

SW Finance OÜ

Annual report for the year ended 31 December 2024

Prepared in accordance with
the Estonian financial reporting standard
together with independent auditors' report
Translation of the Estonian original

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General information

Name of the company	SW Finance OÜ
Legal status of the company	Private limited company
Registry code	16774146
Registered address	Viru väljak 2, 10111 Tallinn, Estonia
Telephone	+372 6000393
E-mail address	info@swaper.com
Board Member	Indrek Puolokainen
Financial year	01.01.2024 - 31.12.2024

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Management report

General description of SW Finance OÜ activities

SW Finance OÜ was established on 10.07.2023 with the aim of supporting the business activities of the parent company Swaper Platform OÜ. SW Finance OÜ's main activity is the issuing of loans to business enterprises. According to Estonian laws, SW Finance OÜ received license from the Financial Intelligence Unit on 21.11.2023 in order to operate as financial institution for borrowing and lending operations.

To finance the development of the loan portfolio, SW Finance OÜ raised financing through an intragroup loan from the mother company. Additional financial resources were raised through the sale of loan receivables through a marketplace platform owned and managed by the mother company. As of the end of 2024, SW Finance OÜ had granted loans to three companies.

The company operates in the non-bank lending sector, which has experienced significant shifts in recent years due to geopolitical tensions and fluctuations in Euribor interest rates. Despite these external challenges, broader European economic indicators have shown signs of improvement, which has contributed to a more favourable business environment. While such trends provide grounds for cautious optimism, the company has not yet observed significant cyclicity in its lending activities.

In 2024, SW Finance OÜ earned a gross profit of EUR 46,293 (2023: 1,547) and a net loss of EUR 29,768 (2023: 18,928). These results reflect the company's disciplined risk management and execution of its operations in its first full year.

In terms of risk management, SW Finance OÜ has chosen a conservative approach, operating only in euros and cooperating only with companies registered in the European Union. This strategy allows the company to maintain a focused risk profile that is closely aligned with the EU economic and regulatory landscape. Looking ahead, SW Finance OÜ remains committed to expanding its cooperation with the claims buying-selling marketplace Swaper Platform OÜ, while maintaining a prudent financial and risk management framework to ensure long-term sustainability and value creation for its stakeholders.

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Financial Statements

Statement of profit and loss

	EUR	EUR
	2024	10.07.2023- 31.12.2023
Net Sales ²	2 401 397	8 808
Cost of sales ³	(2 355 104)	(10 355)
Gross profit / (loss)	46 293	(1 547)
Administrative expense ⁴	(28 228)	(15 142)
Other expenses	(329)	0
Total operating profit / (loss)	17 736	(16 689)
Interest expense ⁵	(47 504)	(2 239)
Profit / (loss) before income tax	(29 768)	(18 928)
Net profit / (loss) for the reporting period	(29 768)	(18 928)

Statement of financial position

ASSETS	31.12.2024	31.12.2023
Non-current assets	EUR	EUR
Receivables and prepayments ⁷	14 639 460	2 013 035
Total Non - Current Assets	14 639 460	2 013 035
Current Assets		
Receivables and prepayments ⁷	1 966 667	708 285
Cash and cash equivalents ⁸	14 005	1 500
Total Current Assets	1 980 672	709 785
TOTAL ASSETS	16 620 132	2 722 820
EQUITY AND LIABILITIES		
Equity		
Issued capital ⁹	2 500	2 500
Previous period profit / (loss)	(18 928)	0
Profit / (loss) for the reporting year	(29 768)	(18 928)
TOTAL EQUITY	(46 196)	(16 428)
Liabilities		
Non-current Liabilities		
Loan liabilities ¹⁰	15 049 523	2 713 033
Total Non-current Liabilities	15 049 523	2 713 033
Current Liabilities		
Loan liabilities ¹⁰	1 396 265	8 577
Payables and prepayments ¹¹	220 540	17 638
Total Current Liabilities	1 616 805	26 215
TOTAL LIABILITIES	16 666 328	2 739 248
TOTAL EQUITY AND LIABILITIES	16 620 132	2 722 820

Notes to the Financial Statements

1. Accounting policies

General information

The financial statements of SW Finance OÜ have been prepared in accordance with the Estonian financial reporting standard. The Estonian financial reporting standard is based on International Financial Reporting Standard (SME), the main requirements of which are established in the Accounting Act and which are supplemented by the guidelines issued by the Accounting Standards Board.

The financial statements are prepared on a historical cost basis. The Company has prepared a small companies' abridged financial statements. Company continues to operate.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Financial assets

A financial asset is an asset that is:

- a) cash;
- b) a contractual right to receive cash or other financial assets from another party (e.g. trade receivables);
- c) a contractual right to exchange financial assets with another party under conditions that are potentially advantageous (e.g. derivatives with a positive fair value);
- d) an equity instrument of another entity (e.g. an investment in the shares of another entity).

Financial assets and financial liabilities are initially recognised at cost, which is the fair value of the consideration given or received for the financial asset or liability. Cost includes all transaction costs directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the company loses the right to receive cash flows from the financial asset or transfers substantially all the risks and rewards of the financial asset to a third party.

Cash

Cash and cash equivalents comprise cash at bank. The currency used in the annual accounting reports is the euro (€).

Foreign currency transactions and assets and liabilities in foreign currency

The functional and presentation currency of the Company is the euro (EUR). Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the official exchange rate of the European Central Bank on the last day of the reporting year. Gains and losses arising from changes in exchange rates are recognised in the income statement as a net amount.

Receivables and prepayments

Trade receivables, as well as other short-term and long-term receivables are recognized and carried at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when recovery is deemed impossible.

Financial liabilities

Financial liabilities include unpaid invoices to suppliers, accruals and other short- and long-term debt obligations.

Financial liabilities are initially recognized at their acquisition cost, which is the fair value of the consideration received for the given financial liability.

The original acquisition cost includes all transaction costs directly related to the financial liability.

Financial liabilities are recorded in the balance sheet at the adjusted acquisition cost. The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recorded in the balance sheet at the amount due. In order to calculate the adjusted acquisition cost of long-term financial liabilities, they are initially taken into account at the fair value of the consideration to be paid, taking into account the interest expense from the liabilities in subsequent periods using the internal interest rate method.

A financial liability is removed from the balance sheet when it is satisfied, terminated or expired.

Net sales

Net sales are recognized to the extent that it is probable that the economic benefits will flow to the company and that the amount of revenue can be measured reliably. Revenue is net of VAT and sales-related discounts. Revenue is recognized over the period in which the services are provided.

The company earns income from the agreed interest on loan agreements. According to the agreements, the company earns a fixed interest on each loan issued.

Expenses

Expenses are recorded on an accrual basis. Costs are reported without VAT. In certain situations, the Estonian Tax and Customs Board does not refund the VAT paid for services or the VAT calculated based on the requirements of the law in full. In this case, the VAT is recorded as part of the corresponding expense item. The same principles apply if the VAT is not refundable on the acquisition of the property.

Corporate income tax

According to the Income Tax Act currently in force in Estonia, the companies registered in Estonia shall not pay income tax on earned profits. The companies pay income tax on profits distributed as dividends or other profit distributions, including payments made from equity which exceed the monetary and non-monetary contributions made into the equity of the company when they are paid out either in monetary or non-monetary form.

Related parties

Parties are considered related parties when one party has control over the other or has significant influence over the other party's business decisions. According to the given description, the company considers the following as a related party: parent company, board members and companies under their dominant and significant influence, their close family members and companies under their dominant and significant influence.

2. Net Sales

Net sales by geographical location	2024	10.07.2023- 31.12.2023
Net sales in European Union		
Estonia	361	8 808
Latvia	1 550 938	0
Poland	850 098	0
Total net sales in European Union	2 401 397	8 808
TOTAL NET SALES	2 401 397	8 808

Net sales by operating activities

Interest on issuing loans	2 401 397	8 808
TOTAL NET SALES	2 401 397	8 808

3. Cost of sales

	2024	10.07.2023- 31.12.2023
Labor expenses	(22 576)	(1 735)
Interest expenses for loans from P2P platform users	(1 846 161)	(6 858)
Commission costs	(486 367)	(1 762)
Total	(2 355 104)	(10 355)

4. Administrative expense

	2024	10.07.2023- 31.12.2023
Training cost	(1 253)	0
Other	(28)	0
Bank fees	(5 500)	(1 000)
Legal and other professional services	(6 787)	(10 842)
Auditor fees	(14 660)	(3 300)
Total	(28 228)	(15 142)

5. Interest expense

	2024	10.07.2023- 10.07.2023
Interest expense from loans received	(47 504)	(2 239)
Total	(47 504)	(2 239)

6. Labor expense

	2024	10.07.2023- 31.12.2023
Wages and salaries	(15 560)	(1 735)
Social security taxes	(5 703)	(438)
Total	(21 263)	(2 173)

Number of employees

	2024	10.07.2023- 31.12.2023
Average number of employees in full time equivalent units	1	1
Average number of employees by types of employment:		
• Person employed under employment contract	1	1

7. Receivables and prepayments

	31.12.2024	Allocation by remaining maturity	
		within 12 months	1 - 5 years
Trade receivables	4 600	4 600	0
Loan receivables	14 639 460	0	14 639 460
Other receivables	1 962 067	1 962 067	0
Accrued interest	105 926	105 926	0
Accrued income	1 856 141	1 856 141	0
Total	16 606 127	1 966 667	14 639 460

	31.12.2023	Allocation by remaining maturity	
		within 12 months	1 - 5 years
Loan receivables	2 013 035	0	2 013 035
Other receivables	708 285	708 285	0
Accrued interest	8 199	8 199	0
Other receivables	700 086	700 086	0
Total	2 721 320	708 285	2 013 035

Loan receivables base currency is euro, the interest rate is 20% and the term is 31.12.2028.

8. Cash and cash equivalents

	31.12.2024	31.12.2023
Cash at bank	14 005	1 500
Total	14 005	1 500

9. Issued capital

	31.12.2024	31.12.2023
Issued capital	2 500	2 500
Number of parts	1	1

10. Loan liabilities

	31.12.2024	Within 12 months	1- 5 years	Interest rate	Base currency
Funding attracted through peer-to-peer platform	15 725 788	1 396 265	14 329 523	14-16%	EUR
Loan from mother company	720 000	0	720 000	6.5%	EUR
Total	16 445 788	1 396 265	15 049 523		
	31.12.2023	within 12 months	1- 5 years	Interest rate	Base currency
Funding attracted through peer-to-peer platform	2 021 610	8 577	2 013 033	14-16%	EUR
Loan from mother company	700 000	0	700 000	6.5%	EUR
Total	2 721 610	8 577	2 713 033		

11. Payables and prepayments

	31.12.2024	Within 12 months
Trade payables	45 939	45 939
Contractor payables	3 080	3 080
Tax payables ¹³	1 147	1 147
Other payables	170 374	170 374
Total	220 540	220 540

	31.12.2023	Within 12 months
Trade payables	12 244	12 244
Contractor payables	1 297	1 297
Tax payables ¹³	438	438
Other payables	3 659	3 659
Other accruals	3 659	3 659
Total	17 638	17 638

12. Employee payables

	31.12.2024	31.12.2023
Salary payable	2 194	1 735
Total	2 194	1 735

13. Tax prepayments and liabilities

	31.12.2024	31.12.2023
Personal income tax	250	0
Social tax	856	428
Unemployment insurance tax	41	10
Total	1 147	438

14. Related parties

Name of the reporting entity's parent company

Swaper Platform OÜ

The country where the reporting entity's parent company is registered

Estonia**Related party balances according to groups**

CURRENT	31.12.2024	31.12.2023
Receivables and prepayments		
Mother company	0	263 032
Total loan liabilities	0	263 032
Loan liabilities		
Mother company	1 263 097	0
Total loan liabilities	1 263 097	0
Payables and prepayments		
Mother company	284 238	520
Total loan liabilities	284 238	520
NON-CURRENT	31.12.2024	31.12.2023
Loan liabilities		
Mother company	15 182 691	2 721 610
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 194	1 735
Total loan liabilities	15 184 885	2 723 345

Loan liabilities	10.07.2023	Receivables	Repayments of receivables	31.12.2023	Accrued interest
Mother company	0	2 450 000	0	2 450 000	9 097
Loan liabilities	31.12.2023	Receivables	Repayments of receivables	31.12.2024	Accrued interest
Mother company	2 450 000	27 160 000	13 297 379	16 312 621	1 893 664
Purchases of services			2024 Services	10.07.2023-31.12.2023 Services	
Mother company			478 567	1 762	
Total			478 567	1 762	
Remuneration and other significant benefits calculated for members of management and highest supervisory body			2024	10.07.2023-31.12.2023	
Remuneration			15 560	1 735	

15. Events after the reporting date

The operating results for 2024 will result in a negative equity position, but the following months' business operations are profitable, and the equity requirement is fulfilled.

During 2025, the company continued its normal business operations. To our knowledge, no events have occurred after the balance sheet date and before the approval of the report that have not been disclosed or taken into account by management, but which would affect the company's financial statements.

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Signatures

Date of completion of the Annual Report is: 18.09.2025.

The correctness of information in the annual report of SW Finance OÜ (registry code: 16774146) of 01.01.2024 - 31.12.2024 has been confirmed by:

Name of the signatory	Role of the signatory	Date
Indrek Puolokainen	Member of the Board	 18.09.2025

Shareholder meeting approval status of the report

Approved by the meeting of shareholders.

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Independent auditors' report

(Translation from Estonian original)

For shareholders of SW Finance OÜ

Opinion

We have audited the annual financial statements of SW Finance OÜ (the company), which comprise the balance sheet as at 31.12.2024 and the income statement for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the company as at 31.12.2024 and its financial performance for the year then ended in accordance with Estonian Financial Reporting Standards.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the "Responsibilities of the Statutory Auditor 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 the Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management is responsible for the other information. The other information includes the management report, but does not include the annual financial statements or our auditor's report. Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that the other information is materially misstated, we are required to report that fact. We have no further responsibility to report on this matter.

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 Estonian Financial Reporting Standards, 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 required to assess the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's accounting process.

Auditor's Responsibilities in Relation to the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 is not a guarantee that a material misstatement will always be detected when it exists 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 annual accounts.

We exercise professional judgment in conducting our audit in accordance with International Standards on Auditing (Estonia) and maintain professional skepticism 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 sufficient appropriate audit evidence 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, 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 entity's internal control;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the 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 entity'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 annual 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 auditor's report. However, future events or conditions may cast significant doubt on the entity's ability to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts present the underlying transactions and events in a manner that achieves fair presentation.

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

(Estonian original signed digitally)
Sergei Tšistjakov
Certified Public Accountant (EE)
CPA #: 481

Assertum Audit OÜ
Auditing Activities Permission #: 62
Lõõtsa 2A Tallinn, 11415
18 September 2025