. Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for an expected credit loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iii. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired after initial recognition interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iv. Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss and other comprehensive income includes interest on financial assets measured at amortised cost.

Interest expense presented in the statement of profit or loss and other comprehensive income includes interest on financial liabilities measured at amortised cost.

Fees and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Fee and commission income is recognised as the related services are performed.

Fee and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

Financial assets and financial liabilities

i. Recognition and initial measurement

The Company initially recognizes loans and advances on the date on which they are originated. All other financial instruments are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

ii. Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as FVTPL:

✓ the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

✓ the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

✓ the stated policies and objectives for the portfolio and the operation of those policies in practice, in particular management's strategy which focuses on earning contractual interest and other revenue and maintaining portfolio quality, including non-performing loan levels and minimisation of credit losses and write-offs;

✓ how the performance of the portfolio is evaluated and reported to the Company's management;

✓ the risks that affect the performance of the business model and its strategy for how those risks are managed;

✓ the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. Sales of financial assets occur only in cases where loans become delinquent and are sold as part of the collections process. This information is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved.

The Company's business consists of loans to customers that are held for collecting contractual cash flows, including hire purchase, consumer loans and credit agreements.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet his condition.

In making the assessment, the Company considers:
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

All financial assets of the Company meet the SPPI criterion.

Reclassifications

Financial assets are not reclassified after their initial recognition, except in the period after the Company changes its business model for managing financial assets.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company transfers assets recognised in its financial statements but retains all or significant risks and rewards of the transferred assets, the Company does not derecognise the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

iv. Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

✓ fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

✓ other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (see "impairment" section below), then the gain or loss is presented together with the impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Company derecognises a financial liability when the contractual terms are modified and the new cash flows from the financial liability are substantially different. In that case the, the new financial liability based on the amended terms is recognised at fair value. The difference between the carrying amount of the financial liability terminated or the financial liability (or part of a financial liability) transferred to another party and the consideration paid, including any non-monetary assets transferred or liabilities assumed, is recognised in profit or loss.

If the modification of a financial liability is not accounted for as derecognition then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

V. Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards.

vi. Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change occurred.

vii. Impairment

The Company recognises loss allowances for ECL on loans and advances to customers. Other financial assets measured at amortised cost, including debt securities, are considered to have low credit risk and no material ECL has been recognised on these instruments.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

✓ financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL represent the portion of lifetime expected credit losses that result from default events that are possible within 12 months after the reporting date, regardless of when those losses are ultimately realized. Financial instruments for which 12-month ECL are recognized are referred to as "Stage 1 financial instruments". Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired, forborne exposures or exposures with no-repayment periods are not included.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognized but that are not credit-impaired are referred to as "Stage 2 financial instruments". Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired.

Financial instruments for which lifetime ECL are recognized and that are credit-impaired are referred to as "Stage 3 financial instruments".

Measurement of ECL

ECL are probability-weighted estimate of credit losses. They are measured as follows:
✓ financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
✓ financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
When discounting future cash flows, the following discount rates are used:
✓ financial assets: the original effective interest rate or an approximation thereof.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired referred to as "Stage 3 financial assets". A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

✓ significant financial difficulty of the borrower;

✓ a breach of contract such as default or past-due event of 90 days or more;

✓ it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:
✓ financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write-off

Loans are written off when there is no reasonable expectation of recovering a financial asset. This is generally the case when the Company or its debt collectors determines that the borrower does not have assets or sources of income that could generate any cash flows to repay the amounts subject to the write-off.

Recoveries of amounts previously written off are recognized when cash is received and are included in "other income" in the statement of profit or loss and other comprehensive income.

Net loss arising from derecognition of financial assets measured at amortized cost

Loans that are sold to external parties after termination due to failure to comply with payment terms are written off from loans and advances to customers.

Proceeds from the sale of loans are recognised in the statement of profit or loss and other comprehensive income.

Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain on disposal of an item of property and equipment is recognised within other income and any loss on disposal is recognised within other expenses in the statement of profit or loss and other comprehensive income.

ii. Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives.

The estimated useful lives of property and equipment for the current and comparative periods are as follows:

✓ Computers and computer equipment: 3-5 years

✓ Other tangible fixed assets: 5-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets

i. Recognition and measurement

Intangible assets acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

ii. Subsequent costs

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iii. Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful life, from the date on which it is available for use. The estimated useful life for intangible assets is 5 to 10 years for the current and comparative periods.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss and other comprehensive income.

Employee benefits

Short-term employee benefits include salary and social security contributions; benefits related to the regulatory rights of employment (holiday pay or other similar benefits) if it is expected to occur within 12 months after the end of the period in which the employee worked. Company does not have share options for employees.

Provisions

Provision is recognised when the Company has a legal or constructive obligation at the reporting date because of a past event, it is probable that the Company will be required to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably.

Provisions are recognised at the present value of the expenditure required to settle the obligation using an interest rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the amount of the provision due to the time value of money is recognised as a financial expense.

If the realisation of a contingent liability is less probable than non-realisation or related costs cannot be determined reliably, that in certain circumstances may become obligations, then this amount is disclosed in the notes to the financial statements as contingent liability.

As of 31 December 2025, the Company has not recognised any provisions, as there were no legal or constructive obligations that met the recognition criteria of IAS 37.

Income tax

Under the Income Tax Act, in Estonia income tax is not levied on corporate profit. Income tax is paid on dividends, employee benefits, gifts, donations, entertainment expenses, non-business payments and transfer price adjustments. Dividends paid out of retained earnings are taxed at an income tax rate of 22/78 of the net amount of dividends distributed (equal to 22% of the gross amount of distributable profits).

Related parties

The Company considers parties to be related if one controls the other or exerts significant influence on the other's operating decisions. Related parties include:

- ✓ Owners.
- ✓ Members of the Company's management and supervisory boards.
- ✓ Close family members of and companies related to the above persons.

Events after the reporting period

The annual financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date and the date on which the financial statements were authorised for issue but are related to the reporting or prior periods.

Subsequent events that are indicative of conditions that arose after the reporting date, but which will have a significant effect on the result of the next financial year are disclosed in the notes to the annual financial statements.

Note 3. Financial risk management and review

Introduction and overview

The Company has exposure to the following risks from financial instruments:

✓ credit risk;

✓ liquidity risk;

✓ market risks; and

✓ operational risk.

Credit risk

Credit risk reflects the potential loss arising from the counterparty's inability or unwillingness to meet its contractual obligations towards the Company. Credit risk arises primarily from loans and receivables issued to customers across Estonia, Lithuania and Latvia. The Company also considers concentration risk and country credit risk as part of its overall credit risk framework.

Credit risk management is governed by applicable legal acts and guidelines established in accordance with the EU Consumer Credit Directive, as well as the internal regulations, the core principle of which is responsible lending.

The Company manages credit risk through the following key controls and practices:

✓ Credit risk is managed through a Group-level governance framework with defined oversight responsibilities, committee structures and escalation practices. Credit risk appetite and key portfolio management principles are set and reviewed within this framework, with cross-functional involvement from credit, legal, finance, operations, product and data teams to ensure consistent application across all markets.

✓ The Company's underwriting standards are built around responsible lending principles. Creditworthiness and eligibility are assessed using relevant data and scoring models, with controls in place to prevent excessive risk concentration. Portfolio diversification is used to manage exposure at both product and market level.

✓ Credit risk performance is monitored regularly to detect adverse trends and support timely corrective action. Key monitoring areas include:

• application and approval patterns;

• early delinquency indicators for recent cohorts;

• default rates by market and product.

✓ In addition to regular reporting, the Company conducts periodic portfolio reviews and ad-hoc analyses to assess performance drivers and the impact of underwriting or product changes. Stress testing and scenario analysis are used to support risk appetite decisions and forward planning.

✓ Changes to underwriting, onboarding and decisioning processes are subject to controlled review. Legal and risk functions assess proposed changes for regulatory alignment before implementation.

✓ Credit management processes support timely handling of arrears, informed by ongoing monitoring across markets and products.

The risk management function provides the management board with at least monthly reviews of compliance with credit risk limits. Any limit breaches are escalated immediately.

✓ The credit risk committee is appointed once for each financial year.

✓ The management board appoints the members of the credit risk committee.

i. Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost without considering collateral or other credit enhancement (if any). Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts.

Explanation of the terms “Stage 1”, “Stage 2” and “Stage 3” is included in Note 2.6 “Financial assets and financial liabilities” subsection “Impairment”.

(in thousands of euros)

31.12.2025

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost				
Gross carrying amount	67,554	1,979	1,433	70,966
Loss allowance	(678)	(397)	(1,336)	(2,410)
Carrying amount	**66,876**	**1,582**	**98**	**68,556**

(in thousands of euros)

31.12.2024

	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers at amortised cost				
Gross carrying amount	57,672	2,275	979	60,926
Loss allowance	(838)	(396)	(865)	(2,099)
Carrying amount	**56,834**	**1,879**	**114**	**58,827**

The table below sets out information about the loan portfolio write-off due to sale.

(in thousands of euros)

	2025	2024
Loans issued to customers	65,623	61,183
Loans written off	(4,668)	(6,552)
Write-off to issuance ratio (%)	**7.11%**	**10.71%**

Gross carrying amount of the loan portfolio increased by 16% compared to 31 December 2024. Portfolio issuance grew moderately during the reporting period, while the write-off to issuance ratio improved to 7.11% in 2025 from 10.71% in 2024, reflecting stronger portfolio quality.

The table below shows amounts related to the derecognition of financial assets measured at amortised cost, including loans written off and proceeds from sold portfolios. Impairment losses are presented separately in the statement of profit or loss and other comprehensive income.

(in thousands of euros)

	2025	2024
Loans written off	(4,668)	(6,552)
Income from sold written-off loans	2,502	3,553
Net loss arising from derecognition of financial assets measured at amortised cost	**(2,166)**	**(2,999)**

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Cash and cash equivalents

The Company held cash and cash equivalents of €1,122 thousand at 31 December 2025 (2024: €897 thousand). The cash and cash equivalents are held with regulated financial institution counterparties operating within the EU regulatory framework. The cash and cash equivalents of the Company are considered as Stage 1 assets as of 31 December 2025 and 31 December 2024.

ii. Amounts arising from ECL

Inputs, assumptions, and techniques used for estimating impairment

The accounting policy for impairment, including inputs, assumptions and techniques used for estimating ECL, is described in Note 2.6. "Financial assets and financial liabilities" subsection, "Impairment".

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure.

The Company uses the following criteria for determining whether there has been a significant increase in credit risk:

✓ qualitative and quantitative indicators; and
✓ a backstop of 30 days past due.

Determining whether credit risk has increased significantly

The Company assesses whether credit risk has increased significantly since initial recognition at each reporting date.

A significant increase in credit risk is generally not evident on an individual instrument basis before the financial instrument becomes past due. This is because there is little or no updated information that is routinely obtained and monitored on an individual instrument until a customer breaches the contractual terms. This is applicable for loans to customers offered by the Company. For these loans, an assessment of whether there has been a significant increase in credit risk on an individual basis would not faithfully represent changes in credit risk since initial recognition. Therefore, Company does significant increase assessment on a collective basis.

In order to assess significant increases in credit risk on a collective basis, financial instruments are grouped based on shared credit risk characteristics:

✓ instrument type;

✓ geographic location of the borrower;

✓ origination period;

✓ credit score segment.

The aggregation of financial instruments may change over time as new information becomes available.

As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Where a payment leave has been granted, the repayment schedule is adjusted accordingly.

Definition of default

The Company considers a financial asset to be in default when:

✓ The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

✓ The borrower has been more than 90 days past due on any material credit obligation to the Company.

✓ It becomes probable that the borrower will restructure the asset because of bankruptcy due to the borrower's inability to pay its credit obligations.

✓ The contract has been sold, with outstanding and unmet legal obligations (or conditions) from the borrower.

In assessing whether a borrower is in default, the Company considers indicators that are:

✓ Qualitative (for example, breaches of contractual terms); and

✓ Based on internally developed data.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Company incorporates forward-looking information into the measurement of expected credit losses for financial assets measured at amortised cost. The ECL model applied by the Company includes both historical data and forecasted macroeconomic information to estimate future credit risk conditions and default behaviour.

Key macroeconomic variables currently incorporated into the Company's forward-looking assessment include:

✓ GDP growth

✓ Unemployment rate

✓ Interest rate

✓ Inflation rate

These variables are used to adjust risk parameters through a scenario-based framework. Each macroeconomic variable is assigned a weighting and sensitivity based on its relevance to credit risk, with scenario adjustments reflecting moderate, significant, or severe changes in conditions. Adjustments are made based on an established methodology supported by external forecasts (IMF, World Bank, ECB, and national sources), which are reviewed regularly.

The Company uses three probability-weighted scenarios (base, upside, and downside) to model a range of potential macroeconomic outcomes. The resulting adjustments are applied to Probability of Default (PD) and Loss Given Default (LGD) estimates across Stages 1 and 2.

The Company monitors the correlation between macroeconomic variables and observed credit performance to support the relevance and predictability of forward-looking inputs.

The management board assesses material macroeconomic developments and applies expert judgment, where appropriate, to ensure that forward-looking adjustments remain aligned with the current and expected credit environment.

Modified assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 2.6 'Financial assets and financial liabilities', subsection 'Modifications of financial assets and financial liabilities'.

When a modification is not related to current or potential credit deterioration of the customer and results in derecognition, a new loan is recognised and allocated to Stage 1, assuming it is not credit-impaired at that time.

The Company also renegotiates loans to customers in financial difficulties (forbearance) to maximise collection opportunities and minimise the risk of default. Under the Company's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms include temporary payment leave, during which the repayment schedule is suspended and interest continues to accrue.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered credit-impaired or in default, or before the PD is considered to have decreased sufficiently for the asset to be allocated to Stage 1.

Measurement of ECL

The key inputs into the measurement of ECL are the term structure and the following variables:

✓ probability of default (PD);

✓ loss given default (LGD); and

✓ exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by LGD and EAD.

PD is an estimate of the likelihood of default over a given time horizon. The PD is grouped by product type, days past due and by length of exposure. PD is estimated based on the Markov chain model, where the transition matrices of the previous 6-month period are used to predict the probabilities of future cumulative transitions.

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted customers. LGD estimates are recalibrated for different economic scenarios. LGD are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk. The maximum contractual period extends to the date of which the Company has the right to require re-payment of an advance or terminate a loan commitment.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which may include:

✓ instrument type;

✓ credit score segment;

✓ date of initial recognition;

✓ remaining term to maturity;

✓ geographic location of the borrower.

The following tables show reconciliations from the opening to the closing balance of the loss allowance by credit risk stage. The basis for determining transfers due to changes in credit risk is set out Note 2.6 ‘Financial assets and financial liabilities’, subsection ‘Impairment’.

(In thousands of euros)

2025

	Stage 1	Stage 2	Stage 3	Total
Loss allowance movements by credit risk stage				
Balance at 1 January	838	396	865	2,099
Net remeasurement of loss allowance	(248)	(50)	297	(1)
New financial assets originated	862	505	1,699	3,066
Repayments of financial assets	(730)	(427)	(1,438)	(2,595)
Write-offs	(45)	(26)	(88)	(159)
Balance at 31 December	**678**	**397**	**1,336**	**2,410**

(In thousands of euros)

2024

	Stage 1	Stage 2	Stage 3	Total
Loss allowance movements by credit risk stage				
Balance at 1 January	1,339	379	907	2,625
Net remeasurement of loss allowance	(564)	(13)	(108)	(685)
New financial assets originated	1,137	537	1,173	2,846
Repayments of financial assets	(983)	(464)	(1,015)	(2,462)
Write-offs	(90)	(43)	(93)	(226)
Balance at 31 December	**838**	**396**	**865**	**2,099**

The Company does not pursue further enforcement activity on financial assets once they are written off, as these assets are sold at the time of write-off. Accordingly, no contractual amounts written off during the reporting period remain subject to enforcement actions.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its contractual obligations within the required timeframe without incurring significant costs, i.e. the Company cannot finance its activities sustainably and in a timely manner or cannot liquidate its positions to fulfil its contractual obligations.

The key measure used to manage the Company's liquidity position is the analysis of maturity mismatch of assets and liabilities. In addition, liquidity risk is mitigated by maintaining liquidity reserves to manage imbalances in the duration of assets and liabilities. Key liquidity ratios and the maturity profile of assets and liabilities are regularly monitored within the liquidity risk management framework. The Company conducts stress tests on a regular basis and has established a contingency plan for addressing liquidity shortfalls in crisis situations.

Liquidity risk management is based on the Company's liquidity risk policy and other internal regulations. The Company maintains internal limits for all key liquidity indicators.

The risk management function provides the management board with at least monthly reviews of compliance with liquidity risk limits. Any limit breaches are escalated immediately.

- ✓ The liquidity risk committee is appointed once for each financial year.
- ✓ The management board appoints the members of the liquidity risk committee.

i. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets for liquidity concentration disclosure.

(In thousands of euros)

Contractual cash flows 31.12.2025

	Up to 3 months	3-12 months	1-5 years	Carrying amount
Financial liability by type				
Loans and borrowings (Note 9)	-	18,874	23,613	42,487
Interest payables (Note 9)	727	1,446	9,622	727
Trade payables (Note 10)	575	-	-	575
Other payables (Note 10)	142	-	-	142
Total	**1,444**	**20,320**	**33,235**	**43,931**
Financial asset by type				
Cash and cash equivalents (Note 5)	1,122	-	-	1,122
Loans and advances to customers (Note 6)	1,957	68,638	18,246	79,566
Other assets (Note 7)	867	-	-	867
Total	**3,946**	**68,638**	**18,246**	**81,554**
Net position	**2,501**	**48,318**	**(14,989)**	**37,623**

(In thousands of euros)

Contractual cash flows 31.12.2024

	Up to 3 months	3-12 months	1-5 years	Carrying amount
Financial liability by type				
Loans and borrowings (Note 9)	-	19,046	26,384	45,430
Interest payables (Note 9)	991	1,909	14,986	991
Trade payables (Note 10)	804	-	-	804
Other payables (Note 10)	104	-	-	104
Total	**1,899**	**20,954**	**41,370**	**47,328**
Financial asset by type				
Cash and cash equivalents (Note 5)	897	-	-	897
Loans and advances to customers (Note 6)	5,938	53,715	16,298	68,751
Other assets (Note 7)	824	-	-	824
Total	**7,659**	**53,715**	**16,298**	**70,472**
Net position	**5,761**	**32,761**	**(25,072)**	**23,144**

Comparative figures for the year ended 31 December 2024 have been restated to reflect a change in the presentation of the liquidity analysis. Financial assets with fixed repayment schedules are now presented including expected interest income, consistent with the presentation of financial liabilities. This reclassification had no impact on net profit or equity.

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are complied
Financial liabilities	Undiscounted cash flows, including estimated interest payments.
Financial assets	Undiscounted cash flows, including estimated interest receivable for financial assets with fixed repayment schedules. For other financial assets, amounts represent carrying values.

ii. Liquidity reserves

As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets comprising cash and cash equivalents. The Company mitigates liquidity risk via liquidity risk committee, which holds regular meetings once a month.

The Company maintains internal limits for all key liquidity indicators (liquidity ratios):

✓ Equity ratio: no less than 20% of the loan book.

✓ Interest coverage ratio: no less than 2.0.

✓ Cash buffer to loan book: no less than 2%.

As of 31 December 2025, and 31 December 2024, the requirements of equity ratio and ICR were met. The cash buffer was less than 2%.

Market risks

Market risk arises from the core business activities of the Company. The nature of the Company’s business activities implies that it has no commodity risk and equity risk exposures. Thus, the only types of market risk that the Company is exposed to as a result of its current business activities, are the interest rate risk and currency risk.

Market risk is the risk that changes in market prices – e.g., interest rates, foreign exchange rates – will affect the Company income or the value of its holdings of financial instruments. The objective of the Company market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Company’s solvency while optimizing the return on risk.

Currency risk could arise from the change in price of one currency in relation to another. Exchange rate risk in the Company is minimal since Company operates only in Estonian market, using the same currency as Company’s operational currency - euros.

i. Interest rate risk

Interest rate risk is the risk that unfavourable changes in interest rates on the Company's assets and liabilities may negatively affect its profit and equity. The Company is exposed to interest rate risk where the repricing timings or maturities of its assets and liabilities differ or where interest rates can be adjusted at different intervals.

The Company manages interest rate risk by limiting and matching the structure and maturities of interest-sensitive assets and liabilities. Interest income from loans issued to customers significantly exceeds interest expense on borrowings, which provides a natural offset against the potential adverse effects of interest rate risk.

Interest rate risk is monitored and managed in accordance with internal limits set by the liquidity risk committee. To comply with these limits, the Company may adjust the rates on its loans or, if necessary, enter into hedging instruments. The Company has not used hedging instruments in 2025 or 2024 to hedge interest rate risk.

The principal risk to which the Company's portfolios are exposed is the risk of loss from fluctuations in future cash flows or fair values of financial instruments due to changes in market interest rates.

The tables below summarise the Company's exposure to interest rate risk. Financial assets and liabilities are presented at carrying amounts, categorised by maturity.

31.12.2025

(in thousands of euros)

	Total	Maturity within 1 year	Maturity 1-5 years
Assets bearing fixed interest rate risk			
Loans and advances to customers	79,566	65,780	13,787
Assets bearing fixed interest rate risk total	**79,566**	**65,780**	**13,787**
Liabilities bearing fixed interest rate risk			
Loans from investors	23,613	-	23,613
Liabilities bearing fixed interest rate risk total	**23,613**	**-**	**23,613**
Interest gap	**55,953**	**65,780**	**(9,826)**
Assets bearing floating interest rate risk			
Loans and advances to customers	-	-	-
Assets bearing floating interest rate risk total	**-**	**-**	**-**
Liabilities bearing floating interest rate risk			
Loans from investors	18,874	18,874	-
Liabilities bearing floating interest rate risk total	**18,874**	**18,874**	**-**
Interest gap	**(18,874)**	**(18,874)**	**-**

31.12.2024

(in thousands of euros)

	Total	Maturity within 1 year	Maturity 1-5 years
Assets bearing fixed interest rate risk			
Loans and advances to customers	68,751	55,132	13,619
Assets bearing fixed interest rate risk total	**68,751**	**55,132**	**13,619**
Liabilities bearing fixed interest rate risk			
Loans from investors	26,594	210	26,384
Liabilities bearing fixed interest rate risk total	**26,594**	**210**	**26,384**
Interest gap	**42,157**	**54,922**	**(12,765)**
Assets bearing floating interest rate risk			
Loans and advances to customers	-	-	-
Assets bearing floating interest rate risk total	**-**	**-**	**-**
Liabilities bearing floating interest rate risk			
Loans from investors	18,836	18,836	-
Liabilities bearing floating interest rate risk total	**18,836**	**18,836**	**-**
Interest gap	**(18,836)**	**(18,836)**	**-**

Operational risk

Operational risk is a risk of incurring a loss from the inadequacy of internal processes, people or systems not operating in the manner expected or from external events. Operational risk includes additionally legal risk, compliance risk and personnel risk.

The main operational risks that Company faces are associated with the Company's significant growth. An increasing number of employees, growing volume of transactions and introduction of new products mean a constant need for new structures and processes as well as development of systems. Operational risk management includes the identification of key business processes and the key risks in each process, the implementation of adequate controls and their follow-up checks. The Company has implemented processes to manage incidents and approve new products as well as established a business continuity plan for crisis situations.

Risk management function provides the Management board of the Company with at least monthly reviews of compliance with operational risk limits. Any limit breaches are escalated immediately.

- ✓ The operational and compliance risk committee is appointed once for each financial year.
- ✓ The management board appoints the members of the operational and compliance risk committee.

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Capital management

The Company's own funds provide the capacity to absorb unexpected losses and ensure that sufficient financial resources exist at all times to meet obligations to stakeholders. The Company manages these capital components: equity capital, debt capital, working capital.

The Company’s capital management runs on three pillars:

1. Strong liquidity - maintaining adequate cash reserves to meet operational needs.

2. Strong equity - equity position of at least 20% of the loan book.

3. Diverse and long-term capital sources.

The Company is not obliged to keep capital reserves outside of the capital requirements imposed by the Estonian Commercial Code.

The Supervisory board is responsible for the overall planning of the capital structure. Capital planning ensures the Company is well-positioned to meet situations requiring additional capital and to maintain an adequate buffer to support growth in existing markets and potential entry into new markets.

The Company's capital planning takes into consideration the following factors:

✓ The minimum capital required by applicable laws and regulations, including any buffers.

✓ The level of capital needed to withstand contingencies and stress situations.

✓ The shareholders' required rate of return and effective capital management.

Note 4. Fair value of financial instruments

Measurement of fair values

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

✓ Level 1: quoted prices (unadjusted) in active markets for identical instruments.

✓ Level 2: inputs other than quoted prices included in Level 1 that are observable for the instruments, either directly or indirectly. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

✓ Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques for the Company include the assessment of expected future cash flows, including principal and estimated interest receivable or payable over the remaining term of the instrument. Assumptions and inputs used include benchmark interest rates and credit spreads.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Classification of financial instruments and their fair values

All the Company's financial assets and liabilities are recognised in the statement of financial position. Items included in the statement of financial position include loans and advances to customers, other assets, cash and cash equivalents, intangible assets, loans and borrowings, trade payables and other payables.

Fair value of loans and advances to customers is calculated for hire purchase, consumer loan and other loans as these have fixed repayment schedules. For credit agreements, carrying amount is considered to approximate fair value as these facilities have no fixed maturity and balances are continuously repaid and redrawn.

The fair value of loans and borrowings is estimated based on expected future cash flows, including principal and estimated interest payable over the remaining term.

The following tables analyse carrying amounts and fair values of financial assets and liabilities, including their fair value levels.

31.12.2025

(in thousands of euros)

	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value
Financial assets measured at amortized cost					
Loans and advances to customers (Note 6)	79,566	-	-	88,841	88,841
Other assets (Note 7)	867	-	-	867	867
Cash and cash equivalents (Note 5)	1,122	1,122	-	-	1,122
Intangible assets (Note 8)	35	-	-	35	35
Total financial assets at amortized cost	**81,589**	**1,122**	**-**	**89,743**	**90,864**
Financial liabilities at amortized cost					
Loans and borrowings (Note 9)	42,487	-	53,555	-	53,555
Trade payables (Note 10)	575	-	-	575	575
Other payables (Note 10)	142	-	-	142	142
Total financial liabilities at amortized cost	**43,204**	**-**	**53,555**	**717**	**54,272**

31.12.2024

(in thousands of euros)

	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Fair value
Financial assets measured at amortized cost					
Loans and advances to customers (Note 6)	68,751	-	-	75,952	75,952
Other assets (Note 7)	824	-	-	824	824
Cash and cash equivalents (Note 5)	897	897	-	-	897
Intangible assets (Note 8)	51	-	-	51	51
Total financial assets at amortized cost	**70,523**	**897**	**-**	**76,827**	**77,724**
Financial liabilities at amortized cost					
Loans and borrowings (Note 9)	45,430	-	62,324	-	62,324
Trade payables (Note 10)	804	-	-	804	804
Other payables (Note 10)	104	-	-	104	104
Total financial liabilities at amortized cost	**46,338**	**-**	**62,324**	**908**	**63,232**

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Note 5. Cash and cash equivalents

(in thousands of euros)

	31.12.2025	31.12.2024
Unrestricted bank accounts	1,122	897
Total	**1,122**	**897**

Note 6. Loans and advances to customers

(in thousands of euros)

	31.12.2025	31.12.2024
Loans and advances to customers	81,976	70,850
Less impairment loss allowance	(2,410)	(2,099)
Total	**79,566**	**68,751**

Loans and advances to customers at amortised cost

(in thousands of euros)

			31.12.2025			31.12.2024
	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount
Hire Purchase loans	10,090	(226)	9,864	9,596	(184)	9,412
Credit agreements	55,860	(2,004)	53,856	47,317	(1,792)	45,526
Consumer loans	5,016	(180)	4,835	4,012	(123)	3,889
Other loans	11,011	-	11,011	9,924	-	9,924
Total	**81,976**	**(2,410)**	**79,566**	**70,850**	**(2,099)**	**68,751**

More information is disclosed in Note 3.

Note 7. Other assets

(in thousands of euros)

	31.12.2025	31.12.2024
Trade receivables	867	824
Total	**867**	**824**

More information is disclosed in Note 3.

Note 8. Intangible assets

(in thousands of euros)

	Other intangible assets	Development costs	Total
Carrying amounts at 01.01.2024	**63**	**3**	**66**
Additions	-	2	2
Amortisation	(17)	-	(17)
Cost in 2024	-	2	2
Accumulated amortisation at 31.12.2024	(87)	-	(87)
Carrying amounts at 31.12.2024	**46**	**5**	**51**
Additions from development	5	-	5
Amortisation	(17)	-	(17)
Other changes	-	(5)	(5)
Accumulated amortisation at 31.12.2025	(36)	-	(36)
Carrying amounts at 31.12.2025	**35**	**-**	**35**

Note 9. Loans and borrowings

The terms and conditions of outstanding loans are as follows:

(in thousands of euros)

31.12.2025

		Repayment schedule				
	Total	**Current loans** (Within 12 months)	**Non-current loans** (Within 1-5 years)	**Interest rate**	**Currency**	**Due date**
Loans	19,613	-	19,613	12%	EUR	2027
Marketplace loan	18,874	18,874	-	7-12%	EUR	2026
Subordinated loans	4,000	-	4,000	12%	EUR	2027
Total	**42,487**	**18,874**	**23,613**	**-**	**-**	**-**

31.12.2024

(in thousands of euros)

		Repayment schedule				
	Total	**Current loans** (Within 12 months)	**Non-current loans** (Within 1-5 years)	**Interest rate**	**Currency**	**Due date**
Loans	22,594	210	22,384	12-16%	EUR	2025-2028
Marketplace loan	18,836	18,836	-	7-12%	EUR	2025
Subordinated loans	4,000	-	4,000	12%	EUR	2027
Total	**45,430**	**19,046**	**26,384**	**-**	**-**	**-**

More information is disclosed in Note 3, Note 4 and Note 19.

The carrying amount of loans and borrowings as at 31 December 2025 was €42,487 thousand (31 December 2023: €45,430 thousand).

The Company has pledged part of its consumer credit portfolio to guarantee the obligations of the creditors.

Due to marketplace loan agreement, Company is a subject to the financial covenants on quarterly basis: interest coverage ratio should not be less than 1.5 and equity ratio cannot be less than 20%. As at 31 December 2025 and 31 December 2024, the Company was in compliance with all financial covenants.

As at 31 December 2025, interest payables amounted to €727 thousand (31 December 2024: €991 thousand) and represent accrued but unpaid interest on financial liabilities, primarily related to borrowings disclosed above.

Note 10. Trade payables and other payables

(in thousands of euros)

	31.12.2025	31.12.2024
Trade payables	575	804
Total trade payables	**575**	**804**
Payables to employees	117	83
Other accrued expenses	26	21
Total other payables	**142**	**104**
Total trade payables and other payables	**717**	**908**
Short-term	717	908
Long-term	-	-
Total	**717**	**908**

More information is disclosed in Note 3.

Note 11. Tax liabilities

(in thousands of euros)

	31.12.2025	31.12.2024
Value added tax	13	10
Personal income tax	18	12
Social tax	27	21
Pension contribution	1	1
Unemployment insurance contribution	2	1
Total	**61**	**46**

More information is disclosed in Note 3.

Note 12. Share capital and reserves

Share capital

Share capital in amount of € 99,8 thousand (31 December 2024: € 99,8 thousand) is divided into 99800 ordinary shares (31 December 2024: 99800 ordinary shares) with a nominal value of 1 euro (31 December 2024: 1 euro) per share.

Number of shares	31.12.2025	31.12.2024
In the beginning of the period	**99,800**	**99,800**
Changes during the year	-	-
At the end of the period	**99,800**	**99,800**

Retained earnings

Information on the Company's retained earnings and contingent income tax liability is provided in Note 13.

Reserves

Reserves included in the equity are as follows:

(in thousands of euros)

	31.12.2025	31.12.2024
Statutory legal reserve	11	11
Total	**11**	**11**

Statutory legal reserve

Statutory legal reserve is formed from annual net profit allocations and other transfers entered in the legal reserve pursuant to law or the articles of association. The size of the statutory legal reserve is prescribed by the articles of association and may not be less than 1/10 of the share capital. Statutory legal reserve complied with the requirements arising from the Estonian Commercial Code on 31 December 2025 and 31 December 2024. At least 1/20 of the net profit must be transferred to the reserve capital in each financial year. If the reserve capital reaches the amount prescribed in the articles of association, the increase of the statutory legal reserve shall be ceased.

By the decision of the general meeting of shareholders, statutory legal reserve may be used to cover a loss, or to increase share capital, if it is not possible to cover it from the Company's unrestricted equity. Payments to shareholders from statutory reserve are not allowed.

Share premium

Share premium of the Company as at 31 December 2025 consisted of € 155 thousand (31 December 2024: € 155 thousand). The balance remained unchanged during the year and reflects amounts historically received from shareholders above the nominal value of shares.

Note 13. Contingent liabilities

The Company's retained earnings at the end of the reporting period amounted to €37,872 thousand (31 December 2024: €23,446 thousand euros). The maximum possible amount of income tax liability that may result from the payment of all retained earnings as dividends is €8,332 thousand (31 December 2024: €4,689 thousand), so it would be possible to pay out €29,540 thousand as a net dividend (31 December 2024: €18,756 thousand euros).

The calculation of the maximum possible income tax liability assumes that the amount of distributable net dividends and income tax on dividends recognised in profit and loss for 2025 may not exceed the distributable profit at the end of the reporting period.

Note 14. Net interest and similar income from loans

(in thousands of euros)

	2025	2024
Interest and similar income from loans		
Interest income from loans	21,853	19,379
Interest income from corporate loans	1,236	854
Contract fee income	54	30
Loan management fee income	786	540
Total interest and similar income from loans	**23,929**	**20,803**
Interest expense		
Interest amount due to creditors	(5,724)	(5,235)
Total interest expense	**(5,724)**	**(5,235)**
Net interest and similar income from loans	**18,206**	**15,568**

Note 15. Other interest income

(in thousands of euros)

	2025	2024
Other interest income		
Other financial interest income	24	30
Total other interest income	**24**	**30**

Other financial interest income earned by the company consists of bank interest received on cash deposits.

Note 16. Net fee and commission income

Disaggregation of fee and commission income

In the following table, fee, and commission income from contracts with customers in the scope of IFRS 15 are disaggregated by service lines.

(in thousands of euros)

	2025	2024
Service lines		
Financial service fees	703	541
Platform and subscription fees	131	158
Payment processing and transaction fees	1,970	1,513
Income insurance fees	7	-
Other fee and commission income	332	317
Total fee and commission income from contracts with customers	**3,143**	**2,529**
Fee and commission expense	(1,457)	(1,402)
Net fee and commission income	**1,686**	**1,127**

Performance obligations and revenue recognition policies

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Service lines	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Financial service fees	Charged at point of time once service occurs.	Revenue is recognised at a point in time, when the transaction is processed.
Platform and subscription fees	Billed monthly, for access to digital platforms or premium service.	Revenue is recognised over time throughout the subscription period.
Payment processing and transaction fees	Fee charged per transaction upon execution. Payment is immediate or due shortly after.	Revenue is recognised at a point in time, when the transaction is processed.
Income insurance fees	Billed monthly, with two payments collected upfront at activation. Coverage is continuous from the contract date, subject to applicable waiting periods.	Revenue is recognised on a straight-line basis over the coverage period as the service is delivered over time.
Other fee and commission income	Fee charged per transaction upon execution. Payment is immediate or due shortly after.	Revenue is recognised at a point in time, when the transaction is processed.

Note 17. Other operating expenses

(in thousands of euros)

	2025	2024
Rent expenses	(116)	(95)
Advertising and marketing expenses	(415)	(163)
Technology and data costs	(395)	(360)
Product development costs (expensed as incurred)	(52)	(22)
Customer support expenses	(167)	(147)
Collection management expenses	(49)	(44)
Training, consultancy and auditing costs	(504)	(441)
Communication and postage	(193)	(127)
Travel and transportation costs	(17)	(16)
Other personnel expenses	(24)	(23)
Other expenses	(68)	(58)
Non-deductible value added tax	(33)	(398)
Total	**(2,034)**	**(1,894)**

Note 18. Personnel expenses

(in thousands of euros)

	2025	2024
Wages, salaries and bonuses	(923)	(775)
Social security contributions and other taxes	(303)	(260)
Total	**(1,227)**	**(1,035)**

Average number of employees reduced to full-time equivalents	**29**	**25**

Note 19. Related party disclosures

Balances with related parties

(in thousands of euros)

	31.12.2025		31.12.2024	
	Receivables	**Liabilities**	**Receivables**	**Liabilities**
Owners (legal entities) with a qualifying interest and entities under their control or significant influence	11,027	24,339	9,941	27,373
Close family members of members of the executive and higher management and owners (private individuals) with a qualifying interest, and entities under their control or significant influence	-	-	-	101
Total	**11,027**	**24,339**	**9,941**	**27,474**

Loans 2025

(in thousands of euros)

	Loans received	Repayment of loans received	Interest accrued	Interest paid	Interest rate	Currency
Owners (legal entities) with a qualifying interest and entities under their control or significant influence	8,523	11,344	3,584	4,374	12-16%	EUR
Loans received and repayments	**8,523**	**11,344**	**3,584**	**4,374**	**12-16%**	**EUR**
Close family members of members of the executive and higher management and owners (private individuals) with a qualifying interest, and entities under their control or significant influence	-	100	4	5	12%	EUR
Loans received and repayments	**-**	**100**	**4**	**5**	**12%**	**EUR**

Loans 2024

(in thousands of euros)

	Loans received	Repayment of loans received	Interest accrued	Interest paid	Interest rate	Currency
Owners (legal entities) with a qualifying interest and entities under their control or significant influence	5,260	7,676	3,485	7,418	12-16%	EUR
Loans received and repayments	**5,260**	**7,676**	**3,485**	**7,418**	**12-16%**	**EUR**
Close family members of members of the executive and higher management and owners (private individuals) with a qualifying interest, and entities under their control or significant influence	-	-	14	14	12%	EUR
Loans received and repayments	**-**	**-**	**14**	**14**	**12%**	**EUR**

More information is provided in the Note 9.

The Company considers parties to be related if one controls the other or exerts significant influence on the other's operating decisions. Transactions with related parties include transactions with shareholders, members of the company's management and supervisory boards, and close family members of and companies related to the above persons.

Remuneration and other significant benefits provided to the executive and higher management

(in thousands of euros)

	2025	2024
Remuneration	92	78

Signatures of the management board to the annual report

The management board has prepared the management report and the financial statements of ESTO AS for the financial year ended 31 December 2025.

The management board confirms that the management report provides a true and fair view of the business operations, financial results and financial condition of the Company.

The management board confirms that according to their best knowledge the financial report presents a fair view of the assets, liabilities, financial position and profit or loss of the Company according to the International Financial Reporting Standards as adopted by the European Union.

24 April 2026

Martin Ustaal

ESTO AS Management board member

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Independent Auditors' Report

(Translation of the Estonian original)

To the shareholder of ESTO AS

Opinion

We have audited the financial statements of ESTO AS (the Company), which comprise the statement of financial position as at 31 December 2025, the statement of profit and loss and other comprehensive income, the statements of cash flows and changes in equity for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements mentioned above present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further 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 Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the management report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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. In addition, our responsibility is to state whether the information presented in the management report has been prepared in accordance with the applicable legal and regulatory requirements.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard and we state that the information presented in the management report is materially consistent with the financial statements and in accordance with the applicable legal and regulatory requirements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing (Estonia), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics OÜ
Licence No 17

Eero Kaup

Certified Public Accountant, Licence No. 459

Tallinn, 24 April 2026