BB FINANCE OÜ

CONSOLIDATED ANNUAL REPORT 2024

Consolidated financial statements for the financial year 01.01.2024-31.12.2024

Business name	**BB Finance OÜ**
Commercial register number:	**11306564**
Legal address:	**Pronksi 19, 10124 Tallinn**
E-mail	**info@bbfinance.ee**

Main area of activity: **Other lending activities**

Management board: **Urmo Kokmann**

Auditing firm: **KPMG Baltics OÜ**

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MANAGEMENT REPORT

ABOUT THE GROUP AND EVENTS IN 2024 OVERVIEW

BB Finance OÜ (hereinafter referred to as the "Group") is a company operating in the consumer credit sector, offering various consumer loans and business loans in Estonia. The Group's goal is to earn the trust of its customers and provide the most convenient service possible, supported by continuous investment in software solutions, constantly developing credit systems and a professional team.

2024 was a successful year in terms of loan issuance, and in the second half of the year, business loans began to be issued under the HyBa brand. The focus remained on improving efficiency, and the Group's cost/income ratio was 31% (2023: 37%). To ensure sustainable financing of its operations, the Group joined the Mintos platform and raised a total of EUR 3.9 million from the platform by the end of the year. Over the year, the net portfolio of private clients grew from EUR 15.3 million to EUR 18.8 million, or 23%. Interest and service fee income amounted to EUR 8.0 million in the reporting year (2023: EUR 6.1 million), growing by 32% over the year. The net portfolio of business loans grew to EUR 0.4 million by the end of 2024. Operating profit for the reporting year was EUR 3.4 million (2023: EUR 2.2 million) and net profit was EUR 1.08 million (2023: EUR 0.44 million).

FINANCING

In 2024, the Group engaged in establishing new investor relationships to finance its business loan portfolio and secure consumer loan financing on more favourable terms. In total, interest-bearing liabilities increased by EUR 3.5 million during the reporting year.

THE GROUP AND EMPLOYEES OF

The Group believes that a strong team is the most important factor in achieving even the most ambitious goals.

In 2024, we were awarded the "Health Promoting Workplace" label for three years. We are delighted and proud of this and will continue to make significant efforts to maintain this label. For example, we have a health working group, a culture of performance reviews has taken root, 100% of our employees participate in the annual physical activity programme, employee job satisfaction is above the target of 8 points (out of 10), a mental health action plan has been completed, and much more. We continue to value our employees highly, support their physical and mental health, and enjoy the fruits of this in employee feedback, which constantly confirms that we are on the right track with our personnel policy.

Committed and happy employees are undoubtedly the key to our Group's success.

'S GOALS FOR 2025

The Group has set a goal for 2025 to increase loan volumes in all business areas and launch new loan products and technologies on the Estonian market under the Raha24 and HyBa brands.
In addition, the focus will be on establishing new investor relationships and reducing capital costs to ensure competitiveness and offer services to customers on better terms.

FINANCIAL RESULTS

Key indicators for the 2024 financial year:

	2024	**2023**	**Change**
Interest and service income	7,985,625	6,058,038	32
Operating profit (EBIT)	3,421,879	2,199,197	56
Net profit	1,078,881	436,800	147
Equity	4,288,961	3,470,330	24
Interest-bearing liabilities	18,247,866	14,727,453	24
including from related parties	2,225,000	2,245,000	-
Loans to customers (net)	19,151,764	15,314,628	25
Total assets	23,801,404	19,638,309	21

Key financial ratios:

	2024	**2023**	**Change**
Return on invested capital (ROIC %)	17	14	0.21
Return on assets (ROA %)	5	3	0.94
Return on equity (ROE %)	28	13	1.12
Equity ratio (%)	18	18	0.02

Methodology used to calculate ratios:
Return on invested capital (ROIC %) = EBIT/ [(interest-bearing debt liabilities for the reporting period + equity for the reporting period + interest-bearing debt liabilities for the previous period + equity for the previous period)/2]
Return on assets (ROA %) = Net profit / [(total assets for the reporting period + total assets for the previous period)/2]
Return on equity (ROE %) = Net profit / [(equity for the reporting period + equity for the previous period)/2]
Equity ratio (%) = Equity / Total assets

CONSOLIDATED FINANCIAL STATEMENTS ANNUAL REPORT

CONSOLIDATED INCOME STATEMENT

The notes on pages 10 to 40 are an integral part of the consolidated financial statements.

	2024	**2023**
Interest income	6,435,600	4,498,883
Interest expenses	-2,295,945	-1,740,501
Net interest income (Note 6)	**4,139,655**	**2,758,381**
Service fee income	1,550,025	1,559,156
Service fee expenses	-248,568	-189,361
Net service fee income (Note 6)	**1,301,457**	**1,369,795**
Other financial income and expenses	-110,679	-91,773
Other operating income (Note 7)	19,465	26,500
Other operating expenses	-	-9,074
Miscellaneous operating expenses (Note 8)	-1,028,387	-907,526
Labour costs (Note 10)	-977,848	-946,471
Depreciation and impairment of fixed assets (Notes 17, 18)	-160,834	-168,518
Significant discounts on current assets (Note 11)	-2,056,834	-1,572,619
Profit before income tax	**1,125,934**	**458,695**
Income tax (Note 9)	-47,054	-21,895
Total profit for the reporting year	**1,078,881**	**436,800**

The notes on pages 10 to 40 are an integral part of the consolidated financial statements.

	31	31
Assets		
Cash and cash equivalents (Note 12)	131,447	326,744
Loan receivables from customers (Note 13)	19,795,319	15,952
Other receivables from customers (Note 14)	1,573,373	964,982
Other assets (Note 15)	68,284	42,302
Financial investments (Note 16)	1,204,986	1,204,986
Tangible fixed assets (Note 17)	391,207	437,133
Intangible fixed assets (Note 18)	636,789	709,980
Total assets	**23,801,404**	**19,638,309**
Liabilities		
Loan liabilities (Note 19)	11,276,955	7,727,453
Debt securities (Note 20)	7,241,193	7,235,433
Accounts payable to suppliers and other liabilities (Note 21)	994,295	1,205,093
Total liabilities	**19,512,444**	**16,167,979**
Equity		
Share capital at nominal value (Note 24)	102,000	102,000
Reserves	10,000	10,000
Retained earnings from previous periods	3,098,080	2,921,530
Profit for the reporting year	1,078,881	436,800
Total equity	**4,288,961**	**3,470,330**
Total liabilities and equity	**23,801,404**	**19,638,309**

The notes on pages 10 to 40 are an integral part of the consolidated financial statements.

	2024	2023
Cash flows from operating activities		
Profit before income tax	1,125,934	458,695
Adjustments		
Depreciation and impairment of fixed assets (Notes 17, 18)	160,834	168,518
Gain (loss) on sale of fixed assets	-	9
Interest income and expenses (Note 6)	-4,139,655	-2,758,381
Other adjustments (Note 23)	974,548	782,619
Total adjustments	**-3,009,503**	**-1,798,227**
Change in trade receivables and prepayments	-4,431,214	-4,905,277
Change in liabilities and prepayments related to business activities	-143,472	279,760
Interest received	5,541,451	3,840,686
Total cash flows from operating activities	**-916,804**	**-2,124,362**
Cash flows from investing activities		
Paid for acquisition of tangible and intangible fixed assets	-28,162	-16,700
Proceeds from the sale of tangible and intangible fixed assets	18,405	12,000
Paid upon acquisition of other financial investments	0	-1,054,990
Loans granted	-6,000	-5,800
Interest received	103,646	44,619
Total cash flows from investing activities	**87,888**	**-1,020,871**
Cash flows from financing activities		
Loans received	7,902,698	11,362,000
Repayments of loans received	-4,845,413	-6,978,000
Repayments of principal on finance leases	-87,030	-88,604
Interest paid	-2,029,332	-1,505,068
Dividends paid	-260,250	-134,500
Corporate income tax paid	-47,054	-21,895
Total cash flows from financing activities	**633,619**	**2,633,932**
Total cash flows	**-195,297**	**-511,301**
Cash and cash equivalents at the beginning of the period (Note 12)	326,744	838,045
Change in cash and cash equivalents	**-195,297**	**-511,301**
Cash and cash equivalents at end of period (Note 12)	131,447	326,744

The notes on pages 10 to 40 are an integral part of the consolidated financial statements.

	Share capital	Reserves	Retained earnings	Equity Total
Balance as at 31 December 2022	**102,000**	**10**	**3,078,947**	**3,190,947**
Profit for the reporting year	0	0	436,800	436,800
Dividends paid	0	0	-134,500	-134,500
Other changes in equity	0	0	-22,917	-22,917
Balance as at 31 December 2023	**102,000**	**10**	**3,358,330**	**3,470,330**
Profit for the reporting year	0	0	1,078,881	1,078,881
Dividends paid	0	0	-260,250	-260,250
Balance as at 31 December 2024	**102,000**	**10**	**4,176,961**	**4,288,961**

APPENDIX 1. GENERAL INFORMATION ABOUT

BB Finance OÜ is a limited liability company registered in the Republic of Estonia and permanently located in Estonia. The company's legal address is Pronksi tänav 19, Tallinn.
BB Finance OÜ (*www.raha24.ee and www.hyba.ee)* offers small loans to private customers on the Estonian market via an online environment. Since 25 April 2016, BB Finance OÜ has been operating under a credit provider licence issued by the Financial Supervision Authority.

As at the reporting date, BB Finance OÜ has one subsidiary, BB Motors OÜ. The subsidiary is engaged in vehicle rental.

This consolidated annual report (including financial statements) has been approved by the management board at the general meeting of shareholders. The shareholders have the right to reject the prepared and submitted report and demand that a new report be prepared.

The parent company of BB Finance OÜ is BB Finance Group OÜ, which owns 100% of the shares. The parties with significant influence over BB Finance Group OÜ are Mart Kolu, who holds 51% of the voting rights through the parent company Credit Capital OÜ, and Urmo Kokmann, who holds 32% of the voting rights through UK Holding OÜ.

1.1. 's confirmation of compliance

BB Finance OÜ and its subsidiary BB Motors OÜ (hereinafter collectively referred to as the "Group") for the year ended 31 December 2024 are in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS EU).

APPENDIX 2. ACCOUNTING POLICIES

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

2.1. Basis of preparation and new standards

The Group's consolidated financial statements for 2024 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The annual report has been prepared on the basis of the acquisition cost principle, unless otherwise specified in the accounting policies below.

The preparation of consolidated financial statements in accordance with IFRS EU requires critical judgements in a number of areas. It also requires management to make judgements in applying accounting policies. Areas that are significantly judgemental and complex, or areas where assumptions and judgements have a significant impact on the financial statements, are disclosed in Note 3.

The financial year began on 1 January 2024 and ended on 31 December 2024. The accounting figures are presented in euros.

2.1.1. New or amended standards and interpretations

The following new standards, interpretations and amendments to standards are applicable to reporting periods beginning on or after 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for reporting periods beginning on or after 1 January 2024) The amendments aim to clarify the principles for classifying liabilities based on the rights of the entity at the reporting date. A liability is classified as non-current if the entity has
the right to defer settlement of the liability for at least twelve months after the reporting date. It is important to assess the existing rights as at the reporting date – the classification is not affected by the intentions of management or events occurring after the reporting date. Under the new guidance, this right does not have to be unconditional, but its existence must be assessable in accordance with the applicable contractual terms.
The Group estimates that the amendments did not have a significant impact on the Group's financial statements.

Several new standards and amendments thereto have been issued but are not yet effective. The most significant of these are presented below.

Amendments to IFRS 9 and IFRS 7, 'Changes in the classification and measurement of financial instruments' (not yet adopted by the European Union).

30. In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exemption for certain financial liabilities that are settled through electronic payment systems;

b) clarify and add additional guidance on assessing whether a financial asset meets the criterion of being solely principal and unpaid principal-related interest payments;

c) add new disclosures for certain instruments whose contractual terms may alter cash flows (e.g. some instruments whose features are linked to the achievement of ESG (environmental, social and governance) objectives);

d) update the disclosures for equity instruments that are measured at fair value through other comprehensive income.

The Group is assessing the impact of the changes on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (not yet adopted by the European Union).
In April 2024, the IASB issued a new standard, IFRS 18, on presentation and disclosure in financial statements, focusing on the renewal of the income statement. The main new principles introduced in IFRS 18 relate to:

a) the structure of the income statement;
b) the obligation to disclose certain profit or loss-related performance measures in the financial statements that are presented outside the entity's financial statements (i.e. management-defined performance measures);
c) improved aggregation and separation principles that apply to the main financial statements and notes in general.

IFRS 18 replaces IAS 1. Many of the principles in IAS 1 remain unchanged, with only minor modifications. IFRS 18 does not affect the recognition or measurement of items in the financial statements, but it may change what an entity recognises as its ‘business profit or loss’. IFRS 18 is effective for annual periods beginning on or after 1 January 2027 and for comparative information.
The Group is assessing the impact of the amendments on its financial statements.

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

2.2. Basis for consolidation

The consolidated financial statements for 2024 include the financial statements of BB Finance OÜ (parent company) and its subsidiary BB Motors OÜ.

As at 31 December 2024, BB Finance OÜ holds a 100% stake in its subsidiary. Subsidiaries are all entities over which the Group has complete control. The Group controls an entity when it obtains or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition of a subsidiary is accounted for using the purchase method (except for business combinations under common control, which are accounted for at adjusted cost). The cost of acquisition is the fair value of the consideration given at the date of acquisition. Under the purchase method, the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary are recognised at their fair value on the acquisition date.

All mutual claims and liabilities, intra-group transactions and unrealised gains on transactions between Group companies have been eliminated. Unrealised losses on intercompany transactions are eliminated only to the extent that they are not attributable to impairment of assets. The income and expenses of subsidiaries acquired during the financial year are consolidated in the Group's consolidated income statement from the date of acquisition until the end of the financial year. The results of subsidiaries sold during the financial year are consolidated in the income statement and consolidated income statement from the beginning of the financial year until the date of sale.

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

The accounting policies of all companies belonging to the Group are consistent with the Group's accounting policies. Where necessary, the accounting policies of subsidiaries have been changed to comply with the Group's accounting policies.

2.3.

2.3.1. Accounting and presentation currency

The accounting and presentation currency of the Group's companies is the euro (EUR).

2.3.2. Transactions and balances in foreign currencies

Transactions denominated in foreign currencies are recognised at the European Central Bank (ECB) exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the ECB exchange rates prevailing on the balance sheet date. Gains and losses arising from the conversion are recognised in the income statement as income and expenses for the period.

2.4. Cash and cash-

Cash and cash equivalents are recognised in the cash flow statement as cash on hand, demand deposits with banks and term deposits with an initial maturity of up to three months, which are available for use without restriction and are subject to an insignificant risk of changes in value.

2.5.

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

2.5.1. Financial assets

Financial assets are recognised in the statement of financial position under receivables from banks, loan receivables from customers and other receivables from customers. Financial assets are classified into categories at the time of recognition based on the business purpose of holding the asset and the contractual cash flows arising from the financial asset. The Group's business model is to collect contractual cash flows from consumer loans, and the portfolio is only sold if there has been a deterioration in credit risk.

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

1) Financial assets held for the purpose of collecting contractual cash flows are recognised at amortised cost.
2) Financial assets held for both contractual cash flow collection and sale are recognised at fair value through profit or loss
3) Financial assets that do not meet the conditions for recognition at amortised cost or fair value are recognised at cost.

Purchases and sales of financial assets are recognised on a consistent basis on the value date, i.e. the date on which the Group obtains ownership of the purchased financial asset or loses ownership of the sold financial asset.

Financial assets are derecognised when:

a) the assets have been repaid or the rights to cash flows from the financial assets have otherwise been lost or expired
b) the cash flows arising from the assets, together with the risks and rewards associated with them, have been transferred to third parties.

During the reporting period, the Group accounted for all financial assets using the amortised cost method. Amortised cost is the cost of the asset less principal repayments, adjusted for any impairment losses and plus interest income calculated using the effective interest method. The assessment of impairment of assets carried at amortised cost is described in section 2.5.3. There were no changes in the classification of financial assets.

2.5.2. Financial liabilities

Financial liabilities are recognised in the statement of financial position under the following items: loan liabilities, debt securities, trade payables and other liabilities.

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

2.5.3. Financial asset impairment methodology

The Group estimates the expected credit losses on its loan portfolio and the gains or losses on financial assets that are measured at amortised cost or fair value through profit or loss. Impairment losses on financial assets are recognised in profit or loss in the period in which the adverse event (or events) occurs after the initial recognition of the asset and if that adverse event (or events) has an impact on the future cash flows of the financial asset or group of financial assets that can be reliably estimated. If the Group assesses that it is not possible to objectively assess the occurrence of an adverse event (or events) in relation to an individually assessed financial asset, then the financial asset is included in a group of other financial assets with similar credit risk characteristics and the need for a discount is assessed on a group basis.

To assess potential credit losses, the loan portfolio is monitored by segment, including the number of days past due (DPD) and the principal and interest balance of the claim.
Based on historical and recent data, the probability of default (PD), expected exposure at default (EAD) and loss given default (LGD) are assessed for each segment and write-downs are made accordingly.

The discount on financial assets is reflected in a three-level model. Stage 1 includes assets whose credit risk has not increased significantly since initial recognition. Such assets are subject to a 12-month expected credit loss. Stage 2 includes assets whose credit risk has increased significantly but whose value has not declined due to credit loss. A lifetime expected credit loss is calculated for these assets. Stage 3 includes assets whose credit quality has deteriorated. A lifetime expected credit loss is also calculated for these assets.

Discounts are calculated using the following formula:

ECL = PD * EAD * LGD, where

ECL (expected credit loss) is the expected credit loss on the portfolio PD (probability of default) is the probability of default EAD (exposure at default) is the loan balance at the time of default
LGD (loss given default) is the loss rate in the event of default

2.6. Tangible fixed assets

Tangible fixed assets are assets that the Group uses to provide services and for administrative purposes and whose planned useful life must be long-term, i.e. at least one year.
Tangible fixed assets are initially recognised at their acquisition cost, which consists of the purchase price (including customs duties and other non-refundable taxes) and costs directly attributable to bringing the asset to its working condition and location.

Tangible fixed assets are recognised in the statement of financial position at their acquisition cost, less accumulated depreciation and any impairment losses.
The straight-line method is used to calculate depreciation.

The Group has recognised right-of-use assets in the statement of financial position together with tangible fixed assets. Right-of-use assets are amortised on a straight-line basis over the lease term.

Property, plant and equipment	**Useful life in years**
Means of transport	5-10
Machinery and equipment	5
Other inventory	5

2.7. Intangible fixed assets

Intangible fixed assets are non-monetary and non-physical assets, including trademarks, patents, licences, software, goodwill and other assets without physical substance that the Group uses in the provision of services or for administrative purposes and intends to use for a period longer than one year.

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

Intangible fixed asset group	Useful life in years
Computer software	5
Other intangible assets	5

2.8. e impairment of non-financial assets

On each balance sheet date, the Group critically assesses whether there are any indications that could point to a decline in the value of non-financial assets (tangible and intangible fixed assets). If there are indications of a possible decline in the value of assets, a recoverable amount test is performed.

A loss arising from the impairment of assets is recognised if the carrying amount of the asset or asset-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Losses arising from the impairment of assets are recognised as losses for the reporting period.

2.9. Provisions and contingent liabilities

The statement of financial position recognises as a separate item liabilities arising from events that occurred before the balance sheet date, which have a legal basis or arise from the Group's previous practice (legal or interpretative) and which are likely to require the surrender of resources (it is probable that an outflow of resources will be required to settle the obligations) and whose amount can be reliably measured, but whose timing or amount is not precisely known.

Provisions are recognised in the statement of financial position based on management's estimate of the amount likely to be required to settle the obligations and the timing of the realisation of the provisions. Provisions are recognised in the statement of financial position at the amount that, based on management's assessment, is necessary to settle the obligations associated with the provision or to transfer them to third parties as at the reporting date. The cost of provisions and the change in the carrying amount of provisions are recognised in the expenses for the reporting period. Provisions are not made to cover losses in future periods of business operations.

Contingent liabilities, which are less likely to be realised than not realised or for which the costs associated with them cannot be reliably estimated, but which may become liabilities in the future under certain conditions, are disclosed in the notes to the financial statements as contingent liabilities. Contingent liabilities may change over time in ways that differ from initial expectations. Therefore, they are assessed on an ongoing basis to determine whether there has been a change in the probability that the Group will have to give up an asset as a result of the obligation. If it has become probable that the asset will be given up, the Group recognises this as a provision in the financial statements when the change occurred.

2.10.

2.10.1. Interest income and expense

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

When calculating the internal interest rate, the Group assesses cash flows taking into account all contractual terms of the financial instrument, but does not take into account future credit losses. The calculation includes all contractual significant service fees paid or received between the parties, which are an integral part of the internal interest rate, transaction costs and all other additional payments or deductions. If a financial asset or group of similar financial assets is impaired due to a decline in the value of the asset, the interest income arising from them is recognised using the same interest rate that was used to discount the future cash flows to determine the loss arising from the impairment of the asset.

2.10.2. Service fee income and expenses

Service fees are recognised as sales revenue from contracts with customers. Service fees are recognised when the service promised to customers is provided in an amount that reflects the consideration that the Group expects to receive for providing those services. Service fees and expenses are recognised on a straight-line basis over the period of service provision, when the customer benefits from the service at the same time as it is provided by the Group. Expenses directly related to the generation of service fees are recognised as service expenses.

2.11. 's income tax

Under Estonian income tax law, the profits of companies registered in Estonia are not taxed. Income tax is paid on dividends, special benefits, gifts, donations, entertainment expenses, non-business-related payments and transfer price adjustments.

In 2024, the income tax rate was 20% (20/80 of the net amount paid out), and regular dividends were subject to a lower income tax rate of 14% (14/86 of the net amount of dividends). From 1 January 2025, the income tax rate will be 22% (22/78 of the net payment amount) and the previous preferential rate of 14% (14/86) for regular dividends will no longer apply. From 2026, the income tax rate will increase to 24% (24/76 of the net amount of the payment). In addition, from 1 July 2025, the VAT rate will increase from 22% to 24%.

Income tax related to the payment of dividends is recognised as income tax expense in the period in which the dividends are declared. The maximum possible income tax liability that may arise if the company pays out all undistributed profits as dividends is disclosed in Note 24.

2.12. 's lease accounting as a lessee

The group is the lessee in all lease agreements. The group leases office space, cars, various equipment and smaller items.

The Group leases office space under a fixed-term lease agreement that includes termination and extension rights. The terms of the lease agreement are negotiable and may include various conditions and additional components.

Office space rentals are recognised as fixed assets under right-of-use assets and as liabilities under lease obligations. Assets and liabilities are recognised in the balance sheet at present value. Lease payments include interest expense and principal repayments on the lease obligation, which reduce the residual value of the obligation. Interest expense is allocated over the lease term on the basis that the interest rate is fixed at any given time in relation to the residual value of the liability. Right-of-use assets are amortised on a straight-line basis over the shorter of the expected useful life of the asset or the lease term.

Lease payments are discounted using the internal interest rate of the lease or the lessee's alternative borrowing rate, which is 6%. The alternative interest rate is considered equivalent to that which the Group would have to pay to finance the purchase of a similar asset with a loan.

The Group has leased passenger cars, the assets and liabilities of which have been recognised in the accounts. The Group intends to exercise the option to purchase the assets and, as a result, these assets have been depreciated on a straight-line basis over their expected useful lives.
In accordance with IFRS 16, lease agreements for short-term and low-value assets may be accounted for using a simplified method, recognising lease payments as an expense in the income statement on a straight-line basis. Short-term leases are leases with a lease term of up to 12 months. When determining the length of a lease, management considers the extension and termination conditions and the likelihood of their realisation.
During the reporting period, the Group classified agreements that generally involved the leasing of computer equipment or other similar low-value equipment as such. The Group has applied exceptions to these agreements and recognised them as an expense on a straight-line basis in the income statement under ‘Miscellaneous operating expenses’.

NOTE 3. SIGNIFICANT MANAGEMENT DECISIONS AND ESTIMATES

In accordance with IFRS, several financial indicators are based on management's assumptions and estimates, which affect the assets and liabilities, contingent assets and liabilities, and income and expenses presented in the financial statements. Although these estimates are based on management's best knowledge and conclusions from current events, the actual results may not necessarily correspond to them and may differ significantly.

Management estimates have been applied to several categories of the financial statements, the most significant of which is the valuation of loan receivables (Note 4) in accordance with the accounting policies described in section 2.5.3. Estimates and judgements are reviewed on an ongoing basis based on past experience and other factors, including expectations about the future that appear reasonable under the circumstances. Changes in management estimates are reflected prospectively.

APPENDIX 4.

Financial risk is a possible negative deviation from expected economic results, which may be an event (a complex of events), an action (a complex of actions) or inaction, as a result of which the Group may lose assets or damage its reputation, and there is a risk to the effective performance of its tasks.

Based on the nature, scope and complexity of its activities, the Group has identified the following financial risks in its operations:
1) Credit risk
2) Liquidity risk
3) Market risk
4) Concentration risk

The parent company's management is responsible for establishing, regularly reviewing and updating the Group's risk management framework. The overall objective of the Group's risk management is to mitigate potential financial risks in order to reduce undesirable effects on the Group's financial activities. As part of risk management activities, various development scenarios arising from possible internal and external risk factors are analysed periodically, appropriate risk mitigation methods are implemented and compliance with these methods is monitored.

4.1. Credit risk

Credit risk is understood as the risk arising from the counterparty to a transaction that the Group's obligations will not be fulfilled in a timely manner. Credit risk arises mainly from loan receivables from customers. When issuing loans, the Group has set limits on both the maximum loan amount and the maximum loan repayment period. When accepting a loan application, the customer's creditworthiness is assessed, taking into account, among other things, their previous payment behaviour. The proportion of non-performing loans in the Group's working capital must not exceed the critical volume determined by the Group's shareholders.

The Group divides credit risk-bearing financial assets into the following groups:
a) Receivables from banks
b) Loans to private customers and companies
c) Other receivables from private customers and companies

Maximum exposure to credit risk:

Maximum exposure to credit risk

	31.12.2024	**31.12.2023**
Claims on banks	1,178,558	1,342,654
Loans to customers	19,795,319	15,952,183
Other receivables from customers	1,573,373	964,982
Total maximum exposure to credit risk position	**22,547,249**	**18,259,820**

4.1.1. Claims on banks

The position exposed to credit risk of funds held in credit institutions carries a low credit risk in the opinion of the management. Credit risk is assessed on the basis of the financial position of the partner, which is evaluated using the credit ratings of the international rating agency Moody's.

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

Rating	31.12.2024	31.12.2023
Aa3	15,941	57,494
A3	112,617	235,160
missing	1,050,000	1,050,000
Total	**1,178,558**	**1,342,654**

There were no overdue claims to banks as at 31 December 2024.

4.1.2. Loans and receivables from customers

To mitigate credit risk, the solvency of customers is assessed before entering into a transaction and, after the loan has been issued, the payment behaviour of customers is monitored regularly. When assessing a customer's creditworthiness, the customer's income and liabilities are taken into account and other circumstances known to the Group that may significantly affect the customer's ability to fulfil their obligations to the Group in a timely manner are assessed, on the basis of which loss reserves are formed. Management's assessment of credit risk concentration is described in section 4.4.

The following tables present data on the credit quality of loan and interest receivables measured at amortised cost. The terms ‘Stage 1’, ‘Stage 2’ and ‘Stage 3’ are explained in Appendix 2.5 ‘Financial Assets and Liabilities’, under ‘Methodology for the impairment of financial assets’.

Loan and interest receivables from private customers by credit quality:

31.12.2024	Stage 1	Stage 2	Stage 3	Total
Loan receivables (gross) (Notes 13, 14)	18,148,138	1,186,309	754,486	20,088,933
Discounts	-426,053	-197,278	-679,038	-1,302,368
Loan receivables (net)	**17,722,085**	**989,031**	**75,449**	**18,786,565**
Interest receivables (gross) (Notes 13, 14)	828,306	135,557	118,705	1,082,568
Discounts	-48,841	-57,734	-118,705	-225,280
Interest receivables (net)	**779,465**	**77**	**0**	**857,288**

31.12.2023	Stage 1	Stage 2	Stage 3	Total
Loan receivables (gross) (Notes 13, 14)	14,791,364	937,164	467,037	16,195,565
Discounts	-378,182	-81,643	-421,112	-880,937
Loan receivables (net)	**14,413,182**	**855,521**	**45,925**	**15,314,628**
Interest receivables (gross) (Notes 13, 14)	579,902	104,863	68,570	753,335
Discounts	-38,076	-23,584	-68,570	-130,230
Interest receivables (net)	**541,826**	**81,279**	**0**	**623,105**

Loan and interest receivables from companies by credit quality:

31.12.2024	Stage 1	Stage 2	Stage 3	Total
Loan receivables (gross) (Notes 13, 14)	1,019,324	0	0	1,019,324
Discounts	-10,570	0	0	-10,570
Loan receivables (net)	**1,008,754**	**0**	**0**	**1,008,754**
Interest receivables (gross) (Notes 13, 14)	15,629	1,767	87,680	105,076
Discounts	-482	0	0	-482
Interest receivables (net)	**15,147**	**1,767**		**104,594**

31.12.2023	Stage 1	Stage 2	Stage 3	Total
Loan receivables (gross) (Notes 13, 14)	637,555	0	0	637,555
Discounts	0	0	0	0
Loan receivables (net)	**637,555**	**0**	**0**	**637,555**
Interest receivables (gross) (Notes 13, 14)	7,546	1,745	73,707	82,998
Discounts	0	0	0	0
Interest receivables (net)	**7,546**	**1,745**	**73,707**	**82,998**

Loan and interest receivables from private customers by number of days past due:

31.12.2024	Loan receivables to private customers	Interest receivables to private customers	Total
Due	15,172,023	597,790	15,769,812
1-15 days past due	630,913	48,380	679,293
16-30 days overdue	2,345,202	182,137	2,527,338
31-60 days past due	750,057	78,529	828,585
61-90 days past due	436,252	57,029	493,281
91-360 days past due	250,827	35,576	286,402
Over 360 days past due	503,659	83,129	586,789
Total (gross)	**20,088,933**	**1,082,568**	**21,171,501**
Discounts	-1,302,368	-225,280	-1,527,648
Total (net)	**18,786,565**	**857,288**	**19,643,853**

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

Loan and interest receivables from companies by days past due:

31.12.2024	Loan receivables to companies	Interest receivables to companies	Total
Due	998,366	14,684	1,013,050
1-90 days past due	20,958	2,712	23,670
91-360 days past due	0	12,228	12,228
Over 360 days past due	0	75,452	75,452
Total (gross)	**1,019,324**	**105,076**	**1,124,400**
Discounts	-10,570	-482	-11,052
Total (net)	**1,008,754**	**104,594**	**1,113,348**

31.12.2023	Loan receivables from companies	Interest receivables from companies	Total
Due	637,555	7,546	645,101
1-90 days past due	0	1,745	1,745
91-360 days past due	0	11,985	11,985
Over 360 days past due	0	61,722	61,722
Total (gross)	**637,555**	**82,998**	**720,553**
Discounts	0	0	0
Total (net)	**637,555**	**82,998**	**720,553**

4.1.3. Other receivables from customers

Other receivables from customers consist of other uncollected income arising from loan recoveries, receivables from buyers and various prepayments with a maturity of less than one year, for which the management assesses the credit risk as minimal.

Other receivables from customers:

	31.12.2024	31.12.2023
Other receivables from customers for services rendered	197,935	186,957
Other receivables	413,303	71,634
Total	**611,238**	**258,590**

4.2. Liquidity risk

Liquidity risk refers to the Group's potential inability to meet its obligations to counterparties in a timely manner or in full. The risk mainly arises from financing risk, meaning the risk that the Group will be unable to find stable sources of financing without damaging its daily business activities or financial position.

The Group's liquidity risk management framework covers all activities necessary for its reliable identification, measurement, control and monitoring. The Group regularly assesses and monitors the main factors that may affect its ability to raise funds on an operational basis, taking into account the impact of the behaviour of significant investors and customers on the Group's liquidity. The Group keeps its free cash in credit institution accounts in order to ensure the timely fulfilment of its obligations. The Group continuously assesses the combined impact of liquidity risk and other risks.

The Group finances short-term loans issued with longer-term loans. The following tables show the distribution of financial assets and liabilities by maturity based on undiscounted future cash flows.

Financial liabilities by contractual maturity:

Financial liabilities as at 31.12.2024	Up to 3 months	3-12 months	1-5 years	Total	Balance balance
Loans from companies and private individuals	1,339,521	4,887,360	6,249,482	12,476,363	11,276,955
Debt securities	463,146	678,188	7,446,371	8,587,705	7,241,193
Debts to suppliers	133,404	0	0	133,404	133,404
Debts to contractors	87,058	0	0	87,058	87,058
Other liabilities	291,885	47,055	64,184	403,124	376,400
Total	**2,315,015**	**5,612,603**	**13,760,037**	**21,687,655**	**19,115,011**

Financial liabilities as at 31 December 2023	Up to 3 month s	3-12 months	1-5 years	Total	Balance sheet balance
Loans from companies and private individuals	1,820,529	4,917,851	2,168,242	8,906,622	7,727,453
Debt securities	481,262	742,890	8,535,408	9,759,560	7,235,433
Debts to suppliers	96,990	0	0	96,990	96,990
Debts to contractors	109,148	0	0	109,148	109,148
Other liabilities	307,655	46,275	130,885	484,815	459,894
Total	**2,815,585**	**5,707,016**	**10,834,535**	**19,357,136**	**15,628,918**

Financial assets held to cover liquidity risk by contractual maturity:

Financial assets as at 31.12.2024	Up to 3 months	3-12 months	1-5 years	Discounts Discounts	Total	Balance balance
Cash and cash equivalents	128,558	0	0	0	128,558	128,558
Loans to customers	2,307,382	3,452,709	15,348,166	-1,312,938	19,795,319	19,795,319
Other receivables from customers	1,096,093	0	91,551	-225,762	961,882	961,882
Total financial assets	**3,532,033**	**3,452,709**	**15,439,717**	**-1,538,700**	**20,885,759**	**20,885,759**

Financial assets as at 31 December 2023	Up to 3 months	3-12 months	1-5	Discounts discounts	Total	Balance balance
Cash and cash equivalents	292,654	0	0	0	292,654	292,654
Loans to customers	1,248,243	3,434,437	12,150,441	-880,938	15,952,183	15,952,183
Other receivables from customers	703,297	0	50,038	-130,230	623,105	623,105
Total financial assets	**2,244,194**	**3,434,437**	**12,200,479**	**-1,011,168**	**16,867,942**	**16,867,942**

At the end of the reporting period, the Group's current liabilities exceeded current assets by EUR 0.9 million. The Group has entered into short-term loan agreements that are automatically extended for one year unless either party wishes to terminate the agreement. As at the balance sheet date, there were no known intentions to terminate any agreements. Management believes that the Group has sufficient resources to meet its obligations and that the Group's ability to continue as a going concern is not in doubt.

4.3. Market risk

Market risk is the risk that changes in market prices and rates (including exchange rates and capital costs) may cause losses to the Group.

Currency risk refers to the potential loss from unfavourable fluctuations in currency exchange rates. The Group is not exposed to currency risk, as loans are issued only in euros and capital is raised only in euros.

Interest rate risk is the risk that unexpected unfavourable changes in interest rates may affect the Group's income. The Group is exposed to interest rate risk when the maturities of its main assets and liabilities are different, when the structure of assets and liabilities is different in terms of currencies, or when the interest rates on assets and liabilities can be adjusted at different intervals.

All of the Group's loans have fixed interest rates and do not carry interest rate risk. Bonds with a total value of EUR 7 million have been issued, with an interest rate linked to Euribor. EUR 1.05 million has been placed in a term deposit, with interest also linked to Euribor.

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

Financial assets exposed to interest rate risk 31.12.2024	Up to 3 months	Total
Term deposit	1,050,000	1,050,000
Total	**1,050,000**	**1,050,000**

Financial liabilities exposed to interest rate risk 31.12.2024	Up to 3 months	Total
Long-term bonds	7,000,000	7,000,000
Total	**7,000,000**	**7,000,000**

Total difference by interest rate fixation periods	**-5,950,000**	**-5,950,000**

Financial assets exposed to interest rate risk 31.12.2023	Up to 3 months	Total
Term deposit	1,050,000	1,050,000
Total	**1,050,000**	**1,050,000**

Financial liabilities exposed to interest rate risk 31.12.2023	Up to 3 months	Total
Long-term bonds	7,000,000	7,000,000
Total	**7,000,000**	**7,000,000**

Total difference by interest rate fixation periods	**-5,950,000**	**-5,950,000**

If market interest rates were to rise by 1 per cent, this would mean a decrease in annual profit of EUR 59,500 as at 31 December 2024, based on existing assets and liabilities (31 December 2023: EUR 59,500).

4.4. Concentration risk

Concentration risk is the risk arising from exposure to a single counterparty or group of connected counterparties, or from exposures that are affected by a common factor or have risk factors that are strongly positively correlated.

In its daily economic activities, the Group has no significant concentration risk, as its economic activities are oriented towards private individuals and loans are primarily issued in small amounts. The Group monitors the concentration of credit risk and/or market risk in relation to a single factor, limiting credit risk where necessary in relation to groups of customers who are connected to each other or are affected by a common factor.

4.5. Capital management

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

The Group maintains sufficient capital at all times to meet all material risks and regulatory requirements. Capital targets are set based on both regulatory minimum requirements and an internal additional buffer. Equity capital requirements are met as at the balance sheet date.

Own funds:

	31.12.2024	31.12.2023
Paid-in share capital	102,000	102,000
Reserves	10,000	10,000
Retained earnings from previous periods	3,098,080	2,921,530
Profit for the reporting period	1,078,881	436,800
Total own funds	**4,288,961**	**3,470,330**

4.6. Fair value of financial assets and liabilities

The Group has assessed the fair value of financial assets and liabilities recognised in the statement of financial position in accordance with the fair value methods described in IFRS 13. Fair value is assessed on the basis of the internal interest rate.

“Loans and receivables from customers” and “Other receivables from customers” are recognised at amortised cost using the internal interest rate method. In determining the amortised cost, the acquisition cost has been reduced by discounts in accordance with the accounting policies described in Note 2 (see section 2.5.1. Financial assets).

Financial liabilities are recognised in the statement of financial position at amortised cost, of which short-term financial liabilities are generally at nominal value and long-term financial liabilities are adjusted using the internal interest rate method, which, in the opinion of management, does not differ significantly from fair value.

31.12.2024	**Carrying amount**	**Fair value**
Financial assets		
Cash and cash equivalents	131,447	131,447
Loans and receivables from customers	19,795,319	19,795,319
including related parties	643,555	643
Other receivables from customers	1,573,373	1,573,373
including related parties	290,115	290,115
Financial liabilities		
Loans from companies and private individuals	11,276,955	11,276,955
including from related parties	2,225,000	2,225,000
Debt securities	7,241,193	7,241,193
including from related parties	0	0
Other financial liabilities	376,400	376
including from related parties	0	0

31.12.2023	Carrying amount	Fair value
Financial assets		
Cash and cash equivalents	326,744	326,744
Loans and receivables from customers	15,952,183	15,952,183
including related parties	637,555	637,555
Other receivables from customers	964,982	964,982
including related parties	273,722	273,722
Financial liabilities		
Loans from companies and private individuals	7,727,453	7,727,453
including from related parties	2,245,000	2,245,000
Debt securities	7,235,433	7,235,433
Other financial liabilities	459,894	459,894

APPENDIX 5. SUBSIDIARIES

As at 31 December 2024, the consolidation group of BB Finance OÜ includes the following company:

Name of subsidiary	Registration code	Country	Percentage of ownership 31 December 2024	31.12.2023
BB Motors OÜ	14021336	Estonia	100	100

APPENDIX 6. NET INTEREST AND SERVICE INCOME FROM

Interest income is earned on loans granted to consumers and businesses. Service fees are earned on additional services related to granting loans to customers and various collection-related services.

Interest and service fee income	2024	2023
Interest income	6,435,600	4,498,883
including consumer loans	6,299,494	4,440,030
including loans to companies	18,453	0
including loans to related parties (Note 25)	14,041	13,945
including term deposits	103,611	44,907
Service fees	1,550,025	1,559,156
Total interest and service fees	**7,985,625**	**6,058,038**

Interest and service expenses	2024	2023
Interest expenses	-2,295,945	-1,740,501
including loans received from companies	-928,940	-820,118
including loans received from private individuals	-14,549	0
including loans received from related parties (Note 25)	-354,869	-468,949
including debt securities	-975,404	-435,734
including other interest expenses	-22,183	-15,700
Service expenses	-248,568	-189,361
Total interest and service costs	**-2,544,512**	**-1,929,862**
Net interest and service fee income	**5,441,113**	**4,128,176**

APPENDIX 7. OTHER OPERATING INCOME

Other operating income	2024	2023
Income from the collection of bad debts	11,161	14,653
Write-off of liabilities	0	9,556
Compensation received	5,231	0
Other operating income	3,073	2,290
Total other operating income	**19,465**	**26,500**

APPENDIX 8.

Miscellaneous operating expenses	2024	2023
Marketing expenses	-422,946	-343,022
Miscellaneous office expenses	-373,337	-334,493
National and local taxes	-36,090	-34,291
Other purchased services	-113,409	-144,270
Transport costs	-11,343	-13,208
Staff training and travel expenses	-24,675	-30,848
Banking services	-1,433	-1,116
Other operating expenses	-45,155	-6,278
Total operating expenses	**-1,028,387**	**-907,526**

APPENDIX 9. INCOME TAX

Income tax	2024	2023
Income tax expense	-47,054	-21,895
Total income tax expense	**-47,054**	**-21,895**

LABOUR COSTS

Labour costs	2024	2023
Salary expenses	-736,276	-712,404
Social security contributions	-241,573	-234,068
Total labour costs	**-977,848**	**-946,471**
Average number of employees	18	19

NOTE 11. SIGNIFICANT DISCOUNTS ON CURRENT ASSETS

Significant write-downs of current assets	2024	2023
Loan impairment losses	-979,462	-513,498
Losses from the sale of loan receivables	-1,077,371	-1,059,121
Total significant write-downs on current assets	**-2,056,834**	**-1,572,619**

NOTE 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	31	31
Receivables from banks	128,558	292,654
Cash on hand	2,889	34,089
Total cash and cash equivalents	**131,447**	**326,744**

NOTE 13. LOANS TO CUSTOMERS

Loans to customers	31	31
Loans to private individuals (Note 4.1.2)	20,088,933	16,195,566
Loans to companies	375,769	0
Loans to related companies	643,555	637,555
Total loans to customers*	**21,108,257**	**16,833,121**
including loans to related parties (Note 25)	643,555	637,555
Discounts	-1,312,938	-880,938
Total net loans to customers	**19,795,319**	**15,952,183**

* Loan receivables include only the principal amount.

NOTE 14. OTHER RECEIVABLES FROM CUSTOMERS

Other receivables from customers	**31**	**31**
Uncollected claims and other income	1,187,897	836,622
including interest receivables from consumer loans (Note 4.1.2)	1,082,568	753,335
including interest receivables on loans granted to companies	8,036	0
including interest receivables on loans granted to related companies	97,040	82,998
including other interest receivables	253	289
Discounts on uncollected income	-225,762	-130
Receivables for services provided to customers	197,935	186,957
Other receivables	413,303	71,634
Total other receivables from customers	**1,573,373**	**964,982**
including other receivables from related parties (Note 25)	290,115	273,722

NOTE 15. OTHER ASSETS

Other assets	**31**	**31**
Prepayments to suppliers	12,459	12,821
Prepayments of taxes	210	210
Prepaid expenses for future periods	55,615	29,270
Total other assets	**68,284**	**42,302**

FINANCIAL INVESTMENTS

Financial investments	**31**	**31**
Investments in shares and participations	154,986	154,986
Term deposit	1,050,000	1,050,000
Total financial investments	**1,204,986**	**1,204,986**

Shares and participations recognised as financial investments are not publicly traded and their fair value cannot be reliably measured in any other way. Therefore, financial investments in shares and participations are recognised at cost less any impairment.

Term deposits are recognised using the adjusted cost method. The interest rate as at 31 December 2024 is 9% and the maturity date is in 2026.

NOTE 17. TANGIBLE F

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

	The object of the right of use Assets	Means of transport	Other equipment	Total
Balance as at 31 December 2022				
Acquisition cost	278,767	445,919	2,499	727,185
Accumulated depreciation	-55,753	-114,361	-139	-170,253
Residual value	**223,014**	**331,558**	**2,360**	**556,932**
Changes in 2023				
Adjustments (IFRS 16)	-42	0	0	-425
Sales (at residual value)	0	-21,018	0	-21,018
Depreciation expense	-55,753	-40,937	-	-98,355
Balance as at 31 December 2023				
Acquisition cost	278,342	336,259	2,499	617,100
Accumulated depreciation	-111,506	-66,656	-1,805	-179,967
Residual value	**166,836**	**269,603**	**694**	**437,133**
Changes in 2024				
Adjustments (IFRS 16)	-14,764	0	0	-14,764
Purchases and improvements	0	126,687	0	126,687
Depreciation	-50,691	-36,259	-694	-87,644
Other changes	0	-70,205	0	-70,205
Balance as at 31 December 2024				
Acquisition cost	263,578	364,985	2,499	631,063
Accumulated depreciation	-162,197	-75,160	-2,499	-239,855
Residual value	**101,381**	**289,826**	**0**	**391,207**

Interest expenses calculated on lease liabilities for the reporting year amounted to EUR 8,334 (2023: EUR 3,274) and rental payments made amounted to EUR 74,293 (2023: EUR 70,717). The 2024 income statement includes rental payments for short-term and low-value items in the amount of EUR 3,691 (2023: 3,474 euros).

NOTE 18. INTANGIBLE ASSETS

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

	Software	Unfinished projects	Other intangible fixed assets	Total
Balance as at 31 December 2022				
Acquisition cost	1,282,003	10,472	22,917	1,315,392
Accumulated depreciation	-529,033	0	0	-529,033
Residual value	**752,970**	**10,472**	**22,917**	**786,359**
Changes in 2023				
Purchases and improvements	11,464	0	15,708	27,172
Depreciation expense	-68,330	0	-1,833	-70,162
Other changes	0	-10,472	-22,917	-33,389
Balance as at 31 December 2023				
Acquisition cost	1,293,467	0	15,708	1,309,175
Accumulated depreciation	-597,363	0	-1,833	-599,195
Residual value	**696,104**	**0**	**13,876**	**709,980**
Changes in 2024				
Depreciation expense	-70,049	0	-3,142	-73,191
Other changes	0	0	0	0
Balance as at 31 December 2024				
Acquisition cost	1,293,467	0	15,708	1,309,175
Accumulated depreciation	-667,412	0	-4,974	-672,386
Residual value	**626,055**	**0**	**10,734**	**636,789**

NOTE 19. LOAN OBLIGATIONS OF

A pledge on shares in BB Finance OÜ with a nominal value of EUR 100,000 has been established as collateral for a long-term loan of EUR 1,000,000.
The Group has pledged part of its consumer credit portfolio with a carrying amount of EUR 5.7 million (31 December 2023: EUR 0.9 million) to secure a loan obligation of EUR 4.9 million (31 December 2023: EUR 0.6 million). Under the agreement, the Group must meet certain financial conditions on a quarterly basis. As at 31 December 2024 and 31 December 2023, all contractual conditions had been met.

Loan liabilities	31 December	31	Base currency	Maturity
Short-term loans received	5,337,086	5,951,133	EUR	
including interest rate of 4%-6%	36,258	33,633	EUR	2025
including interest rate of 7%–18%	5,300,828	5,917,500	EUR	2025
Long-term loans received	5,910,780	1,776,320	EUR	
including interest rate of 4%-6%	180,720	176,320	EUR	2026-2027
including interest rate of 8%-15%	5,730,060	1,600,000	EUR	2026-2027
Accrual-based interest liability	29,089	0	EUR	
Total loan liabilities	**11,276,955**	**7,727,453**	**EUR**	
including loan liabilities from related parties (Note 25)	2,225,000	2,245,000	EUR	

NOTE 20. DEBT SECURITIES ISSUED BY

The debt securities are secured by a pledge on the consumer credit loan portfolio in the amount of EUR 7,700,000. In addition, a fixed-term deposit agreement has been concluded in the amount of EUR 1,050,000. Under the debt securities agreement, the Group must meet certain financial conditions on a quarterly basis. As at 31 December 2024 and 31 December 2023, all contractual conditions had been met.

Debt securities	31 December 2024	31 December 2023	Base currency	Interest rate	Maturity
Long-term bonds	7,000,000	700,000	EUR	13	2026
Accrual-based interest liability	241,193	235,433	EUR		
Total debt securities	**7**	**235,433**	**EUR**		

NOTE 21. DEBTS TO SUPPLIERS AND OTHER LIABILITIES

Debts to suppliers and other liabilities	31.12.2024	31.12.2023
Debts to suppliers	133,404	96,990
Debts to contractors	87,058	109,148
Tax liabilities	83,235	86,961
Debts to credit consumers	192,495	205,636
Lease liabilities	99,971	167,297
Deferred income	397,432	539,061
Other current liabilities	699	0
Total trade payables and other liabilities	**994,295**	**1,205,093**
including debts to related parties (Note 25)	3,229	23,022

NOTE 22. TAX LIABILITIES

Tax liabilities and prepayments	31	31
Prepaid taxes	-210	-210
Payroll taxes	75,954	82,475
Value added tax	7,282	4,486
Total tax liabilities	**83,025**	**86,751**

NOTE 23. CASH FLOWS

The cash flow statement has been prepared using the indirect method. Profit before income tax has been adjusted for expenses, income and transactions that did not involve cash flows, including depreciation of fixed assets of EUR 160,834 (2023: EUR 168,518) and gains/losses arising from the sale/write-off of fixed assets.
income/expenses -5,231 EUR (2023: 9,018 EUR), interest income and expenses -4,139,655 EUR (2023: -2,758,381 EUR), other adjustments, of which changes in loan impairment losses totalled EUR 2,056,834 (2023: EUR 1,572,619) and balance adjustments and offsets totalled EUR -1,082,285
(2023: EUR -790,000).

BB Finance OÜ is a private limited company with a minimum share capital of EUR 100,000 and a maximum share capital of EUR 400,000 according to its articles of association. As at 31 December 2024, the share capital consists of 102,000 fully paid-up shares (31 December 2023: 102,000 shares). A share gives the shareholder the right to participate in the management of the private limited company and the distribution of profits in proportion to the value of the shares they hold, as well as the right to receive a corresponding share of the private limited company's assets upon its dissolution.

BB Finance OÜ is 51% controlled by shareholder Mart Kolu through the companies BB Finance Group OÜ and Credit Capital OÜ.

24.1. 's conditional income tax liability

The Group's retained earnings amounted to EUR 4,176,961 as at 31 December 2024 (31 December 2023: EUR 3,358,330). Dividends payable in 2025 are subject to income tax at a rate of 22/78. If the entire undistributed profit were paid out as dividends, the income tax expense would be EUR 918,931 (31 December 2023: EUR 657,259).

NOTE 25. TRANSACTIONS WITH RELATED PARTIES

For the purposes of preparing the Group's annual report, the following are considered related parties:

a. the parent company and other companies under its control or significant influence
b. affiliated companies
c. members of the management board and companies controlled by them
d. close relatives of the persons listed above and companies related to them

The following transactions were made with related parties during the financial year:

Receivables	31.12.2024	31 December 2023
Loan receivables (Note 13)	643,555	637,555
including members of the management board, private owners with significant holdings and companies under their control	643,555	637,555
Interest receivables (Note 14)	97,040	82
including members of the management board, private owners with significant holdings and companies under their control	97,040	82,998
Receivables for services rendered (Note 14)	182,848	178,623
including members of the management board, private owners with significant holdings and companies under their control	155,513	164,561
including members of the management board and private owners with significant holdings and companies under their control or significant influence	27,335	14,062
Other receivables (Note 14)	10,227	12,101
including members of the management board, private owners with significant holdings and companies controlled by them	10,227	12,101
Total claims of related parties	**933,669**	**911,277**

Liabilities	31	31.12.2023
Loan liabilities (Note 19)	2,225,000	2,245,000
including parent company	2,010,000	1,600,000
including members of the management board, private owners with significant holdings and companies under their control	200,000	600
including members of the management board and private owners with significant holdings close family members of the owners and companies under their control or significant influence	15,000	45,000
Debts to suppliers and other liabilities (Note 21)	3,229	23
including members of the management board, private owners with significant holdings and companies controlled by them	3,229	23,022
Total liabilities of related parties	**2,228**	**2,268**

Related party income and expenses:

Income	01.01 31.12.2024	01.01 31.12.2023
Interest income (Note 6)	14,041	13,945
including members of the management board, private owners with significant holdings and companies controlled by them	14,041	13,945
Other income	23,409	22,459
including close family members of management board members and private individuals with significant holdings and companies under their control or significant influence	23,409	22,459
Total income from related parties	**37,450**	**36,404**

Expenses	01.01 31.12.2024	01.01 31.12.2023
Interest expenses (Note 6)	-354,869	-468,949
including parent company	-329,186	-114,925
including members of the management board, private owners with significant holdings and companies under their control	-18,933	-344,458
including close family members of members of the management board and private owners with significant holdings and companies under their control or significant influence	-6,750	-9,566
Other expenses	-237,632	-250,796
including members of the management board, private owners with significant holdings and companies under their control	-237,632	-250,796
Total expenses of related parties	**-592,501**	**-719,745**

	01.01 31	01.01 31.12.2023
Fees paid to management	46,680	66,755

Loans have been granted and received between related parties with interest rates ranging from 1.5% to 18%. Claims on related parties have not been impaired due to impairment. Other transactions have been made on market terms.

NOTE 26. EVENTS AFTER THE REPORTING DATE

At the beginning of 2025, the Group's long-term loan obligations have increased by EUR 1.3 million. Dividends have been declared in the amount of EUR 181,000.

NOTE 27. SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY

27.1. 's parent company income statement

	2024	2023
Interest income	6,435,600	4,499,843
Interest expenses	-2,282,422	-1,731,793
Net interest income	**4,153,177**	**2,768,050**
Service fee income	1,529,905	1,539,656
Service fee expenses	-248,568	-189,361
Net service fee income	**1,281,337**	**1,350,295**
Profit (loss) from subsidiaries and associates	4,823	3,145
Other financial income and expenses	-110,679	-91,773
Other operating income	19,465	26,500
Other operating expenses	-	-9,074
Miscellaneous operating expenses	-1,062,055	-925,181
Labour costs	-977,848	-946,471
Depreciation and impairment of fixed assets	-125,392	-144,688
Significant write-downs of current assets	-2,056,834	-1,572,619
Profit before income tax	**1,125,934**	**458,184**
Income tax (-)	-47,054	-21,895
Total profit for the reporting year	**1,078,881**	**436,288**

27.2. 's report on the financial position of the parent company

	31	31
Assets		
Cash and cash equivalents	129,268	319,870
Loan receivables from customers	19,795,319	15,952,183
Other receivables from customers	1,546,038	950,920
Other assets	68,274	42,292
Investments in subsidiaries and associates	101,967	67,145
Financial investments	1,204,986	1,204,986
Tangible fixed assets	101,381	238,551
Intangible fixed assets	636,789	709,980
Total assets	**23,584,022**	**19,485,927**
Liabilities		
Loan liabilities	11,059,977	7,575,350
Debt securities	7,241,193	7,235,433
Debts to suppliers	133,404	96,990
Other tax liabilities	82,831	86,681
Other liabilities	777,656	1,021,142
Total liabilities	**19,295,061**	**16,015,597**
Equity		
Share capital at nominal value	102,000	102,000
Reserves	10,000	10,000
Retained earnings from previous periods	3,098,080	2,922,042
Profit for the reporting year	1,078,881	436,288
Total equity	**4,288,961**	**3,470,330**
Total liabilities and equity	**23,584,022**	**19,485,927**

27.3. 's parent company cash flow statement

	2024	2023
Cash flows from operating activities		
Profit before income tax	1,125,934	458,184
Adjustments		
Depreciation and impairment of fixed assets	120,161	153,706
Interest income and expenses	-4,153,177	-2,768,050
Other adjustments	969,726	780,156
Total adjustments	**-3,063,291**	**-1,834,188**
Change in trade receivables and prepayments	-4,417,940	-4,903,175
Change in liabilities and prepayments related to business activities	-143,597	279,567
Interest received	5,541,451	3,840,686
Total cash flows from operating activities	**-957,443**	**-2,158,927**
Cash flows from investing activities		
Paid for acquisition of tangible and intangible fixed assets	0	-16,700
Proceeds from the sale of tangible and intangible fixed assets	18,405	12
Paid for the acquisition of other financial investments	0	-1,054,990
Loans granted	-	-5,800
Interest received	103,646	45,819
Other payments from investment activities	-30,000	-2,500
Total cash flows from investing activities	**86,050**	**-1,022,171**
Cash flows from financing activities		
Loans received	7,902,698	11,362,000
Repayments of loans received	-4,845,413	-6,978,000
Repayments of principal on finance leases	-53,381	-65,318
Interest paid	-2,015,810	-1,496,359
Dividends paid	-260,250	-134,500
Corporate income tax paid	-47,054	-21,895
Total cash flows from financing activities	**680,790**	**2,665,928**
Total cash flows	**-190,602**	**-515,170**
Cash and cash equivalents at the beginning of the period	319,870	835,040
Change in cash and cash equivalents	**-190,602**	**-515,170**
Cash and cash equivalents at end of period	129,268	319,870

27.4. 's statement of changes in equity of the parent company

	Share capital	Reserves	Undistributed profit	Equity total
Balance as at 31 December 2022	**102,000**	**10,000**	**3,094,042**	**3,206,042**
Profit for the reporting year	0	0	436,288	436,288
Dividends paid	0	0	-134,500	-134,500
Other changes in equity	0	0	-37,500	-37,500
Balance as at 31 December 2023	**102,000**	**10**	**3,358,330**	**3,470,330**
Profit for the reporting year	0	0	1,078,881	1,078,881
Dividends paid	0	0	-260,250	-260,250
Balance as at 31 December 2024	**102,000**	**10**	**4,176,961**	**4,288,961**
Carrying amount of controlling and significant influence interests	0	0	-101,967	-101,967
Value of holdings under control and significant influence calculated using the equity method	0	0	101,967	101,967
Adjusted unconsolidated equity as at 31 December 2024	**102,000**	**10,000**	**4,176,961**	**4,288,961**

Digital signatures on the report

The report closing date is: 30 June 2025

BB Finance OÜ (registry code: 11306564) The accuracy of the data in the financial statements for the financial year 01.01.2024 - 31.12.2024 has been digitally certified by:

Signatory's name	Signatory's role	Date of signature
URMO KOKMANN	Member of the Management Board	30

Status of approval of the report by the shareholders' meeting

Approved by the shareholders' meeting

INDEPENDENT AUDITOR'S REPORT

To the shareholder of BB Finance OÜ

Opinion

We have audited the consolidated financial statements of BB Finance OÜ and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December2024 and for the year then ended, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the section of our report entitled "Auditor's Responsibilities in Connection with the Audit of the Consolidated Financial Statements". We are independent of the group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including 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 consolidated financial statements or our auditor's report. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we are required to disclose whether the information presented in the management report complies with applicable legal requirements.

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

Responsibilities of management and those charged with governance in relation to the consolidated financial statements

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

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

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

Responsibilities of the auditor in relation to the audit of the consolidated financial statements

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that a material misstatement, if it exists, will always be detected in an audit conducted in accordance with International Standards on Auditing (Estonia). 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 the consolidated financial statements.

We exercise professional judgement in accordance with International Standards on Auditing (Estonia) and maintain professional scepticism throughout the audit. We also do the following:

- identify and assess the risks of material misstatement of the consolidated 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.

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.

- We obtain an understanding of the relevant internal controls 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 group's internal controls.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management and the disclosures related to them.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether whether there is significant uncertainty about events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the auditor's report. However, future events or conditions may affect the group's ability to continue as a going concern;
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the group's entities or business activities to express an opinion on the group's consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We are solely responsible for our audit opinion.

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.

/digitally signed/ Eero Kaup
Certified Auditor No. 459

KPMG Baltics OÜ
Audit firm licence number 17 Ahtri 4, Tallinn,
Harju County, 10151
30 June 2025

Auditors' digital signatures

BB Finance OÜ (registry code: 11306564) The auditor's report accompanying the financial statements for the financial year 01.01.2024 - 31.12.2024 has been digitally signed by:

Signatory's name	Role of the signatory	Time of signing
EERO KAUP	Certified auditor	30

Breakdown of sales revenue by business segment

Field of activity	EMTAK code	EMTAK version	Sales revenue (EUR)	Sales revenue %	Main activity
Other lending, except pawnbroking	**64929**	**EMTAK 2025**	**0**		**Yes**